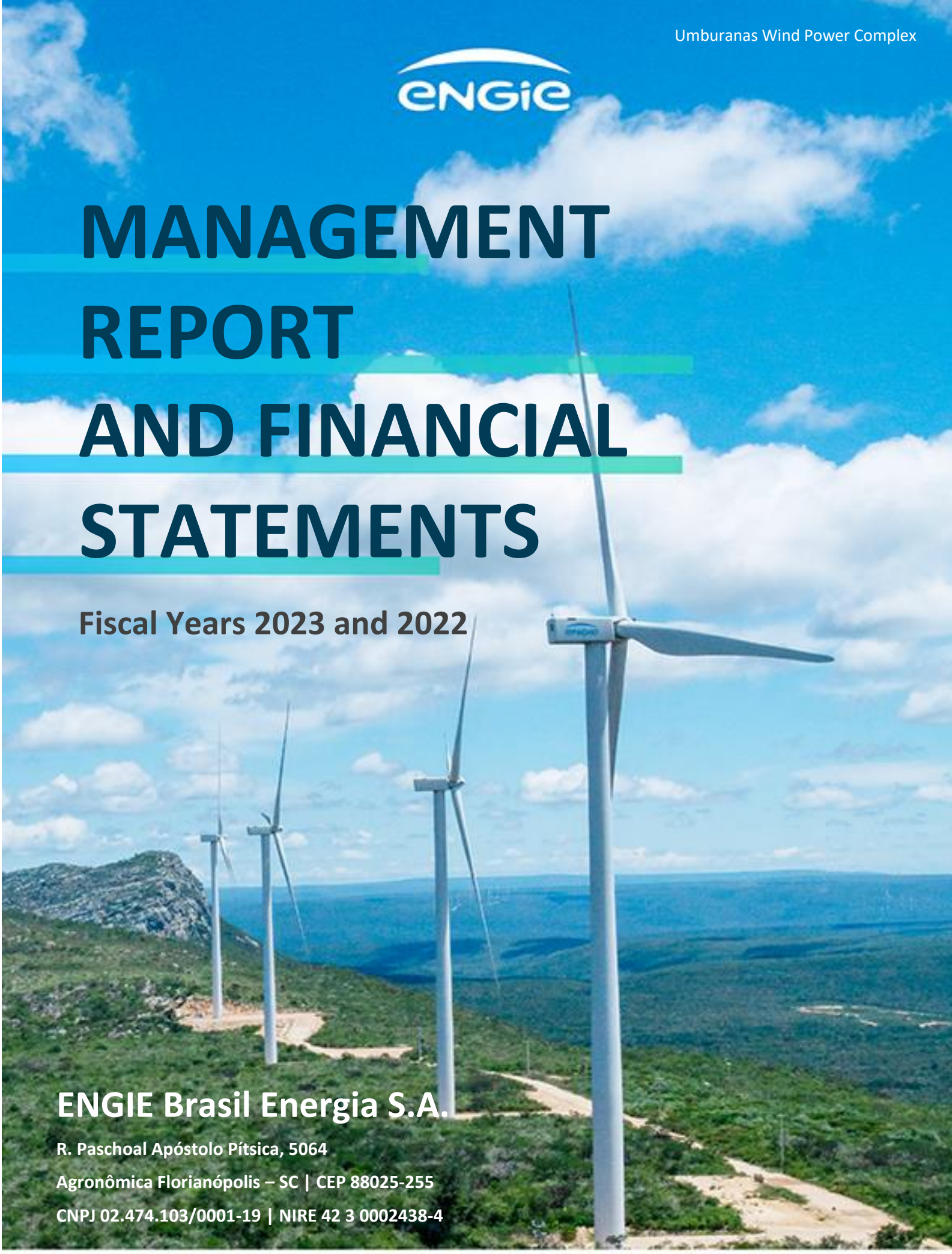


MANAGEMENT REPORT AND FINANCIAL STATEMENTS

Fiscal Years 2023 and 2022

ENGIE Brasil Energia S.A.

R. Paschoal Apóstolo Pítsica, 5064

Agronômica Florianópolis – SC | CEP 88025-255

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

EGIE
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IBOVESPA B3 IEE B3 ITAG B3 ISE B3 ICO2 B3

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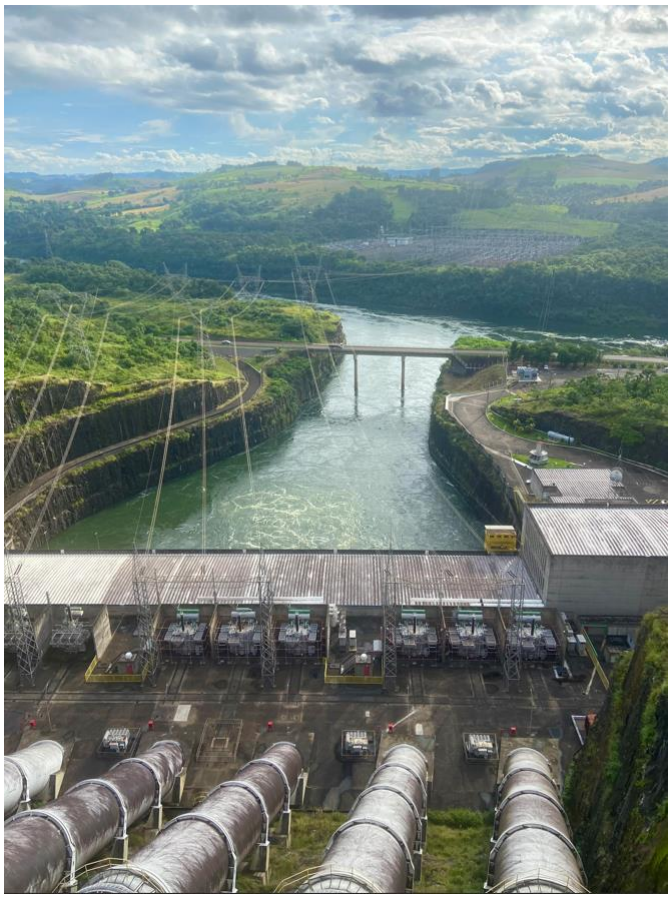
ACL: Free Contracting Environment
ACR: Regulated Contracting Environment
ADR: American Depositary Receipts
ANA: National Water and Basic Sanitation Agency
Aneel: National Electric Energy Agency
ANP: National Petroleum, Natural Gas and Biofuel Agency
ASM: Annual Shareholders Meeting
B3: Brasil, Bolsa, Balcão
BASA: Banco da Amazônia
BD: Defined Benefit
BNB: Banco do Nordeste do Brasil
BNDES: Brazilian Development Bank
BNP: Banque Nationale de Paris
BSPS: Proportional Paid Supplementary Benefit Plan
CAR: Risk Aversion Curve
CARF: Administrative Council of Tax Appeals
CBD: Convention for Biological Diversity
CCC: Fuel Consumption Account
CCEE: Electricity Trading Chamber
CD: Defined Contribution
CDE: Energy Development Account
CDI: Interbank Deposit Certificate
CDPQ: Caisse de Dépôt et Placement du Québec
CFC: Brazilian Federal Accounting Council
CFH: Cash Flow Hedge
CGU: Office of the Federal Controller General
CIPA: Internal Accident Prevention Commission
COFINS: Contribution to Finance Social Security
CPC: Accounting Pronouncements Committee
CSC: Supervision and Control Center
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
EBIT: Earnings Before Interest and Taxes
EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization
EITI: Extractive Industries Transparency Initiative
EPE: Energy Research Office
ESG: Environmental, Social and Governance
ESS: System Service Charges
FIA: Children and Adolescent Fund
FNDCT: Brazil's Scientific and Technological Development Fund
FPB: Gross Payroll
FVH: Fair Value Hedge
GAG: Generation Assets Management
GC: Confidentiality Bonus
GDP: Gross Domestic Product
GFOM: Generation Diverging from the Order of Merit
GHG: Greenhouse Gases
GJ: Gigajoule
GPC: People and Culture Management
GRI: Global Reporting Initiative
GSF: Generation Scaling Factor
GW: Gigawatt
GWh: Gigawatt-hour
HSBC: Hong Kong and Shanghai Banking Corporation
HPP: Hydroelectric Power Plant
IASB: International Accounting Standards Board
IBGC: Brazilian Corporate Governance Institute
ICMS: State tax on the circulation of goods and transportation and communication services
ICSD: Debt Service Coverage Ratio
IEE: Electricity Sector Index
IFRS: International Financial Reporting Standards
IGC: Index for Stock with Differentiated Corporate Governance
IGP-M: General Market Price Index
ILO: International Labour Organization
INMET: National Meteorology Institute
INPC: National Consumer Price Index
INPE: National Institute of Space Researches
INSS: National Social Security Institute
IoE: Interest on Equity
IPCA: Consumer Price Index - Comprehensive
IPCC: Intergovernmental Panel on Climate Change
IR: Income Tax
IRPJ: Corporate Income Tax
ISE: Corporate Sustainability Index
ISO: International Organization for Standardization
ISSQN: Tax on Services of Any Nature
ITAG: Special Tag-Along Stock Index
KM: Kilometer
LGPD: Brazil's General Data Protection Law
LNG: Liquified Natural Gas
LO: License to Operate
LTI: Long-Term Incentive
MCTI: Ministry of Science, Technology and Information
MME: Ministry of Mines and Energy
MRE: Energy Reallocation Mechanism
MUFG: Mitsubishi UFJ Financial Group
MW: Megawatt
MW_{ac}: Megawatt Alternate Current
MWh: Megawatt-hour
MWm: Average Megawatt
MW_p: Megawatt Peak
NCAHS: Non-Current Assets Held for Sale
NDF: Non-Deliverable Forward
NGO: Non-Governmental Organization
OCI: Other Comprehensive Income
OECD: Organization for Economic Co-operation and Development
O&M: Operation and Maintenance
ONS: National Electricity System Operator
OTC: Over-The-Counter
PBGHGP: Brazilian GHG Protocol Program
PDI: Personal Development Program
PDV: Voluntary Redundancy Plan
PGRS: Solid Waste Management Plan
PIS: Social Integration Program
PLD: Differences Settlement Price
PLR: Profit Sharing
PREVIC: National Superintendence of Complementary Pension Plan
PREVIG: Complementary Pension Plan Company
PwD: People with Disabilities
QPA: Membership Interest Sale Agreement

RAG: Annual Generation Revenue
RAP: Allowed Annual Revenue
RBO: Return of Grant Bonus
RD&I: Research, Development and Innovation Projects
R&D: Research and Development Program
RL: Net Revenue
RO: Operating Revenue
ROE: Return on Equity
ROIC: Return on Invested Capital
RPS: Redeemable Preferred Shares
RTP: Periodical Tariff Review
SASB: Sustainability Accounting Standards Board
SBTi: Science Based Targets
SDG: Sustainable Development Goals
SHPP: Small Hydroelectric Power Plant
SIG: Integrated Management System
SIN: National Interconnected System
SIPAT: Internal Week for Prevention of Occupational Accidents
SPA: Share Purchase Agreement
SPE: Special Purpose Entity
SST: Occupational Health and Safety
STF: Supreme Court
STJ: Superior Court of Justice
TF: Frequency Rate
TG: Gravity Rate
TJLP: Long-Term Interest Rate
TNFD: Taskforce on Nature-related Financial Disclosure
TPP: Thermal Power Plant
UBP: Use of Public Asset
UG: Generating Unit
UN: United Nations
V.M.: Inflation Adjustment
VAT: Total Value Added

MANAGEMENT REPORT

Dear Shareholders,

The Management of ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia" or "Company") is pleased to submit for your appreciation the **Management Report and the corresponding Financial Statements for fiscal years 2023 and 2022**, in accordance with international practices and those adopted in Brazil. The Management Report is accompanied by the reports of the Independent Auditors, Fiscal Council and Audit Committee for the year ending 12.31.2022. The data shown in the Management Report is stated in millions of Reais and on a consolidated basis, unless otherwise stated.



This document complies with the requirements of Law 6,404/76, the Brazilian Securities and Exchange Commission (CVM) regulations and the Accounting Manual of the National Electric Energy Agency (Aneel). Even though the Report is directed primarily at the Company's shareholders, it can be accessed by the public on the websites of ENGIE Brasil Energia, CVM and B3 (B3 S.A. – Brasil, Bolsa, Balcão). In compliance with Brazilian legislation, it is also published in the press of the state in which the Company's head offices are located - Santa Catarina.

Complementary to the information published in this document, the Company also publishes, at the end of April, its Sustainability Report, with a more comprehensive content, according to the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) frameworks.

Message from the Management

In 2023, we celebrated ENGIE Brasil Energia's 25 years of existence: **a quarter of a century during which the world, the country and the businesses changed at breakneck speed**. A transformation driven by technological revolution and fresh dynamics of production, consumption, work, and interaction combined with the growing – and necessary – preoccupation with sustainability.

We are proud to have seen our Company not only accompanying this movement but also how each challenge – inherent to any change – has been transformed into a **major opportunity for multiplying results, developing resilience, innovating, and generating a positive impact on people and the planet**. Together, our discipline and long-term vision have enabled us to meet the challenge of volatility in the business environment and contribute to the gradual evolution of the Brazilian electric power sector: achievements completely aligned with **acting to accelerate the transition to a carbon neutral economy**, a proposal which guides the ENGIE Group worldwide.

In this context, our evolution has been impressive: from 3.7 GW of hydro-thermal generation capacity in 1998 to **8.3 GW of proprietary installed capacity, 100% renewable, and with broad-based diversification of sources**. This has only been made possible because our teams have dedicated themselves intensely over time to integrating hydro sources into the energy matrix, testing, and implementing new technologies, restructuring the business and expanding the operations – mainly through entry into the transmission segment. And we have grown, supporting the sustainable development of the country.

Thus, we come to the end of 2023, which will be marked in our history as the **year in which we successfully concluded our exit from coal-fired operations, lifting ENGIE Brasil Energia to the position as the largest 100% renewable generator in the country**. And we do not intend to stop there. After investing R$ 22 billion in the expansion of renewables and transmission over the past eight years, our forecast is to invest at least another R$ 14 billion by 2025 in wind and photovoltaic complexes, and also a new transmission system.

We are working daily to generate and share value in a sustainable manner – and we are convinced that there is no other way but to focus on ESG. Consequently, in 2023 we enhanced our **Journey for the Climate, a program aimed at providing structured guidance on actions and targets for mitigating and adapting to climate change**. On another front, we made efforts to verify the stage of maturity of our suppliers in relation to ESG in order to support these companies - of different sizes and sectors - in the continuous improvement of good socio-environmental and governance practices. Internally, **we have maintained initiatives to ensure a healthy, safe, and truly inclusive working environment that fosters development and prosperity.**

The year's achievements were reflected in the **4.7% growth in adjusted Ebitda and 23.8% in the adjusted net income, compared to 2022**, inspire ENGIE Brasil Energia to forecast an even more promising future. As from January 2024, **the opening of the Free Energy Market to companies linked into the high and medium voltage network, will reinforce our purpose, permitting us to contribute to the decarbonization of an increasing number of customers**. Confident in the expansion of this market – which consumption increased 10% in 2023 – the Company is maintaining its rate of investment, alert to the sectorial scenario, which has been indicating a need for regulatory adjustments in our business environment.

We have sought to contribute proactively with change so that the full potential of Brazil in generating accessible, competitive, reliable, and sustainable energy can become a reality, driving domestic socio-economic development. **We continue believing that the country represents an agent relevant to a global carbon-neutral economy – a transition which is increasingly more urgent for tackling climate change and its impacts, which transcend frontiers.**

We wish to thank all, both individuals and institutions, which have been supporting this mission over the past 25 years and believe in the capacity of ENGIE Brasil Energia to deliver sustainable results with discipline, consistency and absolute respect for people and the planet.

Maurício Stolle Bähr
Chairman of the Board of Directors

Eduardo Antonio Gori Sattamini
Chief Executive Officer

AWARDS AND RECOGNITIONS CONQUERED IN 2023

Member of B3's 2024 Corporate Sustainability Index (ISE) – for the 19th consecutive year since the advent of the ISE.

ECO Award - category "Sustainability Practices" – Sustainability in Processes with the Matriz Biodiversidade Program.

Member of **B3's 2024 Carbon Efficient Index (ICO2)** Portfolio for the fourth time – since the qualification for the assessment, as a participant in the IBRX 100.

Expressão de Ecologia Award, in the technology category. Winning project: Pilot Project to protect the pintado-amarelo species at the Machadinho Hydroelectric Plant.

Outstanding Award in energy sector at Exame Melhores do ESG 2023 Award.

Presence in all categories of **Institutional Investor Magazine Ranking (*Electric & Other Utilities - Latin America*).**

Best reputation in the country – energy segment – Caliber Reputation Index.

Presence in the **S&P Global Sustainability Yearbook**, at Electric Utilities category.

Empresa Pró-Ética Seal 2022-2023 promoted by Instituto Ethos and Controlaria-Geral da União.

Advancement to **A- Rating in CDP Climate Change 2023**.

Evolution in performance – main indicators

Indicators	2023	2022	Change
Operational and commercial			
Plants in operation	81	76	5
Installed capacity in operation (MW)	10,034.0	10,174.0	-1.4%
Proprietary installed capacity (MW)	8,324.1	8,453.3	-1.5%
Proprietary installed capacity from renewable sources (%)	100	95.9	4.1p.p.
Energy sales (GWh)	35,816	37,932	-5.6%
Energy sales (MWm)	4,088	4.330	-5.6%
Net average selling price (BRL/MWh)	226.4	222.9	1.6%
Number of clients attended (ACL)	1,408	982	43.4%
Economic-financial (BRL million)			
Net operating revenue	10,748	11,907	-9.7%
Ebitda	7,285	6,790	7.3%
Adjusted Ebitda	7,270	6,941	4.7%
Net income	3,429	2,665	28.7%
Adjusted net income	3,421	2,764	23.8%
Total debt (Debt instruments, net of hedge effects)	20,905	18,150	15.2%
Investments (BRL million)	2,945	3,150	-6.5%
Adjusted ROE[1] (%)	34.9	32.7	2.2 p.p.
Adjusted ROIC[2] (%)	20.3	20.3	0.0 p.p.
Earnings per share (BRL)	2.34	3.32	-29.5%
Average price per share[3] (BRL)	40.47	36.71	10.2%
Environmental			
Seedlings donated and planted (thousands)	233	266	-12.4%
Participants – program of visits and environmental education (thousands)	122	186	-34.4%
Water withdrawal (thousands of megalitres)	3.7	6.0	-38.3%
Waste generated (millions of tons)	174	927	-81.2%
Intensity of CO_2 ($KgCO_2$/MWh) emissions	0.0131	0.0339	-61.4%
Social responsibility (R$ thousand)			
Non-incentivized resources	8,338	4.888	70.6%
Incentivized resources (Rouanet, FIA, etc)	10,339	16,486	-37.3%
Human capital			
Number of employees (as at December 31)	1,099	1,215	-9.5%
Percentage of women in the labour force	29.4%	26.7%	2.7 p.p.
Investment in training and development (BRL million)	6.8	5.7	19.3%
Total number of training hours	79,622	70,243	13.4%
Frequency Rate (FR): own employees[4]	0.00	0.00	-
Frequency Rate (FR): service providers[4]	0.92	1.29	▽
Severity Rate (SR) own employees[5]	0.00	0.00	-

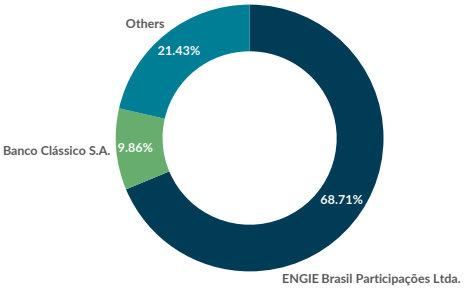
(1) ROE: net income over the last four quarters /shareholders equity.
(2) ROIC: effective rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits linked to debt service + SE).
(3) Average price of the average daily transactions, adjusted by earnings.
(4) FR = number of accidents in every million hours of exposure to risk.
(5) SR = number of days lost with work related accidents in every thousand hours of exposure to risk.

OUR COMPANY

ENGIE Brasil Energia is an investment platform in energy infrastructure, active in generation, commercialization, trading and transmission activities. To these activities is added the transportation of natural gas, carried out by Transportadora Associada de Gás – TAG, in which the Company holds a shareholding.

Publicly held corporation, maintains common shares listed on B3 under the code EGIE3 - at the end of 2023, there were 815,927,740 common shares listed on B3, with share capital totalling R$ 4,903 million. It is also part of the North American over-the-counter market, trading Level I American Depositary Receipts (ADRs), identified as EGIEY – at a ratio of one ADR per common share.

Shareholders structure (as at 12.31.2023)



MISSION

Provide innovative and sustainable solutions in energy.

VISION

Transform people's relationship with energy aiming at a sustainable world.

VALUES

Professionalism, sense of partnership, teamwork, creation of value, respect for the environment, ethics.

Controlling Company – ENGIE S.A.

The Company is controlled by **ENGIE S.A.** ("ENGIE" or "ENGIE Group"), a global reference in low-carbon energy and services – present in around 30 countries, revenues of EUR 82.6 billion in 2023 and bringing together approximately 97 thousand employees.

The **purpose of the ENGIE Group**, contained in the Company's Bylaws, is **to act to accelerate the transition to a carbon-neutral society, through reduced energy consumption and more environmentally friendly solutions**. This purpose is applicable to all the Group's operations, globally, and is also ratified by the Senior Management of ENGIE Brasil Energia.

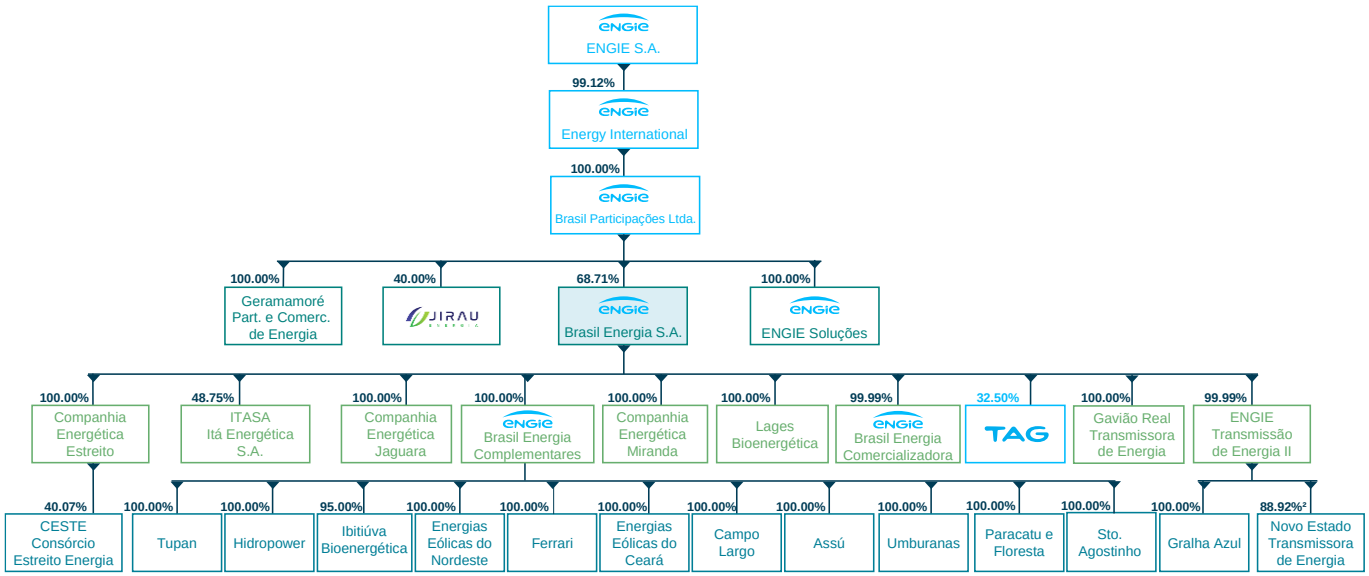
Guided by the purpose of acting to accelerate the energy transition, ENGIE Brasil Energia has developed a business model that is resilient to market volatility and capable of obtaining consistent results in the long term. Its operations are based on three macro-objectives: generating and selling renewable energy, offering the necessary infrastructure to flow this energy, and supporting the gradual replacement of fossil fuels in the country's electricity matrix. By positioning itself in different and synergistic segments, the Company becomes increasingly resilient to risks and prepared to capture opportunities arising from the global movement towards decarbonization.

SOCIETAL STRUCTURE

ENGIE Brasil Energia controls subsidiaries and participates in consortiums and business companies, as detailed in the following infographic. Among the changes that stood out in 2023 is the sale of the Pampa Sul Thermoelectric Plant, signed in September 2022 and completed in May of the following year.

On December 28, 2023, the Company announced the sale of 15% of the 32.5% stake it held in Transportadora Associada de Gás – TAG. As a subsequent fact to those covered by the Report, on 01.10.2024 the operation was completed, now holding a total of 17.5% of the asset.

Societal Structure[1] (as at 12.31.2023)



1- Simplified organizational chart, for illustration purposes only.
2- Considering the indirect participation of ENGIE Brasil Energia, through Novo Estado Participações S.A

OUR ASSETS

With operations exclusively in Brazil, ENGIE Brasil Energia is headquartered in Florianópolis (SC), and operations cover 21 Federative Units.

Operating segments of ENGIE Brasil Energia (as at 12.31.2023)

GENERATION

81 operated plants

8,324.1 MV own installed capacity

TRADING

2,740 GWh of energy sold

7,1% of the total commercialized

TRANSMISSION

2 operational Transmission Systems totalling **2,709 km** of lines

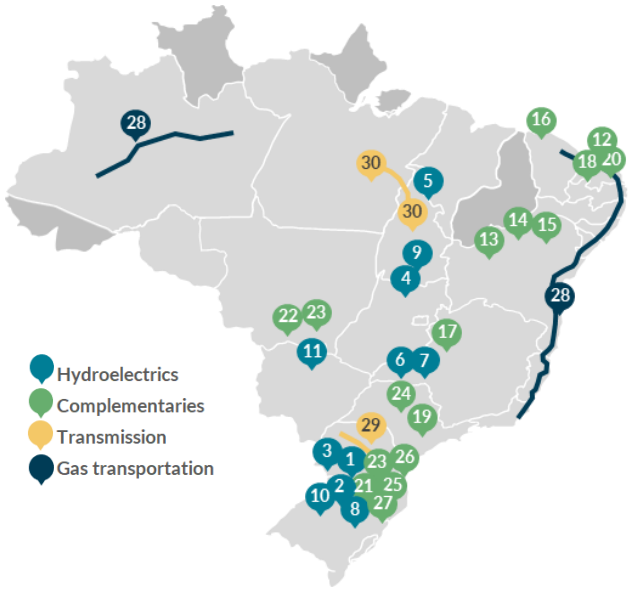
6 proprietary substations

TRANSPORTE DE GÁS

32,5% equity stake in TAG, acquired in 2019 (**17.5%** from January 2024)

4,500 km of gas pipelines in operation in three regions of Brazil

Portfolio and asset's location (as at 12.31.2023)



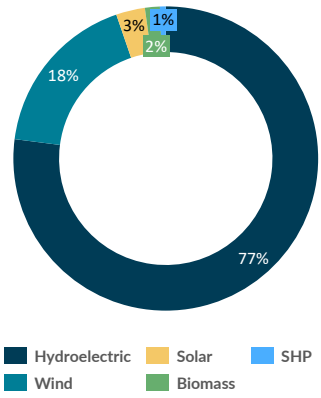
1	Salto Santiago	16	Trairi Complex
2	Itá	17	Paracatu
3	Salto Osório	18	Floresta
4	Cana Brava	19	Ferrari
5	Estreito	20	Assu V
6	Jaguara	21	Lages
7	Miranda	22	Rondonópolis
8	Machadinho	23	José G. da Rocha
9	São Salvador	24	Ibitiúva
10	Passo Fundo	25	Tubarão 2
11	Ponte de Pedra	26	Nova Aurora
12	Santo Agostinho Complex	27	Tubarão
13	Campo Largo II Complex	28	Transportadora Associada de Gás (TAG)
14	Umburanas I Complex	29	Gralha Azul
15	Campo Largo I Complex	30	Novo Estado

Generation

Operational assets

At the end of 2023, ENGIE Brasil Energia's generating complex totalled 10,034.0 MW, with its own installed capacity of 8,324.1 MW. There were 81 plants, of which 11 were hydroelectric and 70 were complementary — biomass plants, PCHs, wind and solar. Of this total, 77 belonged entirely to ENGIE Brasil Energia and four (the Itá, Machadinho and Estreito Hydroelectric Power Plants and the Ibitiúva Bioenergética Cogeneration Plant) have shared ownership with other partners.

Generating Park by source – own installed capacity (as at 12.31.2023)



One of the relevant facts of 2023, regarding generation, was the completion of the sale of the last coal-fired thermoelectric plant that was still part of the Company's generating complex, the Pampa Sul Thermoelectric Plant, located in Candiota (RS). With this movement, **ENGIE Brasil Energia achieved the position of largest generator of 100% renewable electricity in the country**, reiterating its commitment to decarbonization.

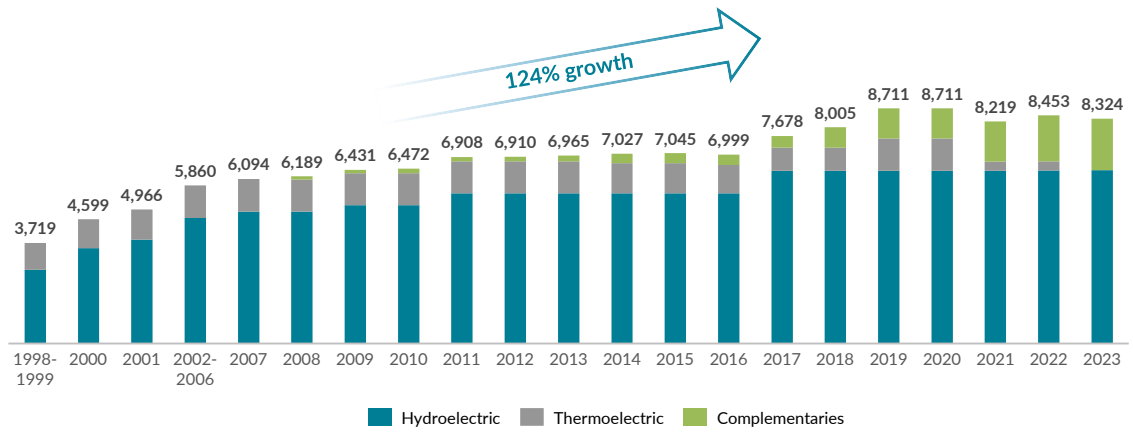
Another milestone in the expansion of renewable energy generation was the start of commercial operation of the Santo Agostinho Wind Complex – Phase I. With 434 MW of total capacity, 68 of the 70 wind turbines will be in commercial operation by the end of the first quarter of 2024.

For details on generation assets, such as installed capacity, physical guarantee, and concession period, see "Note 1 – Operational context" in the Financial Statements.

Expansion in generation

In order to ensure that the expansion of its assets takes place in a sustainable manner, with adequate risks and returns, ENGIE Brasil Energia has criteria that are rigorously analysed in the decision-making process regarding new investments or disinvestments, such as economic, operational, socio-environmental viability and market and business strategy perspectives. This practice has allowed the Company to operate safely and consistently, both by expanding its renewable energy generation capacity and by entering complementary segments, such as natural gas transmission and transportation.

Evolution of own installed capacity in operation (in MW)



Jirau Hydroelectric Power Plant

Jirau Energia is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Plant, located on the Madeira River, in Porto Velho (RO). Since November 2016, the Plant has had 50 generating units in operation, totalling 3,750 MW of installed capacity.

ENGIE Brasil Participações Ltda., the Company's controlling shareholder, is awaiting more favourable conditions to resume the economic-financial study to prepare a proposal for the transfer to ENGIE Brasil Energia of its 40% stake in Jirau Energia and its 100% stake at Geramamoré Participações e Comercializadora.

Generation assets in the acquisition process

The Company has signed an agreement for the purchase of the totality of the shares held by Atlas Energia Renovável do Brasil S.A. and Atlas Brasil Energia Holding 2 S.A., for **acquisition of the Juazeiro, São Pedro, Sol do Futuro, Sertão Solar and Lar do Sol photovoltaic complexes**. The installed capacity of the assets is 545 MWac, which corresponds to 661 MWp and a commercial capacity of 145.1 average MW. All assets are in operation, with authorizations for operation expiring between 2051 and 2054, presenting a high level of contracting in the long term.

Closing of the operation is subject to satisfying certain precedent conditions between the parties and usual for operations of this nature.

Generation projects under implementation

Santo Agostinho Wind Complex – Phase I

With a total installed capacity of 434 MW, which will be reached with the implementation of 70 wind turbines, the first phase of the complex will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. This phase will require approximately R$ 2.3 billion in investment (as of Dec/2020) and generate more than one thousand direct jobs in the region. It was enabled by energy sales to free-market customers.

By the end of 2023, the overall progress of the work reached 95.8%, with all auxiliary works and pre-assembly 100% completed and 60 wind turbines with all main components already assembled. At the time, the project had 33 Generating Units (UGs) in commercial operation and another 22 authorized for test operation. The forecast is that 68 of the 70 wind turbines will be in commercial operation by the end of the first quarter of 2024.

Assuruá Wind Complex

Comprising 24 wind farms, to be installed in a single phase in the municipality of Gentio do Ouro, state of Bahia, the project's authorization grant has been issued by Aneel, the complex to have an estimated installed capacity of 846 MW. Energy generated will be entirely directed to the Free Contracting Environment, the wind complex also being able to meet demand from clients in the energy self-production market. With the creation of around 3,000 direct and indirect jobs in the region, the estimated investment is approximately R$ 6 billion (as of Mai/2022), part of which was contracted with the National Bank for Economic and Social Development (BNDES). Additionally, an investment agreement with a subscription of the amount of R$ 1 billion in new preferred shares was entered into with Itaú Unibanco.

At the end of the year, construction progress reached 31.0%. The gradual entry into commercial operation is expected to begin in the second half of 2024 and completion of implementation in the second half of 2025.

Assú Sol Photovoltaic Complex

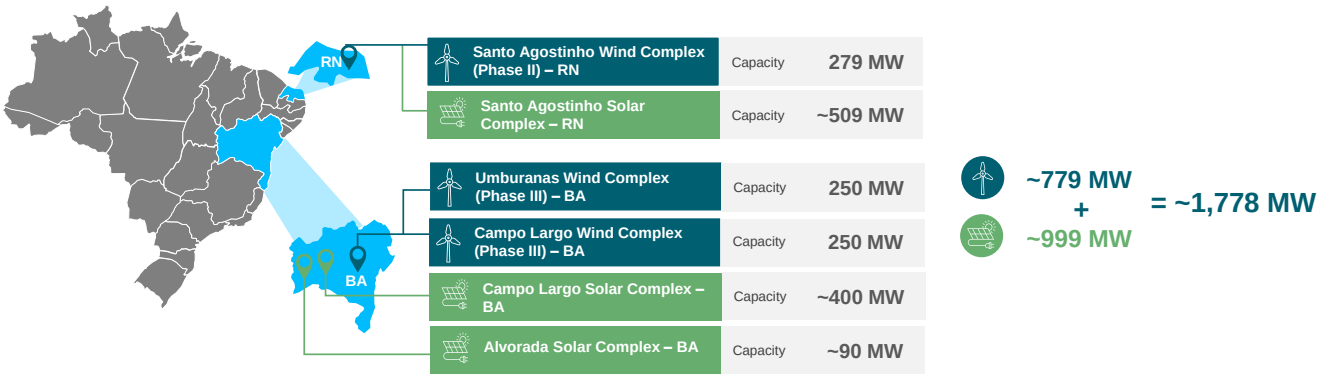
The project is located in the municipality of Assú (RN) and is to have an installed capacity of approximately 752 MWac (895 MWp) and an estimated commercial capacity of 229 average MW. At an investment worth approximately R$ 3.3 billion (as of Jan/23), its energy entirely fed into the Free Contracting Environment. The project was acquired in December 2021 at an advanced stage of development, with Preliminary License and land use agreements already signed.

All main supply contracts (modules, inverters, and trackers) and execution of works for solar parks and connection to the system (collector substation, transmission line and connection bay) have already been signed by the Company. By the end of 2023, the implementation of photovoltaic plants reached 8.6% progress, and engineering activities, brush clearance, earth moving, and tracker foundations are being conducted.

The entry into commercial operations of the first photovoltaic unit is expected for the second half of 2024, while full commercial operations are scheduled for the second half of 2025.

Projects under development

ENGIE Brasil Energia maintains several generation projects in the development phase, with studies at an advanced stage. Depending on feasibility, such projects may or may not be implemented in the coming years. In the wake of development are projects for photovoltaic plants and wind farms – which can add almost 1.8 GW to the generating complex. In this sense, the Company evaluates both greenfield (projects yet to be built) and acquisitions of already operational projects.



Transmission

Operational assets

In 2023, ENGIE Brasil Energia completed the energization of two Transmission Systems: Gralha Azul with 909 km in Paraná, and Novo Estado, in the states of Pará and Tocantins, with 1,800 km. Together, they have around 2,700 kilometres of lines and 6 own substations – in addition to substations connected to the National Interconnected System and operated by other companies. Both concession contracts are valid until March 2048.

Expansion in transmission

Gavião Real Transmission System

The Company placed the winning bid for Block 7, later named as Gavião Real Transmission System, of the Aneel Transmission Auction 01/2022, held on June 06, 2022. This involves the expansion of the Itacaiúnas Substation with the implementation of two 230/138kV transformers and a new 138kV switchyard for supplying the energy distribution network in the state of Pará. The operation is to be integrated into the Novo Estado Transmission System, capturing synergies between projects. The public transmission service concession period is 30 years and the total investment is estimated at R$80.9 million (as of June/23).

At the end of 2023, the overall progress of the work had reached 81.9%. The energization of the project is forecast for the first quarter of 2024, before the deadline of March 30, 2026, for the start of the operation established by Aneel.

Asa Branca Transmission System

Acquired in the Transmission Auction 01/2023, promoted by Aneel, Block 5 was named as Asa Branca and will have around 1,000 kilometres of extension. Located in the states of Bahia, Minas Gerais and Espírito Santo the project provides for the implementation of four 500 kV single-circuit transmission lines, helping to transport the energy generated in the Northeast region of the country, to the largest consumption centres in the Southeast. The concession period for the public transmission service will be 30 years.

At the end of 2023, the main service, equipment, and materials contracts were signed, to fulfil the business plan established by the Company. The maximum construction period is 66 months, with anticipation of at least 24 months.

Gas transportation

Transportadora Associada de Gás – TAG

The largest natural gas transportation operation in Brazil, TAG has an infrastructure of 4,500 km of high-pressure gas pipelines extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian states and around 200 municipalities.

The gas pipeline network has several interconnection points, among them, 14 active gas entry points (including two Liquified Natural Gas (LNG) terminals and one more under construction) and a further 90 gas delivery points (one more under construction), connection with 10 gas distributors, serving three refineries, eight thermoelectric power plants and two fertilizer plants. The network includes 11 compressor stations along its length, all of them wholly owned, following the acquisition of five subcontracted stations concluded in October 2023. The operation of the assets is executed from the Control and Supervision Centre (CSC) in the company's offices in the city of Rio de Janeiro.

TAG is fully contracted and has long-term legacy contracts with Petrobras, with a weighted average term of approximately seven years, regulated by the National Petroleum, Natural Gas and Biofuels Agency (ANP). In addition to these, TAG signed 69 extraordinary contracts during 2023, with 21 shippers (from 14 different economic groups), which totalled 14 million m3 of transportation capacity, in entry and delivery point agreements, expiring on December 31, 2023 and representing around 16% of TAG's total revenue for the year (23% considering only the integrated network).

Societal structure (on 12.31.2023)



On 12.28.2023, the Board of Directors of ENGIE Brasil Energia approved the sale of shares issued by TAG held by the Company, representing 15% of TAG's total share capital, to the Caisse de Dépôt et Placement du Québec (CDPQ).

As a subsequent fact to those reported in this Report, the transaction took place on 01.10.2024, after compliance with precedent conditions, with the Company becoming the direct holder of shares issued by TAG representing 17.5% of its total share capital, with the ENGIE Group remaining with 50% of the carrier's total share capital, both linked to the same shareholders' agreement, maintaining the current control group.

Societal structure (as of 01.10.2024)



Contracts with Petrobras breakdown

Contrac/Section	Extension (km)	Contract Maturity[1]	Volumes Contracted (MM m³/day)	% Projected of Net Operating Revenue[2]	Readjustment index
Gasene	1,400	Nov/33	30.3	40.0%	46% basket IGP[3]; 54% US PPI
Malha Nordeste	2,000	Dec/25	21.6	23.8%	IGP-M
Pilar-Ipojuca	200	Nov/31	15.0	6.5%	IGP-M
Urucu-Manaus	800	Nov/30	6.7	29.4%	50% IGP-M; 50% IPCA
Lagoa Parda-Vitória [3]	100	Dec/24	0.3	0.3%	IGP-M
Total	**4,500.0**		**73.9**	**100.0%**	

1 Following the expiry of the agreements, a five-year tariff revision cycle will be triggered, which will decide the revised maximum permitted revenue flow (RAP).
2 Variations in revenue representativeness between GTAs may occur.
3 1/3 IGP-M, 1/3 IPA-DI; 1/3 IGP-DI.
4 The Lagoa-Parda contract has been renewed for 2024, but as an extraordinary contract, with expiration on December 31, 2024.

Expansion in gas transportation

TAG has a series of projects in hand to be executed over the next five years and surpassing R$ 5.2 billion in investments. Approximately 55% of this amount is in projects related to expansion of TAG's transportation capacity or extension to the transportation network in line with the group's positive outlook for the natural gas industry in Brazil.

Projects under construction:

- **Gasfor II,** in the state of Ceará, a gas pipeline for optimizing the network, 84 km long and forecasted to begin operations in the third quarter of 2024. Estimated investment is R$ 430 million. In August 2022, the Ministry of Mines and Energy classified the project as priority.

- **Interconnection between the Catu-Pilar Gas Pipeline and the Sergipe Terminal**, connecting the LNG storage and regasification terminal to the TAG transportation network, 25 km long, is under construction with operations expected to start in the second quarter of 2024. The access connection agreement with Centrais Elétricas de Sergipe S.A. (Celse), currently a member of the Eneva group, was signed on June 13, 2022, worth an estimated investment of R$ 340 million. In May 2023, the Ministry of Mines and Energy also classified the project as priority.

- **Itagibá delivery point,** in the state of Bahia, a new delivery point to attend the local distribution company, situated along the northern leg of Gasene, is under construction and with startup in operations expected for the first quarter of 2024. The estimated investment in this project is R$ 23 million.

Projects in development:

- **Itajuípe compressor station,** located on the northern leg of the Gasene pipeline, for increasing current transportation capacity by 3 million m³/day.

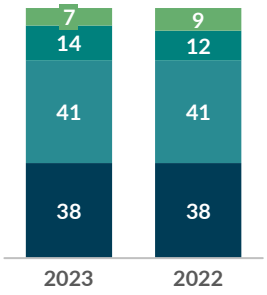
- **Connection of the Porto do Açú Regasification Terminal to the Cabiúnas-Vitória Gas Pipeline**, 45 km long and 18 million m³/day of transportation capacity. The preliminary agreement for the design was approved at the end of 2022.

In addition, other projects at distinct phases of study could require about R$ 20 billion in investment, representing potential significant growth.

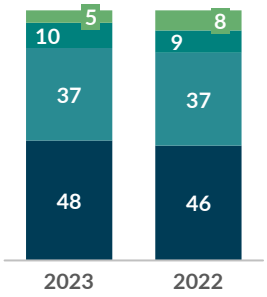
COMMERCIALIZATION

ENGIE Brasil Energia operates in the Regulated Contracting Environment (ACR), meeting expected demand in auctions organized by Aneel, and in the Free Contracting Environment (ACL). In 2023, free consumers (except for CCEE and other revenues) represented 41% of physical sales and 37% of net operating revenue, both numbers at stable levels compared to 2022, due to the lower volume of purchases and consequently the lower volume available for sale and this market niche.

Breakdown of customers by physical sales (%)



Breakdown of customers in contracted sales comprising Net Operational Revenue of the generation segment (%)





There are good prospects for an increase in these market shares following the publication of Normative Directive 50/2022. Through this, the Ministry of Mines and Energy have granted all high voltage consumers the right to migrate to the ACL as from January 2024. In practice this could represent a further potential one hundred thousand consumers. Estimates of the Brazilian Association of Energy Traders (Abraceel) indicate that this new opening may see the Free Market being responsible for up to 48% of nationwide consumption. In 2023, free market consumption stood at 37% - representing approximately 30 thousand consumers.

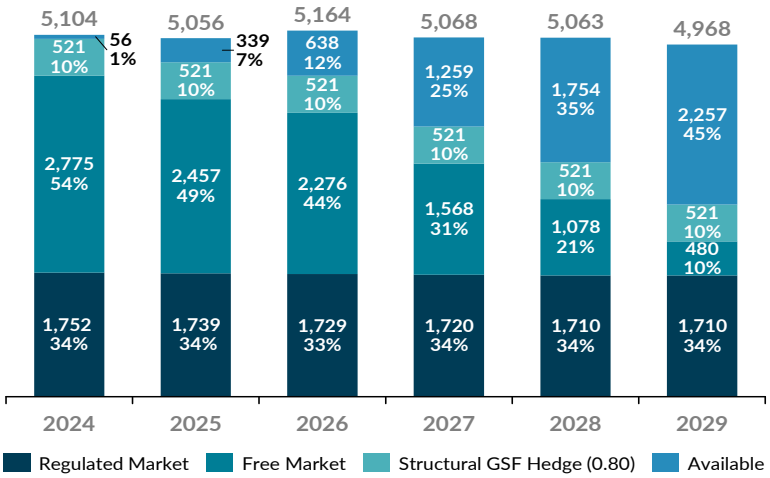
ENGIE Brasil Energia has been preparing for this expansion for some years, working to attract customers who have opted to migrate to the Free Market and consolidating a strategy that combines portfolio management and commercial dynamism, whether through digital platforms or new prospecting channels. As a result, it has seen growth in the number of customers in this market - by 2023, there was a 43% increase in the number of free consumers. The volume of energy contracted, however, fell by 7.3%. More information on relationship actions and details of customers is available in the "Relations of Value" chapter, "Customers" section.

With a strategy of gradually selling the energy available for future delivery, the Company minimizes the risk of exposure to the Differences Settlement Price - PLD (spot price) and offsets any impacts of negative economic conditions on certain segments. In other words, transactions are carried out within windows of opportunity that present themselves when the market shows a greater propensity to buy. According to the data on own commercial capacity and purchase and sale contracts in force on December 31, 2023, the energy balance is shown in the graph on the right-hand side.

The strategy of commercialization also involves innovation and digitalization. The aim is to simplify and automate the consumer's journey to the maximum possible, more especially the smaller consumer and based on this facilitated digital journey, rendering migration to the Free Market more attractive. The development of new products and the adaptation of those already operational in the Company's portfolio is another vector of the strategy, thus maintaining alignment with the solutions available to the needs of each customer and their different profiles of consumption.

Adding to this, to be one of the largest energy generators in Brazil also is a factor which puts the Company at an advantage when making more competitive offers over the short and long term, guaranteeing security of supply through the backing provided to its consistent portfolio of generation assets.

Energy balance (% of total; in aMW)



GOVERNANCE AND INTEGRITY

CORPORATE GOVERNANCE

ENGIE Brasil Energia maintains a solid governance structure, which is continually improved to ensure the adoption of best compliance practices and transparency in its operations and business. In line with the ESG agenda, the guidelines and values that guide the Company's operations are set out in policies and codes disclosed to the various stakeholders. In this context, the governance mechanisms are guided by three fundamental pillars: ethics and integrity, risk management and integrated management.

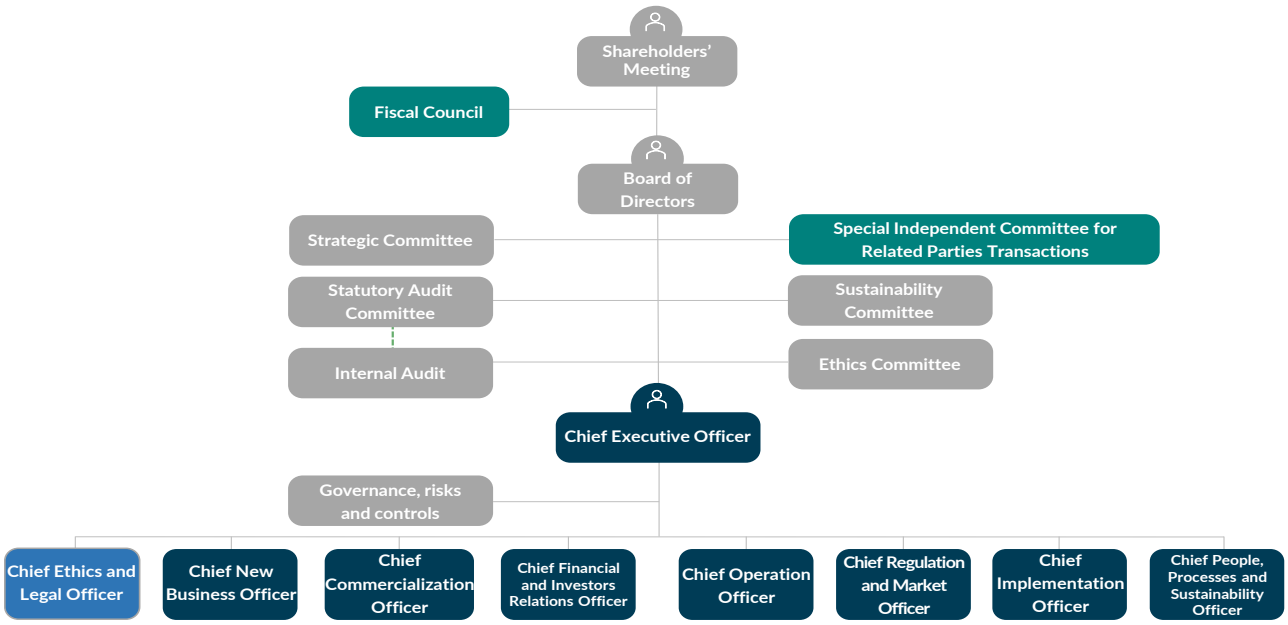
The continuous improvement of governance practices also takes place on the basis of recommendations and references from organizations such as the Brazilian Institute of Corporate Governance (IBGC), of which ENGIE Brasil Energia is a member, and criteria pertinent to the Novo Mercado regulations, a listing segment on the Brazilian Stock Exchange - B3 consisting of companies that voluntarily adopt corporate governance practices in addition to those required by Brazilian law.

Organization structure

ENGIE Brasil Energia's corporate bodies responsible for managing, supervising, and controlling its activities and operations receive the resources, support, and independence they need to perform their roles safely and transparently. For the Company, this is a fundamental premise for sustainable business performance and for building ethical relationships with its various stakeholders.

The roles and responsibilities of each body in the governance structure are set out in the Company's Bylaws and are guided by specific internal regulations. This structure is made up of the General Shareholders' Meeting, Board of Directors, Executive Board, standing committees and temporary or special bodies and forums handling diverse themes.

Management organizational chart (as at 12.31.2023)



Non-permanent structure. Its installation is on an extraordinary basis, subject to convocation by the respective body to which it reports.

Comprises the Executive Board

Functional Board (non-statutory)

--- Supervision

General Shareholders' Meeting

Comprising all shareholders, the Shareholders' Meeting is the most senior decision-making body in ENGIE Brasil Energia's governance structure. In order to promote effective engagement in the discussion of strategic themes, based on a broad understanding of the issues on the agenda, the meetings are called at least 30 days in advance and a specific channel is available for sending suggestions for themes to be discussed at the meetings.

Shareholders can participate and vote in person or electronically, in accordance with Resolution 81 of the Brazilian Securities and Exchange Commission (CVM). In 2023, a General Meeting was held, with 86.10% of the share capital with voting rights, corresponding to 702,418,692 shares.

All documentation relating to the meetings is available on ENGIE Brasil Energia's website and on the CVM (www.cvm.gov.br) and B3 (www.b3.com.br) pages. The Investors area of the Company's website contains additional information on Meetings (already held and future meetings).

Board of Directors

The Board of Directors is responsible for the general direction of the business, approving and monitoring objectives and actions in line with the purposes and interests of the shareholders and supervising management, as well as electing and dismissing officers. In 2023, the Board was made up of nine full members (and the same number of alternates), four of whom are independent, in accordance with B3's Novo Mercado criteria, another four directly or indirectly linked to the controlling shareholder and one of whom is elected by the employees. No board member performs executive duties at the Company.

The General Meeting elects the representatives of the shareholders and approves the director elected by the employees, all for a two-year term, with re-election permitted. Criteria for technical, professional, and academic qualifications and ethical values, among other requirements for senior management, are defined in the Policy for Appointing Board Directors, Officers and Committee Members.

Principles of diversity are also considered, so that decision-making processes are based on different points of view, which leads to more effective and innovative solutions. According to the Internal Regulations, the positions of Chairman of the Board and Chief Executive Officer cannot be held by the same executive, thus avoiding conflicts of interest. The term of office is two years, with re-election permitted. The effective Board at the end of 2023 took office on April 24, 2022.

In 2023, the Board of Directors held 14 meetings, with an average attendance rate of 88%. All the minutes are available on the website of the Brazilian Securities and Exchange Commission (www.cvm.gov.br) and on ENGIE Brasil Energia's website.

Board of Directors composition (as at 12.31.2023)

Board member	Role in Board or other structures	Age	Years on the Board
Maurício Stolle Bähr	Board Chairman	66	25
Paulo Jorge Tavares Almirante	Vice-Chairman	59	7
Dirk Achiel Marc Beeuwsaert	Independent member	75	23
Karin Koogan Breitman	Independent member	54	5
Pierre Jean Bernard Guiollot	Member	55	7
Simone Cristina de Paola Barbieri	Member	52	6
Paulo de Resende Salgado	Independent member and coordinator of Statutory Audit Committee	78	5
Manoel Eduardo Lima Lopes	Independent member and member of Statutory Audit Committee	80	3
Adir Flávio Sviderskei	Employees representative	58	3
	Percentage of Independents: 44%	Avg: 64.1 years	Avg: 9.3 years

Assessment and remuneration

As in previous years, in 2023 the Board of Directors underwent a structured evaluation process, as a collegiate body, complemented by an individual self-assessment of each member. The Remuneration Policy for Directors, Officers and Committee Members sets out clear remuneration guidelines, linked to financial and non-financial objectives, in order to promote business continuity and value creation, as well as maintaining the Company attractive to professionals aligned with its values and culture.

The amounts and form of remuneration defined consider market criteria, knowledge required, the complexity of the activities and the results achieved. The maximum amount allocated to remuneration is approved by the General Meeting and corresponds to the sum of fixed and variable remuneration. All Directors receive a fixed remuneration (pro-labore), made up of 13 monthly instalments. The Chairman of the Board of Directors also receives a variable portion calculated on the basis of the results achieved by the Company, taking into account financial (EBIT, Free Cash Flow and General and Administrative Expenses) and operational indicators - among them, strategic ESG objectives (employee health and safety and gender diversity in the workforce). This remuneration is linked to collective and individual performance, with the aim of rewarding the executive for the results achieved, in line with the Company's business guidelines, values and culture.

Further details on the remuneration of Directors (Board Members and Officers on the Statutory Executive Board) in 2023 will be available in the Management Proposal for the Annual General Meeting in April 2024.

Advisory bodies

In order to support decision-making at the different hierarchical levels and units of ENGIE Brasil Energia, the governance structure has advisory bodies specializing in several topics. Of these, three are permanent and report directly to the Board of Directors:

- **Strategic Committee**: its mission is to opine and advise the Company's Senior Management on matters related to the strategic orientation of its businesses. It also assesses trends, risks, and opportunities in order to propose the development of strategies that will boost the Company's growth and competitive advantage.

- **Statutory Audit Committee:** created to strengthen compliance and the anti-corruption culture. It advises the Board of Directors on issues relating to external and internal audits, financial statements, internal control, risk management and policies. It is made up of three members, two of whom are independent members of the Board of Directors. The term of office is two years.

- **Ethics Committee:** responsible for disseminating, sensitizing, raising awareness and applying the ethics and compliance benchmarks. It also monitors and identifies ethical risks for prevention and mitigation and investigates violations and proposes disciplinary measures and may as well set up an Investigatory Committee for this purpose. In 2023, it had five members: Chief People, Processes and Sustainability Officer, Legal Affairs Manager, Internal Audit Manager, People and Culture Management Manager and Governance, Risks and Controls Manager.

- **Sustainability Committee:** evaluates and proposes ESG-related policies and practices, monitoring their application and compliance, in line with the Sustainable Management Policy and ENGIE Group guidelines. It includes representatives from various areas of the Company, together with a member of the Board of Directors, and is coordinated by the Chief People, Processes and Sustainability Officer.

A further two Committees operate on a non-permanent basis:

- **Fiscal Council:** set up at the request of the shareholders, it performs activities provided in law, including the supervision of the actions of the managers and compliance with legal and statutory duties. Totally independent of the Company's management and of any external auditor engaged by ENGIE Brasil Energia, it is made up of three effective members and an equal number of alternates, one of whom and his respective alternate being appointed by the minority shareholders.

- **Special Independent Committee for Transactions with Related Parties:** set up by the Board of Directors to analyse, negotiate and recommend transactions to be approved by the directors and the General Meeting. It can have between three and five members, with a majority made up of independent directors. Transactions must comply with the precepts established in the Related Party Transactions Policy, in particular the observance of commutative conditions and the avoidance of conflicts of interest.

In addition to the Committees, ENGIE Brasil Energia maintains forums made up of multidisciplinary teams, which support the Executive Board in assessing specific issues. In 2023, the active forums were:

- **Energy Forum:** commercialization and risk management strategy of the customer portfolio.

- **Financial Forum:** corporate finances, treasury, insurance, financial and counterparty risks.

- **Risk Management Forum:** mapping of risks and definition of control procedures and management.

- **Tax Governance Forum:** mechanisms for reducing exposure to risks and making use of tax incentives.

- **Innovation Forum:** receives and evaluates proposals sent by the employees and recommended to the Executive Board for the allocation of resources, stimulating an intra-entrepreneurial culture and continuous innovation.

- **Human Performance Forum:** safety and productivity of employees and out-sourced personnel, plant uptime and reduction of operational costs and environmental impacts.

- **Processes Forum:** prioritization of processes for guaranteeing alignment with the Company’s strategic objectives, to generate value and optimize them.

- **Products Forum:** identification, development and validation of new products as well as improving those that already exist.

- **Dam Safety Forum:** prevention of risks and adoption of best practice in relation to the theme.

- **Forum for Safety in Industrial Control Systems:** policies and actin plan for the safety of ENGIE Brasil Energia’s industrial control systems.

- **Insurance Forum:** policies and activities related to insurance.

- **Energy Transmission Forum:** development, installation and structuring of projects and activities in the energy transmission segment.

Statutory Executive Board

Eight statutory officers functioned as a collegiate body in 2023: Regulation and Market, Operations, Energy Commercialization, Finance and Investor Relations, New Business, Implementation, People, Processes and Sustainability, as well as the CEO, who is responsible for coordinating the entire Executive Board.

Appointed by the Board of Directors based on professional competence and elected at the General Shareholders' Meeting, the statutory officers serve three-year terms, with re-election permitted.

Composition of the Statutory Executive Board (as at 12.31.2023)

Name	Function	Age	Years in the Board
Eduardo Antonio Gori Sattamini	Chief Executive Officer	58	7
Eduardo Takamori Guiyotoku	Chief Financial and Investor Relations Officer	44	0
Gabriel Mann dos Santos	Energy Commercialization Officer	48	5
Guilherme Slovinski Ferrari	Chief New Business Officer	50	4
José Luiz Jansson Laydner	Chief Operation Officer	62	7
Luciana Moura Nabarrete	Chief People, Process and Sustainability Officer	51	3
Márcio Daian Neves	Chief Implementation Officer	47	2
Marcos Keller Amboni	Chief Regulation and Market Officer	49	4
		Avg: 51.1 years	Avg: 4 years

Assessment and remuneration

In line with what is also extended to the directors, the Remuneration Policy establishes the following composition for the remuneration of the Executive Board, including the Chief Executive Officer:

- **Fixed remuneration (pro-labore):** 13.33 monthly instalments, as direct payment for services rendered and concessions of benefits such as health assistance, food allowance and life insurance.

- **Short-term (annual) variable remuneration** combines bonuses and profit-sharing and can vary between 40% and 90% of the fixed annual remuneration, depending on the position and the challenges and goals inherent to it, including ESG issues. Payment is made in the first half of the following year, after the end of the fiscal year, based on collective and individual results.

- **Long-term variable remuneration:** the Company's direct parent company, ENGIE Brasil Participações Ltda., offers the Executive Board, at the end of three years, a Long-Term Incentive Plan (ILP) linked to Phantom Shares and corporate indicators, as well as Performance Shares and the Group's Stock Option Policy.

- **Post-employment benefit:** The Company sponsors a supplementary pension plan, using the Defined Contribution model, administered by Previg - Sociedade de Previdência Complementar. Other employees also have access to this benefit.

The maximum annual amount of the Officers' remuneration is approved by the General Shareholders' Meeting. The calculation methodology applicable to short-term variable remuneration uses the methodology adopted by the ENGIE Group, which provides for:

- 65% linked to financial objectives (EBIT, Free Cash Flow and General and Administrative Expenses);
- 10% linked to ESG objectives (non-financial), covering two themes with equal weight - health and safety and gender diversity in the workforce;

- 25% linked to individual management targets.

This methodology also establishes a possible penalty of up to 20% in cases of:

- significant decline in results for occupational health and safety;
- failure to comply with values related to ethics and compliance;
- inadequate managerial behaviour.

The officers are formally assessed every year for the purposes of verifying that the established financial and non-financial performance targets have been met. The Chief Executive Officer is evaluated by the Chairman of the Board of Directors, and the other officers are evaluated by the Chief Executive Officer. All results are discussed and approved by the Board of Directors. More information on the fixed and variable remuneration of the Statutory Executive Board in 2023 will be available, in a collegiate manner, in the Management Proposal for the Annual General Meeting in April 2024.

Policies and guidelines

A series of policies and guidelines orientate ENGIE Brasil Energia's governance and contribute to ensuring the integrity of its procedures and businesses, as well as alignment with its purposes and values. These documents also seek to ensure that the Company's practices are in strict compliance with applicable laws and regulations, external standards, commitments made and internal procedures in different areas, such as human rights, environmental protection, anti-trust matters, data protection, anti-corruption, among others.

In 2023, some of these documents were revised and published in their updated versions: the Information Disclosure and Securities Trading Policy, the Anti-Corruption and Bribery Policy and the Remuneration Policy for Directors, Officers, and Committee Members.

The Remuneration Policy, together with the Nomination Policy and the Performance Assessment Policy, contributes to the permanent maturing of governance, based on honest and transparent procedures regarding the management body. This helps to achieve the objectives set by the company, since executives are assessed based on financial and non-financial objectives (including ESG targets).

Another highlight of 2023 was the publication of the **Supplier Relations Code of Conduct** in June. The document is based on the Code of Conduct already adopted by the ENGIE Group, with some adaptations applicable to the Brazilian context, serving as an instrument for extending the Company's ethical standards to the value chain. As stipulated in the guidelines, any potential supplier must be aware of and familiar with the principles of integrity, compliance, and data privacy, accepting contractual clauses on these issues, as well as on social responsibility and respect for the environment.

Both the Sustainable Management Policy and the Environmental Policy expressly declare ENGIE Brasil Energia's support for the UN Global Compact, the 2030 Agenda Sustainable Development Goals, the OECD Guiding Principles, the Paris Agreement, and the Convention on Biological Diversity (CBD).

The Company's set of guidelines also includes the Monitoring Plan, with the aim of identifying and preventing risks of negative impacts on society and the environment related to its activities. The surveillance measures envisaged cover human rights, health and safety, the environment, supplies and alert mechanisms.

All ENGIE Brasil Energia's policies are approved by the Executive Board and the Board of Directors and apply to its entire organizational structure, including subsidiaries. These documents are shared with stakeholders, in line with the principle of transparent management, and are available for public access via the following link.

Integrated Management

Based on the premise of responsible and sustainable management, with a close eye on all sensitive aspects of the business, especially social and environmental issues, ENGIE Brasil Energia seeks to continually improve its management tools and instruments. To this end, it has had a Governance, Risks and Controls unit in its structure since 2021, which facilitates the integration of governance processes within a systemic vision of the Company.

Another measure aimed at increasing the efficiency of its governance is the maintenance of the Integrated Management System (IMS), which meets the requirements of NBR ISO 9001 - Quality Management, NBR ISO 14001 - Environmental Management and ISO 45001 - Occupational Health and Safety Management. In addition to ENGIE Brasil Energia's headquarters in Florianópolis (SC), all the Company's hydropower plants are covered by the IMS, completing two decades of certification in 2024. The other units, although not certified, follow the same policies and procedures covered by the IMS.

In August 2023, Bureau Veritas certification was maintained following audit rounds verifying compliance with requirements, performance indicators and other information.

The certification attests to the market, regulatory bodies, partners, and other stakeholders that the Company's processes comply with the requirements of the three standards (9001, 14001 and 45001), that it meets the legal requirements laid down in municipal, state, and federal legislation and that it complies with the ENGIE Group's own internal policies and standards.

The implementation of the IMS brings additional benefits such as the standardization of documents and procedures and greater employee awareness of issues related to health, safety, and continuous improvement, since the System guides the identification and treatment of non-conformities on an ongoing basis.

The certification process is undertaken by an independent company hired based on fair criteria to guarantee the impartiality and reliability of the audits and other procedures.

MANAGEMENT OF RISKS AND OPPORTUNITIES

The diversification of ENGIE Brasil Energia's portfolio of products and services is one of the pillars of its business model and only possible thanks to effective risk management, which ensures that the Company makes assertive decisions regarding new projects and investments. Throughout its history, the Company has managed to remain competitive under different economic and political scenarios, maintaining favourable conditions for the capture of good projects that add value and contribute to the continued and sustainable growth of the business.

Mapping and control

Risk management is an ongoing practice and involves, in addition to the highest levels of the Company's governance, multidisciplinary teams dedicated to internal control processes. The Risk and Opportunity Management Policy, approved by the Board of Directors in 2016, guides the relevant processes, which are also monitored and supported by the Risk Management Forum and the Statutory Audit Committee, in addition to the closer involvement of the Governance, Risks and Controls Unit which is directly responsible for implementation.

The identification and classification of risks, in terms of probability of occurrence and the relevance of possible impacts, is the subject of the Corporate Risks and Opportunities Matrix, validated annually by the Board of Directors, with the advice of the Statutory Audit Committee. The assessment considers reputational, financial, strategic, and operational impacts, as well as proposing preventive and mitigatory actions. This information then feeds into the ENGIE Group's Annual Internal Audit Plan for continuous management improvement.

The Matrix is drawn up and issued by the Governance, Risks and Controls Unit, with the direct participation of the Executive Board. In December 2023, the Board of Directors approved the updated version of the Corporate Risks and Opportunities Matrix, drawn up after conducting a new risk analysis cycle - which followed the methodology adopted by the ENGIE Group, based on ISO 31,000 and COSO ERM. The review included the identification of new risks, based on interviews with officers and managers from various areas, and considered the so-called residual risks - those remaining after the application of the mitigatory plans established by the Company. Inherent risks were also analysed, i.e. those existing before the mitigatory plans. As a result, 10 main groups of business risks - with the potential to negatively impact the Company's financial results - were consolidated. The review resulted in 55 mitigatory plans, which are monitored quarterly.

Monitored Risks:

- Tax
- Projects under construction
- Regulatory
- Operation
- Cybersecurity
- Market
- Ethics e compliance
- Climate Change
- Security
- Operationalization of the strategy

In accordance with the Risk and Opportunity Management Policy, all ENGIE Brasil Energia managers are owners of the risks related to their duties or pertaining to their area of authority and assume responsibility for the exposure to risk incurred by their decisions. In addition to the Risk and Opportunity Management Policy, the guidelines set out in the ENGIE Group Surveillance Plan must be complied. The document sets out four surveillance approaches for identifying and monitoring risks: human rights, environmental and social, health and safety, and supplies.

ESG COMMITMENTS

With the objective of making a positive impact on people and the planet, ENGIE Brasil Energia has historically adopted social, environmental and governance policies and practices that have made it one of Brazil's foremost companies in sustainability. In addition to the trust of stakeholders, who share the Company's long-term vision and purpose, this has been manifested through awards and recognition received over the past few years - among which its continuous presence as a component in B3's Corporate Sustainability Index (ISE) since the latter's inception in 2005.

ENGIE Brasil Energia's Sustainable Management Policy guides its ESG activities on five key fronts: Governance, Quality, Environment and Climate Change, Occupational Health and Safety and Social Responsibility. Derived from this Policy, corporate guidelines support the corporate sustainability agenda in a transversal manner, anchored in the ENGIE Group's Non-Financial Objectives to be achieved globally by 2030 - in line with the 2030 Agenda for Sustainable Development proposed by the United Nations (UNO).

Non-financial goals ENGIE - 2030

Aspect	2030 Objectives
Greenhouse Gas Emissions	To reduce by at least 43 MtCO2e the total greenhouse gas emissions from the generation of the Group's electric energy — in 2019, this total was 80 MtCO2e (goal aligned to the Science Based Target – SBTi initiative).
Gender diversity	Expand the participation of women in the Group's management to 50% — in 2019, the percentage was 24% of all leadership positions.
Renewable energy	Increase to 58%, the participation of renewable sources in the energy production capacity mix worldwide — against 28% reported in 2019.
Supply chain	By 2030, reach 100% of the responsible purchasing index (excluding energy purchases) that involve socio-environmental assessments and including purchases; and by 2030, reach 100% of the 250 preferred suppliers certified by Science Based Targets (SBTi) commitments.
Water	Achieve water consumption in relation to energy produced of 0.1 m^3/kWh

With its focus on sustainability, the Company's management of socio-environmental and governance issues is shared between different corporate areas, ensuring that ESG aspects are included in strategic plans on all business fronts. **The Board of Directors oversees the matter** through regular reports from the areas and the work of the Sustainability Committee, from which it receives updates every six months. In 2023, the Committee's composition and dynamics were restructured so that interaction with the board members is more effective than ever. The Committee is coordinated by the Officer for People, Processes and Sustainability.

The context of material sustainability issues is condensed in the corporate Balance Scorecard, based on all the elements described - Policies, Non-Financial Objectives, frameworks, and sustainable development agendas, as well as management guidelines, perspectives, and business strategies. This results in strategic and tactical ESG commitments for all operating units, integrating the Company's annual targets.

ETHICAL COMMITMENT

At ENGIE Brasil Energia, ethical conduct is an inseparable part of the corporate culture, reflected in a series of management policies and practices. The principles to be followed by representatives of the Company regarding ethics and compliance are set out in various documents, particularly in the Code of Ethics, available to all stakeholders as a reference to integrity, human rights and compliance, among other aspects.

ENGIE Brasil Energia's organizational structure includes an Ethics Committee dedicated to managing this issue, reporting directly to the Board of Directors. Compliance with the integrity guidelines is constantly monitored by the Committee, as well as by other governance bodies. The entire range of documents on the subject are aligned with commitments to the standards established in international covenants and declarations, such as the Universal Declaration of Human Rights, the United Nations Convention Against Corruption, the International Labor Organization (ILO) conventions and the Organization for Economic Cooperation and Development (OECD) guidelines for multinational companies.

Compliance with the guidelines set out in the documents is constantly monitored and followed up by the Committee and other governance bodies. Ethics therefore permeates the company's relations with all stakeholders, especially customers, investors, partners, suppliers, service providers, government representatives, communities, and employees, among others.

This way, the Company monitors ethical risk in its entirety, establishing specific action plans on a permanent basis to mitigate such risks. Among the aspects monitored systematically are those relating to Human Rights, which include analysis of alignment with international treaties and conventions, to ensure decent working conditions for all those involved in the Company's operations.

In accordance with its guidelines, ENGIE Brasil Energia does not, under any circumstances, allow the exploitation of child, forced or compulsory labour in its value chain. As such, it not only avoids commercial relations with organizations that adopt such practices, but also has a policy of denouncing any cases of which it becomes aware to the competent authority.

In addition to the emphasis on human rights, management of ethical risk includes initiatives to combat fraud and corruption, to avoid internal or external collusion in non-compliance with the values and principles of the Code of Ethics, such as bribery, fraudulent use of company property and interference in anti-trust processes, among others. In addition to the ISO37001 certification achieved by the Company - relating to Anti-Bribery Management - some voluntary commitments are also made, such as the United Nations Global Compact, the Extractive Industries Transparency Initiative (EITI) and the French section of the Transparency International NGO.

Current policies

Among the guidelines of the Integrity Program, the following stand out:

- Code of ethics
- Guide to Ethical Practices
- Anti-Corruption Policy
- Human Rights Policy
- Conflict of Interest Prevention Policy
- Business Consultants Policy
- Third-Party Due Diligence Policies
- Embargo Policy
- Relationship with Public Agents Policy
- Code of Conduct in Relationships with Suppliers
- Gifts and Hospitality Procedur

The main activities of the Ethics Committee in 2023 under the Integrity Program include:

- Obtaining of the Pro-Ethics Seal: ENGIE Brasil Energia was recognized with the Pro-Ethics Seal 2022-2023, an initiative of the Office of the Comptroller General (CGU), in partnership with the Ethos Institute, which recognizes and values companies that adopt good practices of ethics, transparency and integrity in the management of their businesses

- Sensibilization events: During the Internal Accident Prevention Week (SIPAT), an event held by the Internal Accident Prevention Commission (CIPA), a lecture was given, open to all employees, by Prof. Dr. Leandro Karnal, who addressed the importance of ethics for people and businesses.

- Approximation to CIPA: In compliance with Law 14.457/22, which established the Emprega + Mulheres Program and made it CIPA's responsibility to adopt measures to prevent and combat sexual harassment and other forms of violence in the workplace, the Ethics Committee strengthened its relationship with the Commission. Specific training sessions were held, providing CIPA members with guidance on the topic.

- Training the supply chain: In April, the Company conducted training sessions for some of its suppliers, making them aware of the importance of ethics in conducting business and sharing good practices in relation to the whistleblowing channel and value chain management.

- Revision of policies: three of the Company's policies on ethics and compliance were reviewed, approved, and published in their updated versions: Information Disclosure and Securities Trading Policy, Anti-Corruption and Bribery Policy and Remuneration Policy for Directors, Officers, and Committee Members. Also approved during the period was the Code of Conduct in Relations with Suppliers, an adaptation of the guidelines adopted by the ENGIE Group.

- Monitoring of political exposure and compliance: To monitor the political exposure and compliance of members of Senior Management, the Ethics Committee monitors the declaration of integrity of the Company's fiscal and management officers.

Compliance mechanisms

ENGIE Brasil Energia's commitment to ethics and integrity is supported by its governance structure, which includes specific roles aimed at controlling compliance at the highest levels of management. The Ethics Committee is responsible for ensuring compliance with individual and collective values and adapting the necessary means to apply the established rules of conduct. The Committee is therefore responsible for disseminating, sensitizing, raising awareness, applying, and monitoring ethics and compliance standards, as well as identifying, preventing and mitigating ethical risks. The body also investigates violations and proposes disciplinary measures and may set up an Investigatory Committee for this purpose.

The Board of Directors monitors the activities of the Ethics Committee through quarterly reports, the recording and handling of ethics-related incidents and other relevant facts. These reports are also shared with ENGIE Brasil Participações' Ethics and Compliance Officer and with the Statutory Audit Committee, another body with a relevant role in compliance mechanisms, advising the Board of Directors on all matters relating to audits, internal controls, and risk management.

Similarly, within the scope of the compliance mechanisms, worthy of mention is the INCOME Program, which has been in place at the Company since 2006 to improve the management of internal controls. Every year, the main processes and relevant controls are assessed internally using the self-assessment technique, while a sample of the processes and controls is assessed by an independent third party. The results of the Program are communicated to the Executive Board, the Statutory Audit Committee, and the Board of Directors. Any deviations identified in the controls are addressed through action plans, and the management of these initiatives is conducted by the relevant areas in collaboration with the internal controls team.

Another relevant compliance mechanism is the periodic assessment of suppliers, performed on a quarterly basis, employing an automated platform using big data. Stricter control requirements are applied to supplier companies involving a high-volume funds.

Whistleblowing channel

In addition to establishing a public commitment to ethics and integrity, ENGIE Brasil Energia creates and maintains appropriate instruments for identifying and dealing with any episode that may represent a transgression of the Company's principles and guidelines. An essential tool in this process is the Whistleblowing Channel, open to anyone who wishes to report inappropriate situations such as harassment, conflict of interest, inappropriate conduct, corruption, discrimination, fraud, breach of confidentiality, violation of laws or internal policies.

Managed by an independent outside company, the Channel guarantees the security and privacy of those who use it. ENGIE Brasil Energia therefore encourages communication and recording of possible ethical deviations throughout the value chain, guaranteeing no retaliation against the whistleblower, who can register the complaint via the website, a specific e-mail address or a free phone line open 24 hours a day.

Complaints, which may be made anonymously, are registered by the outside company, which, after a preliminary analysis of their merit, sends the incident registers to the Ethics Committee for receiving the appropriate treatment in accordance with the Allegation Handling Policy. The Committee is responsible for deciding whether an external or internal agent should investigate the case, then forwarding recommendations to the manager responsible, so that they can implement the suggested measures, in accordance with internal standards and legal requirements. The complainant reporting the incident is informed periodically as to the outcome and results.

All the information relating to the complaint (record of the complaint, investigation report, minutes of the committee meeting and conclusive decision) is stored, guaranteeing confidentiality and data protection. In cases where a violation is proven, disciplinary measures are imposed, ranging from a warning to termination by the Company, depending on the seriousness of the case.

The existence of the Whistleblowing Channel is widely publicized to stakeholders to encourage responsible use of the tool and to ensure that it is recognized as a reliable means of receiving and handling complain.

Ethical Communication Channel

www.canalintegro.com.br/engiebrasil

0800 580 2566

- Widely spread
- Assured anonymity
- Confidential verification
- No retaliation
- Exempt investigation
- Results reported to interested parties
- Sanctions for ethical violations

DATA SECURITY

In addition to being a legal obligation under the recent General Law on the Protection of Personal Data (LGPD), the protection of personal data is also an essential condition for guaranteeing respect for the privacy of each individual and business ethics. This responsibility is demonstrated in the commitments ENGIE Brasil Energia makes in its **Privacy and Personal Data Protection Policy** and its **Data Security Policy**. The documents, available on the Company's website, are aligned with the LGPD, the Code of Ethics and ENGIE Brasil Energia's risk management and asset protection policies.

The **Personal Data Protection Policy** expressly states that personal data must be collected and processed by fair means and for specific, explicit, and legal purposes, without being diverted from such purposes, and meeting, whenever pertinent, the requirements of notification of the data subject and their prior consent, when applicable.

The Data Security Policy lays down general principles aimed at protecting tangible and intangible assets. These include preventing, monitoring, identifying, and responding to data security incidents. The document emphasizes that prevention and control measures aim to manage and maintain risks at a level appropriate to the business.

Both policies establish guidelines for responsibility and accountability with regard to the handling, use and protection of data. Thus, they provide that ENGIE Brasil Energia's Executive Committee is responsible for analysing and approving these policies and for establishing the Data Security and Privacy Committee, which is responsible for keeping them updated and disclosed, supervising compliance, defining, and maintaining a Personal Data Protection Program and conducting training and awareness-raising.

The Data Security and Privacy Committee is made up of representatives from the Information Security, IT, Legal, Personal Data Protection, People and Culture, Risks, and Internal Controls areas.

HUMAN CAPITAL

ENGIE Brasil Energia recognizes human capital as one of its main competitive differentials. For this reason, it endeavours to build and maintain a safe, respectful, and inclusive work environment that offers all opportunities to develop their potential and prosper. Led by the People, Processes and Sustainability Area, the People and Culture Management (GPC) team is responsible for coordinating actions aimed at employees, as well as improving internal policies, standards, and processes. The leaderships of the generation and transmission assets also play a key role, given their management of the peculiarities of each location, throughout Brazil.

At the end of 2023, the Company's had a headcount of 1,099 direct employees, mostly located in the southern region of the country (see following charts). This figure relates to employees working at assets in which ENGIE Brasil Energia has absolute control.

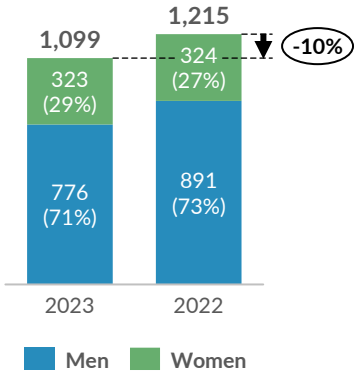
To this group should be added a further 301, in companies not wholly owned by EBE – 266 at TAG, 31 at Companhia Energética Estreito and four at Itá Energética –, as well as 71 interns and two apprentices.

The number of employees fell compared to the previous year **due to the disposal of the Pampa Sul Thermoelectric Plant,** which had around 120 employees - this did not have an impact on the number of terminations, since the employees leaving ENGIE Brasil Energia at the time of the sale of Pampa occurred due to a spin-off.

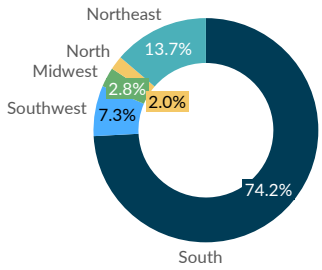
In addition, during 2023, average numbers of long-term outsourced service providers working regularly at the Company's facilities or projects (both operational assets and those under construction) were around 5.3 thousand.

Considering projects under construction only, the average is 3,400, 64% of the total.

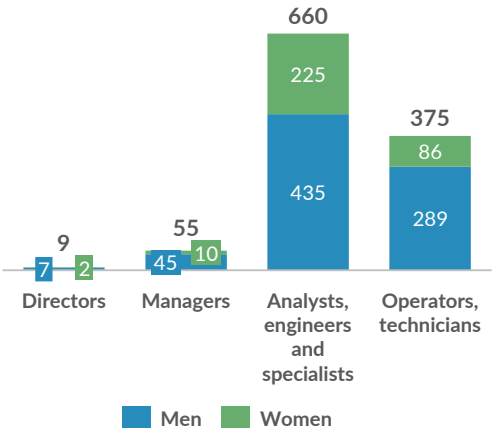
Total employees, by gender



Employees by region



Employees by job class



Hiring and terminations

In 2023, there were 135 new hires, 33% less than in 2022, when the figure was 201. Of the new hires, 38% were in the Northeast region, especially linked to the projects under construction/implementation - the Serra do Assuruá Wind Complex and the Assú Sol Photovoltaic Complex. Of the vacancies during the year, 24% were filled by internal candidates, a figure 13p.p. higher than the 2022 percentage of 11%.

There were 130 terminations in 2023, 17% less than in 2022, when the figure was 156. Turnover was 10.9%, and voluntary turnover, when employees leave the Company of their own accord, was 4.4%. A considerable proportion of the departures (50) were linked to the conclusion of construction of the Novo Estado Transmission Line, involving employees who had fixed-term labour contracts.

Remuneration and benefits

To attract and retain talent, ENGIE Brasil Energia offers fair and competitive remuneration, which includes fixed and variable components. The variable components are divided into **Profit Sharing (PLR) and Management Bonus** and are designed to encourage high performance and the meeting of challenges.

The PLR is paid to all employees and negotiated annually with the labour unions. The Management Bonus, in turn, is a short-term remuneration offered to managers.

The Company regularly conducts market research with independent consultants to measure the competitiveness and attractiveness of the package on offer. The latest survey in 2021, indicated that the Company's total remuneration package is above 30% of the sector median.

In addition to remuneration, ENGIE Brasil Energia provides employees with a series of benefits, including:

- Additional vacation pay (1/3 in addition to that required by law).
- Medical and dental care, extensive to children and spouses.
- Day care allowance.
- Pharmacy allowance, extended to children and spouses.
- Extension of maternity leave (6 months) and paternity leave (28 days).
- Flexible working hours and hybrid working arrangements.
- Private pension plan with company co-participation.
- Psychological Support Program, extended to children and spouses.
- Life insurance.
- Food vouchers and/or food allowance.
- Travel allowance.

Health, safety, and wellbeing

The safety and well-being of employees are of paramount importance to ENGIE Brasil Energia's sustainability agenda. The Company has adopted the Occupational Health and Safety Policy as a fundamental tenet, detailing actions aimed at ensuring a safe and healthy working environment for all employees.

The company has an Occupational Health and Safety (OHS) management system, based on ISO 45.001, which covers all activities, assets, and employees. This system helps to optimize the area's activities, with the aim of preventing, controlling, eliminating, or reducing risks, ensuring full compliance with current legislation and regulations, as well as providing channels for employee participation and consultation on the subject.

Responsibilities are clearly defined in ENGIE Brasil Energia's internal procedures, for everyone - from the Board of Directors to managers, the corporate OHS unit, asset OHS teams and professionals from all areas. The Executive Areas periodically establish performance indicators, which are monitored and strategically overseen by the senior management. These guidelines and shared responsibilities strengthen the Company's health and safety culture, promoting individual and collective care.

To encourage employee commitment, the Company invests in sensitization initiatives and actions for the raising of awareness, such as:

- General Safety Shutdown;
- Awareness campaigns (Yellow September, Pink October, Blue November, Traffic Safety, etc.);
- ENGIE One Safety Culture Program;
- GR14 Launch: Recognition and Sanctions;
- Cultural transformation project in Health and Safety;
- Strengthening the Safety Moment;
- Audit Cycles.

Indicators related to direct employees	2023	2022
Number of hours exposed to risk	2,173,077	2,219,779
Number of work-related and commuting accidents to and from work with and without time off work	2	7
Number of fatal accidents (deaths)	0	0
Number of lost days – work-related accidents with time off work	0	0
Work-related ill health	0	0

Indicators related to service providers	2023	2022
Number of hours exposed to risk	8,928,490	13,822,341
Number of work-related and commuting accidents to and from work with and without time off work	50	107
Number of fatal accidents (deaths)	1	0
Number of lost days – work related accidents with time off work	41	269

Frequency and severity rates

	2023	2022	Meta 2023	Meta 2024
Frequency Rate (FR) direct employees*	0,00	0,00	≤ 1,40	N.A.
Frequency Rate (FR) service providers*	0,90	1,29	≤ 1,40	N.A.
Severity Rate (SR) direct employees**	0,00	0,00	≤ 0,02	≤ 0,02
Severity Rate (SR) service providers**	0,005	0,017	≤ 0,02	≤ 0,02

*FR = number of occupational accidents in every million hours of exposure to risk.
**SR = number of days lost as a result of work-related accidents in every thousand hours of exposure to risk

Promotion of health

ENGIE Brasil Energia invests in promoting the integral health of its employees through preventive and protective measures - both individual and collective - which respect social and cultural aspects. Among the actions performed:

- Awareness campaigns (Yellow September, Pink October, Blue November, White January, Traffic Safety, etc.);

- Expanded health questionnaire to include questions related to mental health;

- Flu Vaccination Campaign;

- Nature walks (trails) for employees and families;

- In-Company Fitness Space (weight training, Pilates, dance and functional training);

- Collective sports organized by local teams;

- Provision of fruit in the workplace;

- Massage therapy;

- Extra examinations (complementary to those established by law) for all employees, carried out as part of the Periodic Health Checkup;

- Incentives for examinations and consultations with Men's and Women's Health specialists.

In this context, the Company maintains teams specialized in occupational health to monitor the conditions of health of its employees based on occupational and complementary examinations and clinical consultations, providing guidance and individualized monitoring.

Information on employee health is kept strictly confidential. Consultations are carried out in private locations and not reported to any other employee, including managers and leaders. Access to any health care is facilitated, without the need for approval or referral from the manager. This policy ensures that everyone feels safe and comfortable seeking advice on health care issues.

In addition, all employees and their dependents have two health plans with nationwide coverage including various medical and non-medical specialties, covering procedures such as surgeries, hospitalizations, and transportation. The benefits also include a dental plan, pharmacy assistance and financial assistance for the purchase of prescription glasses, ophthalmic lenses, hearing aids and orthopaedic devices.

Promotion of diversity, equity, and inclusion

ENGIE Brasil Energia recognizes that promoting diversity, equity and inclusion helps to combat discrimination, promote human rights, and reduce social inequalities. In addition to the positive social impact, these actions are essential for the Company's sustainable growth, as they add different experiences and perspectives to day-to-day operations, boosting the sustainability of results in the long term.

Launched in 2022, the Diversity & Inclusion Policy guides the actions adopted by the Company and defines the structure of a broad-based culture of diversity. To this end, the Company has made basic training in Diversity & Inclusion mandatory for all employees, this to address unconscious biases and attitudes, making the workplace more inclusive.

ENGIE's aim is to give every employee the feeling of security to express their ideas and contribute to achieving the best results. As part of the assessment of risks related to diversity, the ENGIE&Me engagement survey, held annually, is the source of the inputs for defining them. This survey allows for a differentiated analysis, covering topics such as relationships, working conditions and safety in the professional environment, among others. When the need for intervention is identified, corporate and/or area action plans are established.

It is through the **#geraDiversity Program** that ENGIE's policies and objectives on the subject are implemented, developing actions related to creating an increasingly inclusive environment, whether through awareness campaigns, attraction of diverse talent or developing men and women. Structured around three pillars - culture, development, and attraction - it promotes respect and well-being in the workplace by educating and training employees, supporting the development of under-represented groups in and outside ENGIE Brasil Energia, as well as attracting these professionals to effectively increase the degree of diversity among employees in the Company.

Inclusion of people with disabilities (PwD)

The **#GeraInclusão Program** is an initiative to offer development opportunities to people with disabilities – in technical or university training – who wish to enter the job market.

Throughout the Program, professionals are offered learning and career development activities, through training in behavioural and technical skills. In addition, mentoring with senior employees and practical experiences in processes and projects are offered, thus contributing to their employability.

In 2023, 18 vacancies related to the initiative were opened.

As a result of a series of developments (including a trainee program with affirmative vacancies for women) and cultural actions put in place over the last few years, **there has been an increase of 2.7 p.p. in the number of women in the workforce - from 26.7% in 2022 to 29.4% in 2023** - an increase in line with those observed in previous years. There was also an increase in the percentage of **women in leadership positions - from 23.2% in 2022 to 27.7%** in 2023.

Professional development

Fostering lifelong learning, making knowledge a platform for personal and professional development is a commitment ENGIE Brasil Energia has made to every employee. For this reason, the Company has a team exclusively dedicated to the subject in the People and Culture Management area (PCM), which shares responsibility with area managers for identifying demands for technical and soft skills training.

Management monitors development targets, including the percentage of participations over the course of the current year, access to ENGIE Group programs, development hours for distinct levels and positions and themes broken down into effective actions. To strengthen the professional development process, ENGIE Brasil Energia has created Career Dialogs, a platform that supports the Individual Development Plans (PDI). Through the platform, employees reflect on the evolution of their professional career and the results of their work during the year together with their manager, and on future prospects.

The IDPs provide guidance on training that may be offered on the company's corporate education platform, which can be accessed freely by employees. Complementary development programs are offered at the ENGIE University, the ENGIE Group's corporate university. In addition, a training program allows employees to receive financial compensation from the Company to take postgraduate and language courses.

In 2023, the Company invested around R$6.8 million in training and qualification initiatives, an increase of 19% on the previous year's figure of R$ 5.7 million. In all, around 79,600 hours were dedicated to learning, an increase of 13.4% compared to 2022, which totalled 70,200 hours.

Organizational climate

The Company evaluates the effectiveness of the People Management program through organizational climate surveys which are held on a regular basis. In 2023, 95% of the employees participated in the survey.

- I believe fully in ENGIE'S targets and objectives – **97%**
- I would recommend ENGIE as a good place to work – **93%**
- I am proud to be associated with ENGIE – **98%**
- I firmly believe in ENGIE's capacity to advance in the direction of a carbon-neutral economy – **97%**
- ENGIE is a socially responsible company – **98%**
- I understand how my work contributes to the business objectives of my company – **97%**

ENVIRONMENT AND CLIMATE

STRATEGY FOR CONSERVATION

Ensuring compliance with the legislation, avoiding, mitigating, and compensating for the risks and impacts of operations on ecosystems and engaging stakeholders in the preservation of natural resources and the climate. These are the premises of the environmental conservation strategy implemented by ENGIE Brasil Energia **to maximize the positive impact of its operations on the planet and people**. Based on this strategy, corporate guidelines and voluntary commitments guide programs, projects and initiatives dedicated to the continuous improvement of the Company's environmental performance.

The legal compliance of the Company's activities is attested to by the competent environmental agencies, which are responsible for issuing and monitoring the 117 operating licenses and 14 installation licenses managed by ENGIE Brasil Energia at the end of 2023 - together, these licenses add up to more than 2,900 environmental monitoring and control conditions. During the year, 11 Operating Licenses (LOs) were obtained and 07 were renewed, reflecting the 100% compliance of the Company's operations.

Thanks to the efforts of the Company to ensure the compliance of its operations, and as in the preceding four years, in 2023 ENGIE Brasil Energia was not ordered to pay significant monetary penalties in 2023 (in excess of US$ 10 thousand), due to non-compliance with legal requirements or related to environmental impacts.

In 2023, **the Company invested approximately R$ 27.3 million to implement environmental programs at assets in operation and R$14.8 million provided for in the Basic Environmental Projects for projects under implementation**, in order to keep its actions in line with the socio-environmental standards determined by the ENGIE Group, as well as to comply with current legislation and the environmental conditions of the Environmental Licenses.

ENVIRONMENTAL MANAGEMENT

ENGIE Brasil Energia maintains strategic corporate guidelines - as well as global public targets and commitments - relating to **biodiversity, forests, water, the circular economy, and climate**. In line with the ENGIE Group's Environmental Policy, management of these themes is the responsibility of the People, Processes and Sustainability Area, covering both operational assets and projects under development and implementation.

The Company's structure for socio-environmental management includes multidisciplinary environmental teams allocated to the assets, made up of specialists, who interact constructively with the Environment and Climate Management unit, aligning corporate policies and practices with the reality of each territory.

Guided by standards NBR ISO 14001 - Environmental Management; NBR ISO 9001 - Quality Management; and ISO 45001 - Occupational Health and Safety Management, the Integrated Management System (IMS) establishes procedures and monitors performance indicators at each asset. In 2023, it **ensured continued certification with no non-conformities** for 11 of its assets, in addition to the Company's headquarters, corresponding to 79.8% of the installed capacity operated in the generation segment. The assets not yet certified adhere to the same management and performance requirements.

Biodiversity

Attention to biodiversity is a pillar of ENGIE Brasil Energia's corporate policies and environmental conservation strategy. In line with global movements and the commitments made by the ENGIE Group in relation to this issue, the Company began structuring its Nature Positive Program in 2023, conducting in-depth studies to identify the dependencies and impacts of its operations, as well as opportunities to contribute to the recovery of nature. ENGIE Brasil Energia will begin to categorize its biodiversity initiatives based on the five dimensions set out by the Taskforce on Nature-related Financial Disclosure (TNFD) - land, fresh water, society, atmosphere, ocean-based on the conservation challenges facing each Brazilian biome, with a territorial perspective.

The identification of impacts on the biodiversity, considering the interdependence of their relationships, is rigorously executed for all activities and phases of the Company's assets, to ensure the development of mitigatory actions, guided by the following hierarchy of action: avoid, reduce, compensate. Thus, EBE seeks to anticipate and prevent impacts on the biodiversity and on natural ecosystem services and, only when this is not possible, limit them to the lowest possible impact, rehabilitating or restoring impacted ecosystems and, ultimately, compensating for significant residual effects.

Biodiversity risk analyses are conducted right from the new business development phase, with prior assessment of geospatial information and mapping of socio-environmental restrictions that indicate the project's proximity to protected areas and other relevant aspects of the local ecosystem, as well as allowing technical adjustments to projects in order to partially or totally minimize these impacts. In the next phase of implementation, environmental impact assessment studies are conducted as part of the environmental licensing process, anticipating mitigatory and compensatory measures.

Summary – environmental performance

The main environmental performance indicators monitored are listed below, with summarized comments on how they are managed, and the results observed. More information on these and other aspects will be included in the 2023 Sustainability Report, to be published in April 2024 on the Company's website.

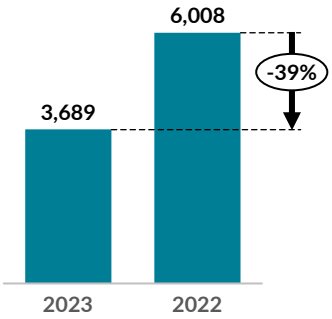
Water

Water management is one of the pillars of ENGIE Brasil Energia's Environmental Policy, given the essential nature of this resource not only for its operations, but for society as a whole. In accordance with the ENGIE Group's Non-Financial Objectives, the Company seeks to be increasingly efficient in its use of water resources and is working to reduce the consumption of fresh water by the energy produced in approximately 70%, with 2019 as the baseline year.

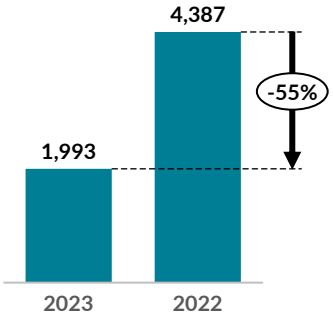
In addition to identifying potential contributions to water conservation, quality and availability, the Company is developing initiatives to reduce consumption, seeking to reduce the water footprint of its activities. The demand for water from the Company's operations is predominantly concentrated in hydropower plants, where the entire volume captured for generation purposes is returned to the water body, in conditions equal to, or better than those presented at the time of capture.

In 2023, with the disposal of the Pampa Sul Thermoelectric Plant, both water withdrawal and consumption continued to fall significantly - a movement that began in 2021 with the sale of the Jorge Lacerda Thermoelectric Complex. Considering the indicator established by the Group for application at ENGIE Brasil Energia, **the rate of freshwater consumption went from 0.19m³/MWh in 2019 to 0.046m³/MWh in 2023, representing a reduction of around 76%.**

Total water withdraws (in megalitres)



Water Consumption (in megalitres)



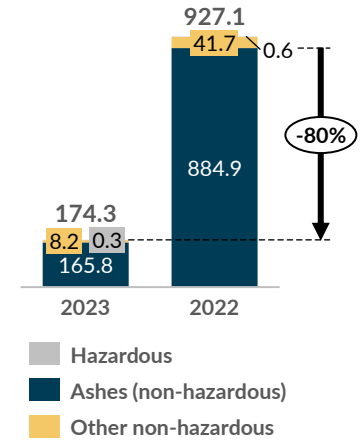
Waste

Guided by its Sustainable Management Policy - and in compliance with the National Solid Waste Policy (Law No. 12.305/2010) - ENGIE Brasil Energia's waste management complies with strict criteria and guidelines, applicable to all its units, which are primarily aimed at eliminating or reducing generation of waste as much as possible. When this is not possible, priority is given to reuse, recycling, treatment, and appropriate final disposal (in that order).

Given this, all business units have their own Solid Waste Management Plan (PGRS), compatible with their activities, duly updated and in compliance with current legislation. The waste under the Company's responsibility is stored in appropriate locations, segregated according to its physical state, degree of hazardousness and chemical incompatibility, to ensure complete compliance with the legislation and good environmental practice.

Throughout 2023, the Circular Economy and Waste Management theme was systematically addressed on a monthly basis by an internal Working Group which assessed ways of mitigating risks and capturing opportunities for improvement in a collaborative manner, considering the realities of each of the Company's assets. Performance indicators related to waste are monitored regularly, based on monthly reports, to assess parameters for the generation, disposal, and recovery of materials. **In 2023, the Company generated 174.3 thousand tons of waste, 81.2% less than the 927.1 thousand tons generated in 2022.** The reduction is due to the sale of Pampa Sul, and the consequent lower volume of ash generated, which accounted for most of the waste volume.

Total waste generated (in thousands of t)



CLIMATE

Context of the strategy

- The year 2023 was marked globally by the consolidation of the consensus, led by the scientific community, regarding the climate emergency. More frequent and intense extreme weather phenomena hit various regions of the world, including Brazil, and confirmed the urgency of effective measures to halt global warming and the resulting economic, social, and environmental impacts.

- The global demand for climate action reflects the movement undertaken by ENGIE to "act to accelerate the transition to a carbon-neutral economy", which is unfolding in global public commitments, with a focus on achieving NetZero status by 2045, by decarbonizing its own operations, as well as those in the value chain, drastically reducing its emissions and offsetting residual emissions.

- Playing a key role in achieving the Group's commitments, in 2023 ENGIE Brasil Energia strengthened its Climate Journey - a climate governance platform designed by the Company to consolidate strategy, risk management, metrics and targets related to the issue. The Climate Journey was structured around three pillars - management, mitigation, and adaptation - based on an in-depth diagnosis that considers all the Company's direct and indirect emissions, as well as a materiality analysis of its Scope 3 emissions - with a view to covering all those emissions in its value chain.

Targets

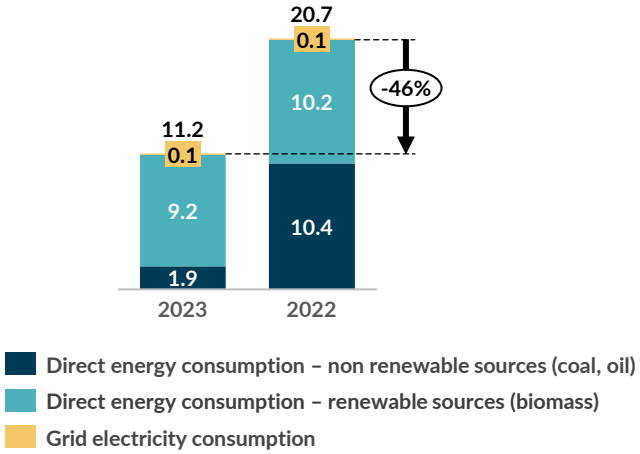
- Based on this diagnosis and the different scenarios projected, ENGIE Brasil Energia has begun to evaluate initiatives for reducing, eliminating, and offsetting emissions in order to guide ambitions and initiatives aligned with science - based on the parameters established by the Science Based Targets Initiative (SBTi). The company has defined short, medium, and long-term targets related to the three fundamental pillars: management, mitigation, and adaptation. These are:

MANAGEMENT	MITIGATION	ADAPTATION
• Targets: • Engage 100% of the main Scope 3-offending suppliers to set science-based targets by 2030. • Conduct 02 annual trainings (applicable to employees and/or management and board of directors) on climate change.	• Targets: • Reduce the intensity of the GHG emissions (scope 1,2 and 3) by 30% up to 2025 and 56% by 2030. • Expand renewable energy generation by 3.8 GW by 2030.	• Target: • To have 100% of the assets covered by plans of climate adaptation by 2030. • •

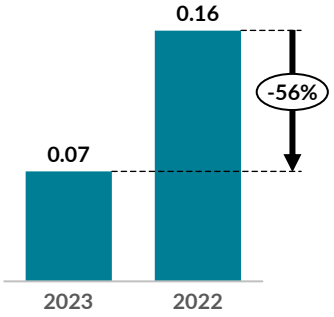
Energy

Until May 2023, the largest portion of this consumption was related to the operation of the coal-fired Pampa Plant. With the exit of this plant from the asset portfolio, there was a 46% reduction in total energy consumption compared to the previous year. As of May, ENGIE Brasil Energia's direct energy consumption is mainly linked to the operations of biomass-fired thermoelectric plants.

Energy consumption (millions of GJ)



Intensidade energética (GJ consumido/ GJ produzido*)



Greenhouse Gas Emissions

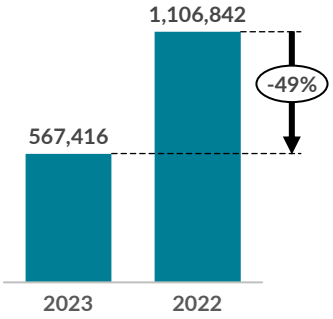
The Company has been strictly controlling its own emissions since 2010, assessing the carbon footprint of its activities and implementing actions to reduce them. The Corporate GHG Inventory is based on the concepts, principles and guidelines established by the GHG Protocol methodology, published by the Brazilian GHG Protocol Program (PBGHGP), using its specifications for accounting, quantifying, and publishing Corporate Greenhouse Gas Emissions Inventories. Equations provided by the Intergovernmental Panel on Climate Change (IPCC) are also used to calculate emissions from certain sources and sinks.

The structure of the report adheres to the specifications of ISO 14064 - Greenhouse Gas Management System, published by the International Organization for Standardization in 2007. The Company's total GHG emissions were calculated and classified into Scope 1 (direct emissions), Scope 2 (indirect emissions from energy purchased) and Scope 3 (other indirect emissions) and the Inventory is verified by an independent external party, consolidating data from the two approaches used by the Program: operational control and corporate participation.

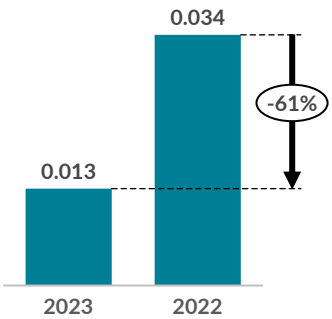
At the time of publication of this report, the inventory for 2023 was still being prepared. Therefore, the information on 2023 below is preliminary and will be consolidated and assured by a third party until the definitive data is published in April 2024, in the Sustainability Report 2023. The full Inventory is also published on the company's website.

The significant reduction in absolute CO2 emissions and respective emissions intensity from 2022 converges with the strategy of decarbonizing the Company's assets, as well as with the strategy of expanding its generating park, which became 100% renewable in 2023.

Total Emissions (tCO_2e)



Emissions intensity (tCO_2e/MWh)



Risk Management Assessment

To deepen the analysis of the impacts of climate change on ENGIE Brasil Energia's assets, studies are carried out on a local and regional scale. Based on the methodology for analysing and identifying climate risks developed by the Controller, the indicators were adapted to represent Brazil's climate reality more accurately.

Heat waves, extreme winds, floods, landslides, and water stress are the main extreme weather events evaluated in the risk analysis. For each of the indicators used to characterize these events, adaptations were made for the regional context, using historical series of data recorded by meteorological stations of the National Institute of Meteorology (INMET).

The studies also include official databases from Brazilian bodies such as the National Water Agency (ANA), National Institute for Space Research (INPE) and AdaptaBrasil – Ministry of Science, Technology and Innovation (MCTI). The objective is to ensure the resilience of activities over time, the integrity of physical facilities, support for surrounding regions and the health and safety of workers.

After identifying the local exposure level, the asset's sensitivity to extreme weather events is investigated. The intersection between assessed exposure and sensitivity determines the actions to be incorporated into the asset adaptation plan.

RELATIONS OF VALUE

Suppliers

Aware of the importance of suppliers of goods and services in mitigating impacts and risks, as well as in meeting the commitments made in relation to ethics and social responsibility, ENGIE seeks to continuously improve its relationship with this group of stakeholders as a means of strengthening its sustainability practices throughout the value chain.

In 2023, one of the main initiatives in this regard was the application of a survey among suppliers to broaden understanding of their ESG policies and practices. Based on questionnaires answered via a digital platform, challenges related to the environment, health and safety, human rights, and ethics, among other aspects, were identified.

The information gathered in the survey, in addition to supporting risk mapping, results in a score that qualifies suppliers according to the degree of alignment they have with the Company's values and commitments. The score obtained in occupational health and safety performance is also used for qualification purposes in bidding processes, requiring a minimum score for participation in tenders.

The data also helps to understand the degree of maturity of each supplier in relation to the ESG agenda and subsidizes the planning of actions aimed at the continuous development of these partners.

In addition to the new research dynamic that began in 2023, ENGIE Brasil Energia already had mechanisms in place for evaluating and managing suppliers, based on the ENGIE Group's Due Diligence policy, with measures that seek to mitigate the risks of corruption and other transgressions of the Company's environmental and human rights policies. In summary, this system includes:

Combating child, forced and compulsory labour

Committed to promoting human rights, ENGIE Brasil Energia does not allow, under any circumstances, the exploitation of child, forced or compulsory labour. Therefore, it refuses commercial relations with organizations involved in these practices and is advised to report any cases it becomes aware of to the competent bodies.

The expected conduct of employees, suppliers, and partners in relation to the topic is described in the Human Rights Policy and the ENGIE Brasil Energia´s Code of Ethics, widely disseminated to all audiences and accessible on the Company's website.

- Ethical analysis prior to the entry of any new supplier, with annual reassessments;

- Quarterly assessment of long-term suppliers or critical suppliers, when they provide services within ENGIE's facilities, covering four approaches: commercial, social, environmental and health and safety. If performance falls below 70%, action plans are drawn up to address the points for improvement which have been identified;

- Evaluation conducted by an independent external company and with more in-depth criteria for suppliers who receive larger volumes of funds, observing criteria such as: convictions for acts of impropriety, association with slave labour, names listed in registers as companies either unfit or punished, processes linked to environmental violations, among others;

- Monitoring of reputation, using the RepRisk tool, for two supplier profiles: long-term suppliers and those that receive more significant volumes of funds.

Supplier management initiatives are supported by ENGIE Brasil Energia's governance structure, policies, and guidelines. In 2023, the Company published the Code of Conduct on Supplier Relations, a document that internalizes, with some adaptations, the Code of Conduct already adopted by the ENGIE Group, in order to guide ethical standards, ensuring compliance in these relationships. Other commitments and expectations relating to suppliers are set out in the Procurement Policy.

Both policies make it clear that potential suppliers must be aligned with the Company's ethics and compliance principles and, more than that, ensure that they respect these commitments within their own supply chains, seeking ways to ensure that their own suppliers are in compliance with the established guidelines.

In addition, the contracts signed by the Company include clauses on ethics, the environment and social responsibility, which formalize the alignment required of suppliers with the values and commitments assumed by the Company in its Code of Ethics, its Sustainable Management Policy, and other applicable guidelines.

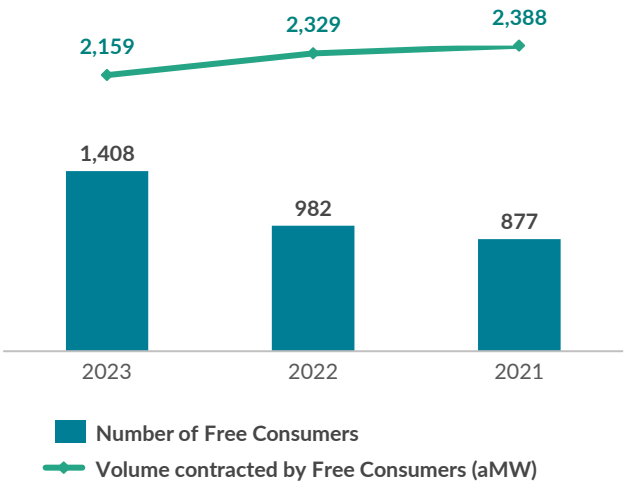
Throughout 2023, the **Company maintained commercial relations with 3,902 suppliers**, 2,081 new partners having been registered - 100% of which underwent prior ethical analysis.

Customers

Customer management at ENGIE Brasil Energia has two strategic roles: to retain customers already captive, based on a satisfactory commercial journey, and to maintain the Company's competitiveness, in order to attract other potential customers. The relevance of this work has increased with the expectations related to the opening of the Free Contracting Environment (ACL) to all high-voltage consumers - opening up the opportunity for the addition of more than one hundred thousand new potential customers.

In 2023, the Company recorded a significant increase in the number of customers in the free market, from 982 to 1,408, a growth of 43%, reflecting the gradual opening of the market in recent years, together with efforts to capture and expand market share - these efforts are detailed below. The decrease in the volume of energy is mainly due to the lower volume of energy purchases and, consequently, the lower volume available for sale.

Number of clients and commercialized energy volume



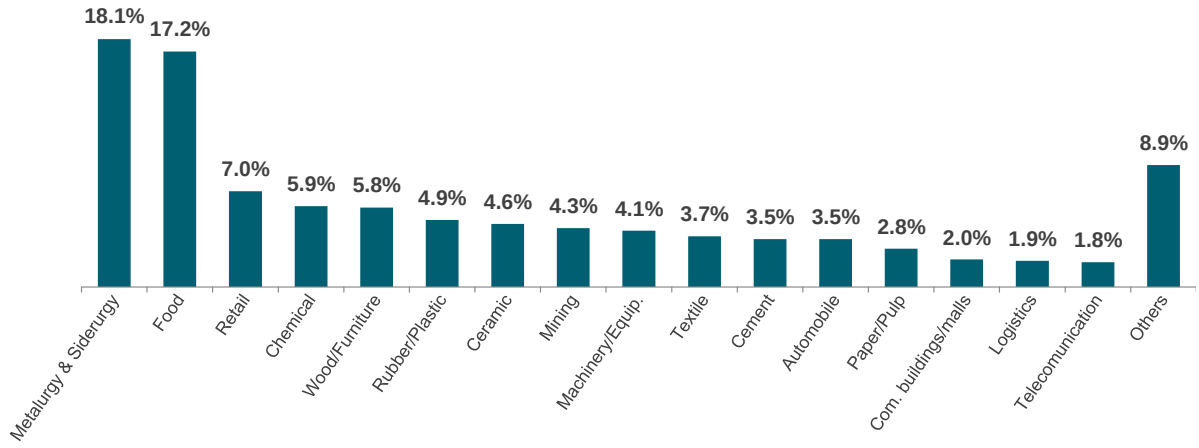
Among the strategies adopted by the Company is the acceleration of the migration of companies to the ACL through digital solutions that facilitate the interaction of agents and automate the contracting of energy. Some products developed by the Company have reduced contracting time from four days to four hours, making migration even more attractive.

E-conomiza, for example, is a line of solutions for consumers looking for energy efficiency and cost savings and, through it, the process of migrating to the ACL has been simplified, especially for small and medium-sized companies. Another advantage is that it increases the autonomy of these consumers, allowing them to self-manage the energy in their businesses.

Also noteworthy is Energy Place, a digital platform created by ENGIE Brasil Energia to function as an energy e-commerce for all Free Market agents. Here, you can quote and buy short- and long-term energy and manage contracts and seasonal-related strategies in a practical, agile and 100% digital way.

Another initiative aimed at more effective customer management was the expansion of service channels in order to strengthen the relationship. In addition to service via chat and messaging applications, ENGIE Brasil Energia has added new partners to the chain of representatives it has distributed throughout the country to generate business in the Free Market. The aim is to increase sales capillarity and the accessibility of a customer friendly service.

Diversification of client's portfolio in the free market



The Company has also implemented a Customer Success project, which, among other measures, includes a monthly survey of customer samples to identify opportunities for improvement and support the planning of new actions. Each customer responds to the survey once a year. The satisfaction rate in 2023 was 93.5%, 2.5 p.p. higher than in 2022.

In addition to supporting its clients' journey towards greater energy efficiency within the Free Energy Market, ENGIE Brasil Energia also positions itself as a partner and supporter of companies seeking to decarbonize their operations. To this end, it offers solutions to offset emissions identified in GHG Emissions Inventories, in the three scopes: direct emissions (scope 1), indirect emissions from energy purchases (scope 2) and indirect emissions from sources over which the company has no control (scope 3).

The main solutions available are:

- **I-RECs**: certifies that electricity consumption is from renewable sources, with no GHG emissions. The certificate is internationally recognized and can be used to offset Scope 2 emissions, without an actual reduction in emissions.

- **ENGIE-REC**: allows free consumers, mainly large industrial or commercial companies, to sign an agreement with ENGIE to guarantee that the energy consumed in their operations is being generated by a renewable source, free of greenhouse gas (GHG) emissions. With this, the consuming company can zero out Scope 2 emissions in its Inventory.

- **Carbon credits**: effectively reduce direct and indirect GHG emissions. Credits can be used to offset Scope 1, 2 and 3 emissions, including for periods prior to the current year of the GHG inventory. To boost clients' access to credits, the Company signed its first venture capital investment contract this year in a start-up focused on this solution. This is Descarbonize, focused on services to neutralize greenhouse gas (GHG) emissions by offsetting emissions with UN-certified carbon credits. It is an integrated platform for automating and simplifying the calculation and management of annual emissions for small and medium-sized companies, with solutions for neutralizing events as well.

Investors

ENGIE Brasil Energia's relationship with its investors is based on transparency and trust. Aware of its responsibility to conduct business in a sustainable, ethical, and upright manner, the Company reports results in a systematic manner, striving to provide information related to all aspects of its operations, without limiting itself to financial results.

Some guidelines for this relationship are set out in the **Information Disclosure and Securities Trading Policy**. All material facts, announcements of results, notices to shareholders and other communications to the market, in addition to being made available in the "Investors" area of the Company's website, are disclosed on the websites of the Brazilian Securities and Exchange Commission (CVM) and B3.

At the end of 2023, ENGIE Brasil Energia had more than 300,000 shareholders, an increase of 9.8% on the previous year. All of them, whether legal entities or individuals, receive equal treatment in terms of access to information on strategy, governance, risks, business performance and other matters of potential interest to shareholders and investors.

Interactions with investors in 2023

- **142 institutional analysts and investors** attended via conference calls (on site and video) and non-deal roadshows;
- About **5.5 thousand participants** in the quarterly results video conferences;
- **3 lives** with focus on the personal investor;
- About **2 thousand participants at Inside ENGIE** (being 40 present onsite);
- More than **55 thousand** accesses to the investor website in the year.

Communities

Social responsibility and sustainable development underpin ENGIE Brasil Energia's operations and its way of relating, especially in the communities of which it is a part, covered by the assets it deploys and operates. In this sense, the Company seeks to position itself as an agent of social transformation, promoting actions and projects that bring quality of life and progress to the territories where it operates. This is one of the commitments made explicitly by the Company in its Sustainable Management Policy.

The allocation of resources considers demands previously mapped out with local communities, based on active listening. In this way, the planning of programs and financial support has a participatory bias, based on principles such as transparency, ethics, and cooperation.

In 2023, around R$18.6 million was invested in socio-environmental projects, including voluntary investments, unrelated to the licensing process, in the regions where the projects are being implemented as well as voluntary transfers to the communities in which it operates.

Voluntary investments in Social Responsibility (R$ thousand)

Source	2023	2022	Change(%)
Non-incentivized investments related to operating assets or corporate programs	3,944	3,499	12.7%
Non-incentivized and voluntary investments related to projects under implementation	4,394	1,389	216.3%
Investments with incentivized resources*	10,339	16,487	-37.3%
TOTAL	**18,677**	**21,375**	**-12.6%**

** Investments through the Infancy and Adolescence Fund, Culture Incentive Law – (Rouanet and Audio-visual), Sport Incentive Law and Municipal Fund for the Elderly.*

In carrying out its social responsibility initiatives, ENGIE Brasil Energia also fosters associativism and cooperativism to build actions on a lasting and sustainable basis and improve the socio-economic conditions of the most vulnerable groups. The Company's priority investment areas are:

- Access to education, culture and to sport;

- Protection of infancy and youth;

- Income creation.

Below are the main initiatives supported and developed in 2023, both within the scope of structuring programs and specific actions that have had a social impact.

Women of our Neighbourhood

Created in 2020 as a mechanism for dealing with the socio-economic effects of the Covid-19 pandemic, **Women of Our Neighbourhood** has become one of ENGIE Brasil Energia's permanent programs. The aim is to promote gender equality based on four fundamental pillars: education, health, income generation and combating domestic violence.

In each edition, the Company makes financial transfers to **support businesses led by women** (both cisgender and transgender) and offers free training in entrepreneurial education and business management. The Program also includes guidance on support networks, physical and mental health support, and awareness-raising actions to combat domestic violence.

In 2023, ENGIE launched the 4th Women of Our Neighbourhood call for proposals, the largest to date. In all, 93 projects were selected to receive a financial incentive of R$10,000 each. In addition to supporting a significantly larger number of projects (in 2022, there were 36 initiatives), the new call for proposals focused on the empowerment of black women, by prioritizing businesses led exclusively by self-declared black candidates.

Support for education

Motivated by the power of education to transform society, ENGIE Brasil Energia supports actions that promote social inclusion and improve the learning conditions of children and adolescents. In 2023, the Company launched the 3rd Education Call for Proposals, through which it recognizes and rewards innovative and inclusive educational experiences that benefit primary and secondary school students.

Combining the three editions already launched - 2021, 2022 and 2023 - it is estimated that more than 15,000 children and adolescents have been impacted in municipalities where the Company operates. In all, the third edition selected **35 projects from 24 municipalities located in 13 states.**

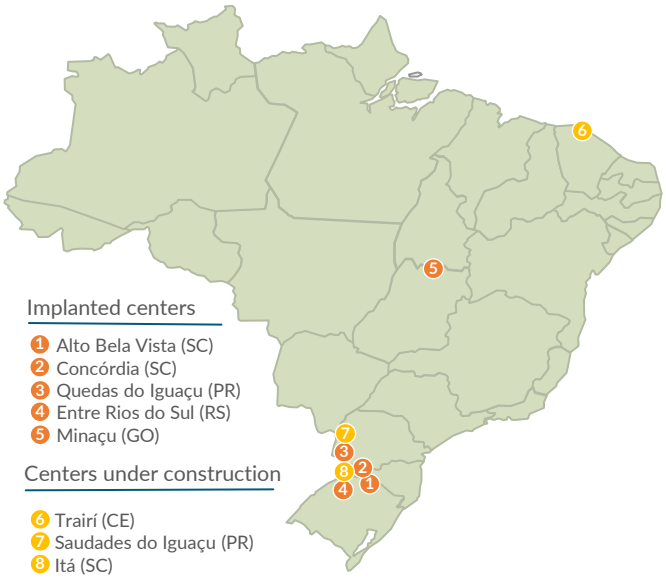
Another initiative to support education was Professions of the Future. In a partnership with the edtech Cubos Academy, ENGIE Brasil Energia offered **five thousand full scholarships in technology courses**. The beneficiaries are students from the communities in which the Company operates, in more than ten states in Brazil. The only requirement was that those interested had to be at least 16 and in high school. As well as technical training, the courses cover preparation for job interviews, behavioural skills, and techniques for making your LinkedIn profile stand out.

Sustainability and Culture Centres

Set up and supported with sponsorship from ENGIE Brasil Energia in different regions where the Company's assets are located, the Culture and Sustainability Centres offer cultural, educational, and recreational activities to local communities. In doing so, the Company is effectively democratizing culture, making music, theatre, cinema, and other events more accessible to the population.

The Company began setting up the Centres in 2011, mostly funded out of tax breaks at the time. The spaces have an amphitheatre, museum, library and spaces for workshops and exhibitions. The communities manage them themselves, through local associations, autonomously and independently of the public authorities and ENGIE.

Sustainability and Culture Centers



At the end of 2023, five centres were in operation and three were under construction: Trairi (CE), scheduled to open in June 2024, Saudade do Iguaçu (PR) and Itá (SC). It is estimated that more than half a million people have visited the centres and more than 4,000 young people have been received the benefits of these institutions.

Goodwill Partners

Combining the efforts and resources of ENGIE Brasil Energia's clients and partners of varied sizes and segments, Goodwill Partners has already made it possible to invest R$ 8.3 million in income generation, education and culture programs. More than 150 partnerships have been established since 2021, when the program was launched to broaden the scope of the Company's initiatives in social responsibility.

By inviting clients and partners to engage in actions and projects with a social impact, ENGIE Brasil Energia is aligning itself with the 17th Sustainable Development Goal (SDG) of the UN's 2030 Agenda, which provides for "strengthening the means of implementation and revitalizing the global partnership for sustainable development". It is estimated that the partnerships where agreements have already been signed have impacted thousands of people across the country.

In 2023, Goodwill Partners made it possible to conduct various projects, with significant results:

+ 100 partnerships established;

+ R$900,000 invested in income generation programs;

+ R$1 million invested in education projects;

+ R$ 3.5 million invested in cultural projects, either entirely by partners or with a counterpart from ENGIE Brasil Energia.

BALANÇO SOCIAL

1 – Calculation basis	2023 (R$ thousand)	2022 (R$ thousand)
Net Revenues (NR)	10,747,784	11,565,101
Operating Income (OI)	4,397,300	3,319,768
Gross Payroll (GPR)	218,759	222,149
Total Value Added (TVA)	8,626,887	8,088,447

2 – Internal social indicators	R$ thousand	% over GPR	% over NR	% over TVA	R$ thousand	% over GPR	% over NR	% over TVA
Meals	28,775	13.15	0.27	0.33	27,746	12.49	0.24	0.34
Compulsory social charges	65,588	29.98	0.61	0.76	95,044	42.78	0.82	1.18
Private pension	47,278	21.61	0.44	0.55	56,010	25.21	0.48	0.69
Health	28,818	13.17	0.27	0.33	27,411	12.34	0.24	0.34
Occupational health and safety	5,033	2.30	0.05	0.06	14,002	6.30	0.12	0.17
Education	0	0.00	0.00	0.00	56	0.03	0.00	0.00
Culture	0	0.00	0.00	0.00	-	0.00	0.00	0.00
Professional training and development	1,487	0.68	0.01	0.02	5,585	2.51	0.05	0.07
Daycare or daycare assistance	3,589	1.64	0.03	0.04	684	0.31	0.01	0.01
Sport	554	0.25	0.01	0.01	435	0.20	0.00	0.01
Profit-sharing	16,234	7.42	0.15	0.19	61,680	27.77	0.53	0.76
Transportation	6,301	2.88	0.06	0.07	6,567	2.96	0.06	0.08
Others	1,133	0.52	0.01	0.01	1,292	0.58	0.01	0.02
Total – internal social indicators	**204,790**	**93.60**	**1.91**	**2.37**	**296,512**	**133.47**	**2.56**	**3.67**

3 – External social indicators	R$ thousand	% over OI	% over NR	% over TVA	R$ thousand	% over OI	% over NR	% over TVA
Education	240	0.01	0.00	0.00	288	0.01	0.00	0.00
Culture	4,386	0.10	0.04	0.05	10,003	0.30	0.09	0.12
Health and sanitation	0	0.00	0.00	0.00	90	0.00	0.00	0.00
Sports	2,040	0.05	0.02	0.02	2,350	0.07	0.02	0.03
Others	7,891	0.18	0.07	0.09	7,636	0.23	0.07	0.09
Total contributions to society	**14,557**	**0.33**	**0.14**	**0.17**	**20,367**	**0.61**	**0.18**	**0.25**
Taxes (excluding social charges)	1,843,000	41.91	17.15	21.36	2,036,775	61.35	17.61	25.18
Total – external social indicators	**1,857,557**	**42.24**	**17.28**	**21.53**	**2,057,142**	**61.97**	**17.79**	**25.43**

4 – Environmental indicators	R$ thousand	% over OI	% over NR	% over TVA	R$ thousand	% over OI	% over NR	% over TVA
4.1 – Investments related to the production/operation of the company								
Liabilities and environmental contingencies	17,951	0.41	0.17	0.21	16,347	0.49	0.14	0.20
Technological and industrial development program	15,626	0.36	0.15	0.18	8,629	0.26	0.07	0.11
Others	1,121	0.03	0.01	0.01	3,644	0.11	0.03	0.05
Total investment related to the operation/production of the company	**34,698**	**0.79**	**0.32**	**0.40**	**28,620**	**0.86**	**0.25**	**0.35**
4.2 – Investment in external programs and/or projects								
Environmental education projects in communities	2,318	0.05	0.02	0.03	1,311	0.04	0.01	0.02
Preservation and/or revitalization of degraded environments	3,807	0.09	0.04	0.04	6,269	0.19	0.05	0.08
Others	1,460	0.03	0.01	0.02	6,021	0.18	0.05	0.07
Total investments in external programs and/or projects	**7,585**	**0.17**	**0.07**	**0.09**	**13,601**	**0.41**	**0.12**	**0.17**
Total environmental investment (4.1 + 4.2)	**42,283**	**0.96**	**0.39**	**0.49**	**42,221**	**1.27**	**0.37**	**0.52**

Distribution of environmental investment	R$ thousand	% over total	R$ thousand	% over total
Total investment in environmental prevention activities	12,505	89.77	6,488	25.08
Total investment in environmental maintenance activities	1,233	8.85	17,484	67.57
Total investment in environmental compensation activities	192	1.38	1,902	7.35

5 – Workforce indicators	2023 (in units)	2022 (in units)
Number of employees at the end of the period	1,099	1,215
Number of new hires in the period	135	201
Number of dismissals in the period	130	156
Number of interns	71	73
Number of employees by age group:		
Less than 30	166	199
From 30 to 50	833	906
Over 50	100	110
Number and percentage of women working at the Company	323 (29.4%)	324 (26.7%)
Percentage of management positions held by women	27.7%	23.2%
Number and percentage of men working at the Company	776 (70.6%)	891 (73.3%)
Percentage of management positions held by men	72.3%	76.8%
Number of blacks working at the company	222 (20.2%)	There is no formal declaration from employees.
Percentage of management positions held by blacks	7 (10.9%)	There is no formal declaration from employees.
Number of handicapped or special-needs employees	54	54
Proportion between the highest salary paid by the company and the median salary of the other employees	28.2X	23.1X
Proportion between the highest salary paid by the company and the average salary of the other employees	20.3X	16.9X

6 – Relevant corporate citizenship information	2023	2022
Total on-the-job accidents	ENGIE: 2 Suppliers: 50	ENGIE: 6 Suppliers: 109
The social and environmental projects implemented by the company were decided upon by:	( ) Directors ( ) Directors and management (X) All staff	( ) Directors ( ) Directors and management (X) All staff
The risk and security standards in the workplace were decided upon by:	( ) Directors and management ( ) All staff (X) All staff + CIPA	( ) Directors and management ( ) All staff (X) All staff + CIPA
Regarding to labor unions, right for collective bargaining and internal representation of workers, the company:	( ) Does not get involved (X) Follows ILO rules ( ) Encourages and follows ILO	( ) Does not get involved (X) Follows ILO rules ( ) Encourages and follows ILO
Private pension arrangements contemplate:	( ) Directors ( ) Directors and management (X) All staff	( ) Directors ( ) Directors and management (X) All staff
Profit-sharing contemplates:	( ) Directors ( ) Directors and management (X) All staff ( ) Are not considered	( ) Directors ( ) Directors and management (X) All staff ( ) Are not considered

Regarding the selection of suppliers, the same ethical and social and environmental responsibility standards adopted by the company:	( ) Are suggested (X) Are required	( ) Are suggested (X) Are required
Regarding the participation of employees in volunteer activities, the company:	( ) Does not get involved ( ) Supports (X) Organizes and encourages	( ) Does not get involved (X) Supports ( ) Organizes and encourages
Total number of consumer complaints and criticism:	To the company: 0 To Procon: N.A. (0) In justice	To the company: 0 To Procon: N.A. (0) In justice
Total value added for distribution (R$ thousand):	**8,626,887**	**8,088,447**

Distribution of Value Added:	R$ thousand		R$ thousand	
Government	2,762,105	32.0%	2,599,778	32.1%
Employees	366,872	4.3%	345,955	4.3%
Shareholders	3,420,325	39.6%	2,655,615	32.8%
Third Parties	2,068,850	24.0%	2,478,146	30.6%
Retained	8,735	0.1%	8,953	0.1%

FINANCIAL AND OPERATIONAL PERFORMANCE

MACRO ECONOMIC SCENARIO

The global macro-economic panorama in 2023 can be summarized based on two tendencies. The first of these, and positive, is that world inflationary pressures, which had been a cloud over markets of recent, have weakened, bringing a little more stability to prices. This feeds through to less restrictive monetary-economic policies in the medium term, which in turn brings economic growth. On the downside, the geopolitical horizon – already complex in 2022 due to the Russo-Ukrainian conflict – has worsened with conflicts in Israel and contiguous territories, generating more instability and the possibilities of a further inflationary spiral. The overriding scenario during the year was one of very modest economic growth.

The Brazilian economy in 2023 posted a slightly superior performance to the one projected by the economists and the market, with more controlled inflation and interest rate reductions. Forecasts of the Economic Policy Secretariat (SPE) are for a GDP growth of 1.6% helped by a good performance in the formal labour market and in the agribusiness sector. During the year, the country was rewarded with a super harvest, benefiting from even higher commodity prices in international markets. If in 2022, the larger part of the contribution to GDP came from industry and services, in 2023 the main drivers were agribusiness and the extractive sector. The industrial and services sectors continued to be impacted by high rates of interest.

Inflation fell gradually and closed the year at 4.62%, and thus within the target established by the monetary authorities (a ceiling of 4,75%). The appreciation of the Real and the price shock from commodity prices, which increased by approximately 20% in 2022, fell in 2023, bringing the price index down in juxtaposition with an increase in supply on the foodstuffs front. The PTAX rate for the US dollar closed the year at R$ 4.84, 7.1% lower than the closing rate of R$ 5.21 for 2022.

The respite in inflationary pressures allows the Central Bank to begin a cycle of cuts in the Selic rate, the first of which was announced in August. Although continuing at high levels, the basic interest rate started 2023 at 13.75% and ended at 11.75%, with indications of further cuts in the future.

Scenario in the electric energy sector

The decline in electricity consumption in advanced economies restricted the global demand for energy in 2023. Consumption rose 2,2% in 2023, less than the growth of 2.4% in 2022. While China, India and various countries Southeast Asia reported robust growth, advanced economies recorded substantial declines in the light of an environment of macroeconomic deceleration together with elevated levels of inflation and a particularly dampening effect on industrial output.

In Brazil, the year was characterized by a sharp increase in energy consumption, largely a reflection of heatwaves that swept the country in the second half and good performances on the part of some sectors in the economy. Empresa de Pesquisa Energética (EPE) data reveals annual electric energy consumption in Brazil at 531,013 GWh, an increase of 4.2% compared with 2022 from 509,441 GWh. When compared to December 2022, the increase in consumption was 9.1% - growth which occurred both in the regulated contracting environment (8.6%) and in the free market (10.0%).

Residential consumption registered growth of 7.6%, commercial 5.6% and industrial, 2.0%. In relation to the regions of Brazil, there were significant increases above the average in the North (7.7%), Northeast (7.5%) and Central-West (5.2%) regions. The South (3.4%) and the Southeast (2.7%) reported more modest increases.

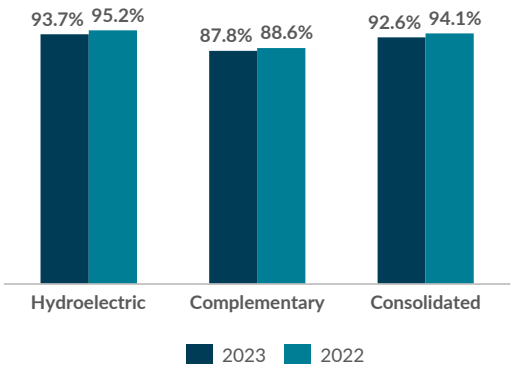
Energy generating park uptime

For the full 12-month period in 2023 and considering all scheduled and forced shutdowns, the plants operated by ENGIE Brasil Energia recorded an uptime index of 92.6%, that is 93.7% at the hydro plants and 87.8% at the plants fired from complementary sources.

Compared with 2022, there was a reduction of 1.5 p.p. in global uptime, reflecting a reduction of 1.5 p.p. and 0.8 p.p. in uptime at the hydropower and complementary plants, respectively. For comparative purposes, the Pampa Sul Thermoelectric Plant was excluded given its disposal in May 2023.

Reduced uptime at the hydropower and complementary plants is largely due to the modernization of the Jaguara and Miranda HPPs as well as corrective maintenance work on wind turbines at Campo Largo and Umburanas wind power plants.

Generating park uptime



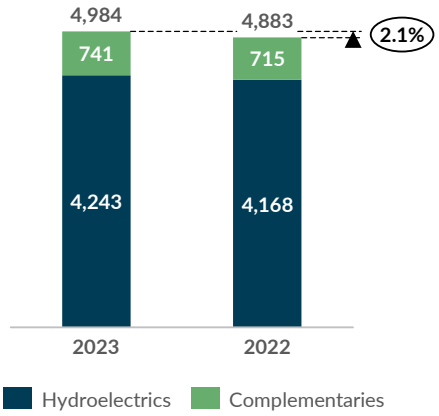
Energy transmission lines uptime

Engie Brasil Energia recorded a strong operational performance from its Gralha Azul and Novo Estado transmission assets, reaching global uptime of 99.95% in 2023. The transmission assets had their implementation completed in February 2023.

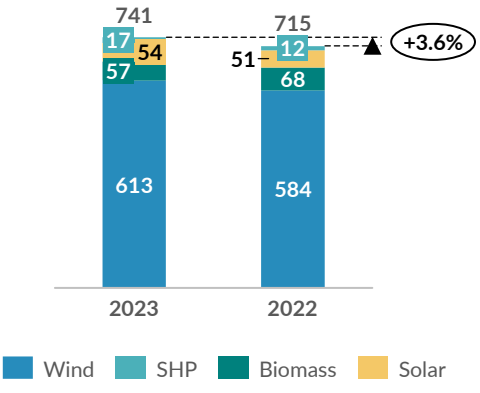
Energy production

Electricity output from plants operated by ENGIE Brasil Energia was 43,662 GWh (4,984 average MW), resulting in annual production 2.1% greater than 2022 when the total generated was 42,778 GWh (4,883 average MW), excluding generation from Pampa Sul in the light of its disposal in May 2023.

Generation (average MW)



Generation – Complementary source (average MW)



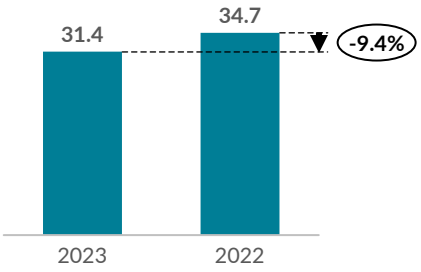
At the hydropower plants, annual production in 2023 was 37,171 GWh (4,243 average MW), 1.8% higher annually than in 2022. This reflects the La Niña phenomenon present throughout 2022 until the beginning of 2023 when the period was characterized by heavier rainfall in the North of Brazil, combined with drier periods in the South. The second half of 2023 marked the return of the El Niño phenomenon, when rainfall was more intense in the south of Brazil, favouring the maximization of energy generation from plants in this region. Considering that, due to the different climatic regimes in 2022 and 2023, there was an alternation of favourable hydrological periods, so that the annual average between the two years was remarkably similar. In the complementary plants, production of energy during 2023 was 6,492 GWh (741 average MW), an amount 3.6% year-on-year higher. This stronger production is due largely to the entry into operation of the Santo Agostinho Wind Complex and the booking of the complete year of generation of the Paracatu and Floresta photovoltaic plants acquired in March 2022.

Also worth recalling is that the increase in the Company's hydropower generation does not necessarily improve economic-financial performance. Similarly, a reduction in this type of generation does not necessarily imply a deterioration in economic-financial performance. This is due to the application of the Energy Reallocation Mechanism (MRE), where the inherent hydrological risks of hydropower generation are shared proportionally among MRE participants.

Gas transportation

In 2023, TAG transported an average volume of gas of 31.4 million m^3/day (34.7 million m^3/day in 2022). Extraordinary agreement volume was 14.2 million m^3/day, representing approximately 16% of TAG's total contracted volume, and 24% if only the integrated network (excluding GTA Urucu-Manaus, where Petrobras remains sole carrier) is considered. In 2023, TAG signed 69 extraordinary contracts with 21 carriers, a considerable increase compared to 2022 when 52 transportation agreements were signed with 15 carriers besides Petrobras (comprising 11 distinct economic groups).

Average volume of gas transported (MM m^3/day)



INNOVATION

More than an important competitiveness factor, ENGIE Brasil Energia sees innovation as a promising path to face the challenges that concern society in relation to sustainable development. In a collaborative way, combining science, technology and human capital, the Company encourages ideas that generate a positive impact on the world, focused on energy efficiency, renewable sources, smart cities, and sustainability. Collaboration occurs internally and through external partnerships.

Aneel's R&D represents one of the most relevant mechanisms for the practice of innovation at ENGIE Brasil Energia. In total, the Company has already invested more than R$200 million in almost 200 projects conducted through partnerships with companies, universities and research institutions, promoting the open innovation model.

In 2023, more than R$59.6 million was allocated to the Program, distributed as follows:

- R$ 23.9 million to the National Fund for Scientific and Technological Development (FNDCT);

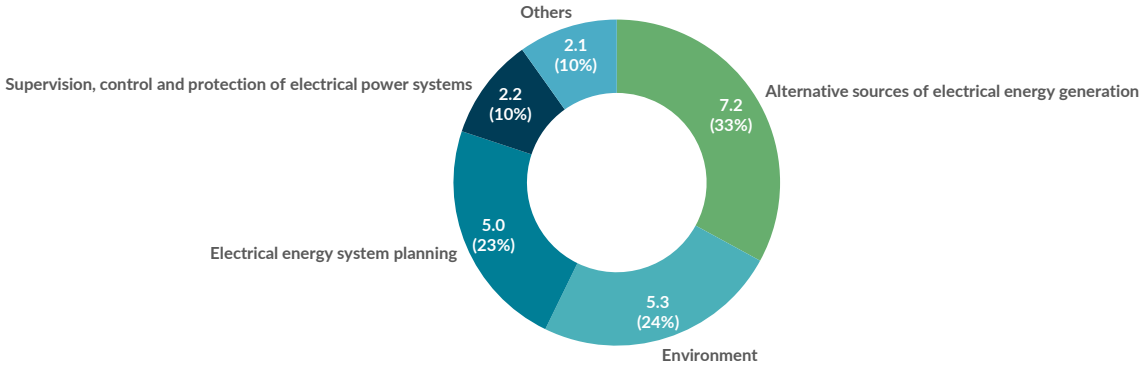
- R$ 11.9 million to the Ministry of Mines and Energy (MME), to fund the Energy Research Company (EPE);

- R$ 7.1 million to the Energy Development account (CDE), to cover low tariffs;

- R$ 16.7 million to be invested in R&D projects.

The volume invested by ENGIE Brasil Energia in Projects in 2023, which use resources from the balance available for contributions to Aneel R&D, was R$21.8 million, distributed across categories as per the graph below.

Total investment to Aneel RD&I projects in 2023
(R$ million and % of total)



Among the new projects developed in 2023, the following stand out:

- Computational tool for detecting, identifying and quantifying energy losses in photovoltaic plants: Aligned with the objectives of expanding complementary renewable energy generation, the project, developed in partnership with the Federal Institute of Education, Science and Technology of Santa Catarina (IFSC) and the Federal University of Santa Catarina (UFSC), provides for the detection of faults in photovoltaic systems, through machine learning and physical modelling.

- MagAnalyzer: This is a system for continuous monitoring of the magnetic field created around synchronous generators of hydroelectric plants, in order to detect abnormalities that indicate the presence of faults in the initial stage or in progress. The objective is to detect abnormalities. The invention, at the end of 2023, went through the last phases of the innovation chain, aiming at the industrialization of the product.

Work has also begun on the development of the project "Valuation of Hydroelectric Plant Services and Commercial Proposals". Lasting 22 months and investments estimated at R$3.3 million, the objective is to quantify the so-called "hydroelectric power plant attributes", valuing the quality services and security of supply offered by these assets. With hundreds of cascade plants in the country and a significant accumulation capacity in reservoirs, the project brings good prospects for increasing the value of plants in the market, especially considering existing studies that consider a future scenario with capacity auctions and export of spilled turbine able energy.

Applicability

An ENGIE Brasil Energia project developed through Aneel's R&D received the 29th Expressão de Ecologia Award 2022/2023, in the Technology category. With an investment of around R$ 6 million, unprecedented software on the market was developed, aimed at protecting fish fauna around hydroelectric plants. The software was integrated into the operational system of the Machadinho Hydroelectric Power Plant, where the pilot project was conducted, to monitor the activity and volume of biomass of the yellow-spotted fish in the Plant's suction tube.

Another relevant fact was the start of receiving royalties, by the Company, due to the sale of national wind turbines, developed in partnership with WEG and Centrais Elétricas de Santa Catarina (Celesc), through another Aneel R&D project. With a nominal power of 4.2MW, the machine is the first national wind turbine and was ENGIE's largest R&D project in Brazil – approximately R$80 million was invested by the Company. The forecast is that more than R$8 million in royalties will be received in the coming years, for participation in the development of the technology.

The royalties received in 2023 relate to 17 wind turbines installed in the country in 2022. In addition to confirming the strategic value of innovation for generating value, the initiative proved to be beneficial for all market agents who benefit from the solutions developed, such as the chain involved in the design, testing, implementation, and operation of wind power plants in the country.

Open innovation

At ENGIE Brasil Energia, fostering innovation forms the basis of the company's culture, with emphasis on “Inove” Program – an internal program that encourages innovative suggestions, aimed at operational and procedural improvements and the creation of new products and services, including the use of modern technologies and the development of projects relevant to ESG aspects. All employees, from all hierarchical levels and areas, can participate and approved ideas receive resources for effective implementation, recognizing and rewarding their authors.

Inove in numbers – 2023

- 249 employees directly involved
- 136 registered initiatives
- R$1.1 million in investments
- R$5.8 million in estimated return or potentially avoided cost

In addition to Inove, other actions were conducted in 2023 to strengthen the innovative culture:

- 1st Virtual Innovation Meeting with teams from Hydroelectric Plants, to share solutions implemented in the assets;

- Coffee with Innovation: monthly meetings in ENGIE's internal environments to disseminate available innovation promotion mechanisms;

- Workshop to map innovation opportunities within the operation and maintenance sector;

- Immersion in ecosystems distributed throughout Brazil, such as São Luís (MA), Florianópolis (SC) and Bridge Ecosystem, from USP - São Paulo (SP), in addition to benchmarking with innovative companies from different sectors; and

- Corporate recognition of the best innovation initiatives presented in 2022 and 2023.

Results by segment – 2023 x 2022 (in R$ million)

	Electric Energy					
	Generation	Transmission	*Trading*	Solar Panels[1]	Gas transportation	Consolidated
2023						
Net operating revenue	9,174	1,135	439	-	-	10,748
Operational costs	(4,096)	(310)	(435)	-	-	(4,841)
Gross income	**5,078**	**825**	**4**	**-**	**-**	**5,907**
Selling, general and administrative expenses	(408)	(20)	(4)	-	-	(432)
Other operating revenues (expenses), net	40	(59)	-	-	-	(19)
Impairment reversal, net	1,198	-	-	-	-	1,198
Disposal of subsidiary	(1,287)	-	-	-	-	(1,287)
Equity income	-	-	-	-	993	993
Income before financial results and taxes	**4,621**	**746**	**-**	**-**	**993**	**6,360**
2022						
Net operating revenue	9,512	1,703	685	7	-	11,907
Operational costs	(4,505)	(1,140)	(669)	(3)	-	(6,317)
Gross income	**5,007**	**563**	**16**	**4**	**-**	**5,590**
Selling, general and administrative expenses	(346)	(13)	(5)	(2)	-	(366)
Other operating revenues (expenses), net	(21)	22	-	-	-	1
Impairment, net	(185)	-	-	118	-	(67)
Disposal of subsidiary	10	-	-	(94)	-	(84)
Equity income	-	-	-	-	727	727
Income before financial results and taxes	**4,465**	**572**	**11**	**26**	**727**	**5,801**
Change						
Net operating revenue	(338)	(568)	(246)	(7)	-	(1,159)
Operational costs	409	830	234	3	-	1,476
Gross income (loss)	**71**	**262**	**(12)**	**(4)**	**-**	**317**
Selling, general and administrative expenses	(62)	(7)	1	2	-	(66)
Other operating revenues, net	61	(81)	-	-	-	(20)
Impairment reversal, net	1,383	-	-	(118)	-	1,265
Disposal of subsidiary	(1,297)	-	-	94	-	(1,203)
Equity income	-	-	-	-	266	266
Income (loss) before financial results and taxes	**156**	**174**	**(11)**	**(26)**	**266**	**559**

[1] *On February 21, 2022, the sale of the equity interest that the Company held in the subsidiary ENGIE Geração Solar Distribuída (EGSD) was concluded. On this date, the company is no longer controlled by the Company, and is also no longer consolidated.*

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

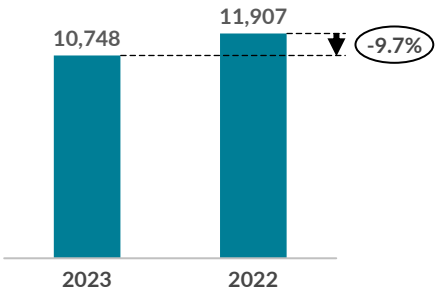
Operating revenue by segment – 2023 X 2022 (in R$ million)

	Electric Energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
12M23					
Distribution companies	4,106	-	-	-	4,106
Free consumers	3,176	-	-	-	3,176
Remuneration of concession assets	468	831	-	-	1,299
Construction revenue	-	237	-	-	237
Trading companies	827	-	-	-	827
Energy trading operations	-	-	438	-	438
Services rendered revenue	145	67	-	-	212
Transactions in the short-term market	388	-	1	-	389
Other revenues	64	-	-	-	64
Net operating revenue	**9,174**	**1,135**	**439**	**-**	**10,748**
12M22					
Distribution companies	4,181	-	-	-	4,181
Free consumers	3,412	-	-	-	3,412
Remuneration of concession assets	485	755	-	-	1,240
Construction revenue	-	915	-	-	915
Trading companies	859	-	-	-	859
Energy trading operations	-	-	683	-	683
Services rendered revenue	138	33	-	-	171
Transactions in the short-term market	351	-	1	-	352
Unrealized gains on trading operations	-	-	1	-	1
Other revenues	86	-	-	7	93
Net operating revenue	**9,512**	**1,703**	**685**	**7**	**11,907**
Change					
Distribution companies	(75)	-	-	-	(75)
Free consumers	(236)	-	-	-	(236)
Remuneration of concession assets	(17)	76	-	-	59
Construction revenue	-	(678)	-	-	(678)
Trading companies	(32)	-	-	-	(32)
Energy trading operations	-	-	(245)	-	(245)
Services rendered revenue	7	34	-	-	41
Transactions in the short-term market	37	-	-	-	37
Unrealized gains on trading operations	-	-	(1)	-	(1)
Other revenues	(22)	-	-	(7)	(29)
Net operating revenue	**(338)**	**(568)**	**(246)**	**(7)**	**(1,159)**

Net **operating revenue declined from R$ 11,907 million in 2022 to R$ 10,748 million in calendar year 2023**, that is a reduction of R$ 1,159 million (9.7%). This variation was primarily a reflection of the following factors:

Energy generation and sales segment of the portfolio: a reduction of R$ 338 million (3.6%), mainly due to the following negative effects: (i) a decrease of R$ 343 million in revenue from energy sales agreements in the regulated and free contracting environments, a result of the combination of variations in the volume of energy sold and the net average selling price; and (ii) a reduction of R$ 17 million in the remuneration of concession financial assets corresponding to the portion of the payment for the grants of the Jaguara and Miranda hydropower plant concessions with respect to power allocated to the Regulated Contracting Environment (ACR), reflecting a decrease in inflation between the analysed years. These effects were partially attenuated by the increase of R$ 37 million in the transactions executed in the short-term market, principally conducted across the Electric Energy Trade Board (CCEE), more details being described under "Details of Short-Term Operations".

Net operating revenue (R$ million)



Transmission: decrease of R$ 568 million (33.4%) in the transmission segment. More details are described in the following item "Operational result from the energy transmission segment."

Trading: reduction of R$ 246 million (35.9%) the result of the reduction in revenue from executed operations. More details are described below under the item "Operational result from the energy trading segment".

Comments on variation in net operating revenue

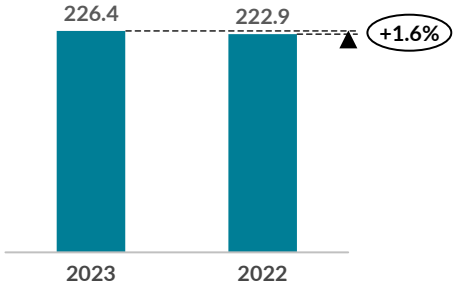
Net Average Selling Price and Sales Volume

Net average energy selling price, net of charges on revenue and trading operations, was R$ 226.42/MWh, 1.6% higher than the R$ 222.85 practiced in 2022. The increase in price between the periods under analysis was driven principally by the monetary restatement of current agreements, partially attenuated by the sale of the Pampa Sul subsidiary, which sold energy at prices above the average for the remainder of the Company's portfolio.

Energy sales volume in agreements, net of trading operations, **reached 35,816 GWh (4,088 average MW)** in 2023, against 37,932 GWh (4.330 average MW) reported in 2022, a decrease of 2,116 GWh (242 average MW) or 5.6%. The reduction in energy sales volume was driven by the reduction in distributor sales volume due to the sale of the Pampa Sul subsidiary and the lower purchase volume and consequently, lower volumes available for sale.

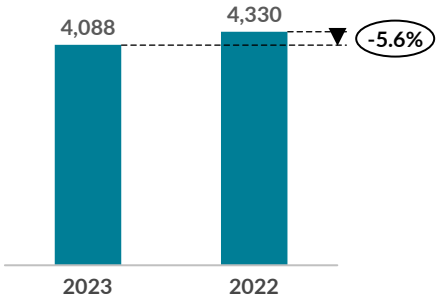
Reductions in sales volume and increases in average selling prices together translated into reductions of R$ 343 million between compared years in the Company's net operating revenue - R$ 348 million are relate to the disposal of the Pampa Sul subsidiary in 2Q23.

Net Average Selling Price (R$/MWh)*



* Net of sale taxes and trading operations.

Sales volume (average MW)*



* Net of trading operations

Revenue from sale of electric energy

- **Distribution Companies:**

Revenue from sales to distributors reported R$ 4,106 million in 2023, R$ 75 million (1.8%) down in relation to 2022, when revenues were R$ 4,181 million. This decrease is explained by the following factors: (i) decline of R$ 329 million in the light of the reduction of 1,238 GWh (142 average MW) in selling volume; and (ii) the increase of R$ 254 million due to the 6.1% rise in net average selling price.

The reduction in sales volume is mainly a consequence of the sale of the subsidiary Pampa Sul, which had a commercial capacity of 323.5 average MW, partially mitigated by the acquisition of the Floresta and Paracatu Photovoltaic Complexes.

The increase in the average price was motivated by the monetary update of sales prices and was partially mitigated by the increase in the recognition of reimbursements in the comparison between years.

- **Free Consumers:**

In 2023, revenue from sales to free consumers reached R$3,176 million, an amount R$236 million (6.9%) lower than the R$3,412 million recorded in 2022. This decrease is due to the reduction of 1,095 GWh (125 average MW) in the volume of energy sold (R$218 million) and the 0.5% reduction in the average net sales price (R$18 million). The reduction in volume is mainly due to the lower volume of energy purchases, and consequently, the lower volume available for sale.

- **Trading Companies:**

Revenue from sales to traders was R$827 million in 2023, R$32 million (3.7%) lower than the revenue earned in 2022, which was R$859 million. This reduction is the result of the 7.6% drop in the average net sales price (R$66 million), partially mitigated by the increase of 217 GWh (25 average MW) in the volume of energy sold (R$34 million).

The reduction in the average net sales price observed is basically due to higher prices during 2022, which were influenced by the pessimistic hydrological outlook seen in 2021. This reduction was slightly mitigated by the monetary update of current contracts. The increase in quantity is mainly due to new contracts signed.

- **Transactions in the short-term energy market**

In 2023, compared to the previous year, there was an increase of R$37 million (10.5%) in revenue from short-term transactions, rising from R$351 million in 2022 to R$388 million in 2023. More explanations about these operations and about the variation can be obtained in “Details of short-term operations”.

- **Remuneration of concession financial assets**

The concession financial assets represent the present value of future cash flows from the portion of energy allocated to the Regulated Contracting Environment (ACR) of the Jaguara and Miranda hydropower plants, corresponding to 70% of the physical guarantee of these plants. These assets are remunerated at the internal rate of return and at the variation of the Amplified Consumer Price Index (IPCA).

The remuneration of the financial assets fell from R$ 485 million in 2022 to R$ 468 million in 2023, reduction of R$ 17 million (3.5%). The variation was substantially driven by the reduction in the IPCA between the respective years.

- **Revenue from services rendered – management of generation assets (GAG)**

Again, in the case of the Jaguara and Miranda hydropower plants, for energy sales in the Regulated Contracting Environment (ACR), also as part of the Annual Generation Revenue (RAG), the companies receive the portion with respect to the Management of Generation Assets (GAG) for covering the costs of Operations and Maintenance (O&M) during the concession period.

The GAG value booked in 2023 was R$ 145 million, R$ 7 million higher (5,1%) then the value observed in 2022, of R$ 138 million.

Operational costs

Costs by segment – 2023 x 2022 (in R$ million)

	Electric Energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
2023					
Electric power purchases	1,492	-	418	-	1,910
Depreciation and amortization	871	11	-	-	882
Charges for the use of power grid and connection	668	-	-	-	668
Materials and third-party services	371	43	-	-	414
Personnel	237	12	-	-	249
Construction costs	-	228	-	-	228
Transactions in the short-term market	201	-	-	-	201
Royalties	169	-	-	-	169
Insurance	85	3	-	-	88
Fuel for generation	66	-	-	-	66
Unrealized losses on trading operations	-	-	17	-	17
Hydrological risk renegotiation	(115)	-	-	-	(115)
Other operational costs, net	51	13	-	-	64
Operational costs	**4,096**	**310**	**435**	**-**	**4,841**
2022					
Electric power purchases	1,700	-	666	-	2,366
Depreciation and amortization	953	-	-	-	953
Charges for the use of power grid and connection	625	-	-	-	625
Materials and third-party services	417	17	-	-	434
Personnel	236	-	-	-	236
Construction costs	-	1,120	-	-	1,120
Transactions in the short-term market	167	-	-	-	167
Royalties	154	-	-	-	154
Insurance	90	1	-	-	91
Fuel for generation	115	-	-	-	115
Unrealized losses on trading operations	-	-	3	-	3
Other operational costs, net	48	2	-	3	53
Operational costs	**4,505**	**1,140**	**669**	**3**	**6,317**
Change					
Electric power purchases	(208)	-	(248)	-	(456)
Depreciation and amortization	(82)	11	-	-	(71)
Charges for the use of power grid and connection	43	-	-	-	43
Materials and third-party services	(46)	26	-	-	(20)
Personnel	1	12	-	-	13
Construction costs	-	(892)	-	-	(892)
Transactions in the short-term market	34	-	-	-	34
Royalties	15	-	-	-	15
Insurance	(5)	2	-	-	(3)
Fuel for generation	(49)	-	-	-	(49)
Unrealized losses on trading operations	-	-	14	-	14
Hydrological risk renegotiation	(115)	-	-	-	(115)
Other operational costs, net	3	11	-	(3)	11
Operational costs	**(409)**	**(830)**	**(234)**	**(3)**	**(1,476)**

In 2023, the operational costs reached R$ 4,841 million, R$ 1,476 million lower (23.4%) than costs posted for 2022 of R$ 6,317 million. This variation was a reflection of the combination of the following elements: (i) a decrease of R$ 830 million (72.8%) in the costs of the transmission segment, in large part due to the reduction in construction costs; (ii) a decrease of R$ 409 million (9.1%) in the energy generation and sales from the portfolio segment; (iii) a reduction of R$ 234 million (35.0%) in the costs of energy trading operations; and (iv) a variation of R$ 3 million in the costs of sales and installation of solar panels in the light of the sale of EGSD.

The change in the energy generation and sales from the portfolio segment is essentially due to movement of the main components as follows:

Comments on variations in operational costs

Generation and energy sales from the portfolio

- Energy purchases: On an annual comparative basis, there was a decrease of R$ 208 million (12.2%) in these operations, substantially explained by the combination of the following events: (i) R$ 119 million — a reduction of 625 GWh (71 average MW) in energy volume purchased; and (ii) R$ 89 million — a reduction of 5.6% in the net average purchasing price of energy. The decline in volume reflected management of the Company's portfolio. Reductions in average purchasing price in 2023 reflect decreases in relation to the higher prices prevailing for the year 2022, triggered by the critical hydrology situation during 2021.

- Depreciation and amortization: a reduction of R$ 82 million (8.6%) between the years under analysis. The reduction largely reflects the sale of the Pampa Sul TPP, albeit partially offset by the acquisition of the Floresta and Paracatu photovoltaic complexes in the first quarter of 2022 and by the startup in commercial operations of the Santo Agostinho Wind Complex during 2023.

- Charges for use of the electricity network and connections: growth of R$ 43 million (6.9%) between the years analysed, largely the result of the annual readjustment in transmission and distribution tariffs and the entry into commercial operations of a part of the Santo Agostinho Wind Complex, during 2023, partially attenuated by the sale of Pampa Sul TPP.

- Materials and third-party services: reductions of R$ 46 million (11.0%) between years under analysis. This improvement was mainly the result of the sale of Pampa Sul TPP, together with a reduction in maintenance costs related to the management of infrastructure at the Miranda and Jaguara hydro power plants.

- Personnel: an increase of R$ 1 million (0.4%) between years, largely the result of the annual readjustment in salaries and benefits as well as the increase in headcount between the years, attenuated by the disposal of the Pampa Sul TPP subsidiary.

- Transactions in the short-term energy market: costs with these transactions were higher by R$ 34 million (20.4%) based on an annual comparison. More explanations on these operations and with respect to the variation can be obtained from "Details of short-term operations."

- Fuels for generation: decrease of R$ 49 million (42.6%) on an annual comparison. The variations largely reflect the sale of Pampa Sul TPP in May 2023 and the reduction in electric energy generation from the Lages Cogeneration Plant (UCLA).

- Renegotiation of hydrological risk: Law 13.360/16 determines that Aneel shall add a term to the original concession in the same number of days in which the startup of the plant's operation was delayed originating from events beyond the agent's responsibility and recognized by the regulator. On the basis of this law, Technical Note 877/2022–SCG/SFG/ANEEL was approved by the Board of Aneel on January 31, 2023, ordaining that the number of days of extension of the concession period due to non-hydrological impacts changes GSF (Generation Scaling Factor) Extension days. On April 27, 2023, Aneel issued Circular 281/2023-SRG-SCG/ANEEL, requesting CCEE to analyse 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. In the light of this ruling, the effect on the result of this transaction was a net gain of R$ 115 million on 2023.

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

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, Gavião Real and Asa Branca 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.

In calendar year 2023, **gross result was R$ 825 million, R$ 262 million (46.5%) higher to the result for 2022 of R$ 563 million.** The variations largely reflect: (i) the positive effect of R$ 214 million (104.4%) in the variation of the net result of construction revenues and costs (reductions of R$ 678 million and R$ 892 million, respectively) due mainly to the conclusion of work on the Gralha Azul and Novo Estado transmission systems; (ii) growth of R$ 76 million (10.1%) in the remuneration of the concessions assets due principally to the increase in the balances of contractual assets but attenuated by the decrease in inflationary indices; and (iii) by the increase of R$ 26 million (152.9%) in the costs of materials and third party services, a result of the entry into full commercial operations of the Gralha Azul and Novo Estado transmission systems during the calendar year of 2023.

In addition, during the year 2023, a total of R$ 64 million was recognized in the other operational expenses group with a negative effect on the result by way of the periodic tariff review against the contractual asset, based on CVM Circular Letter 04/2020 and Aneel Ratifying Resolution 3216 of July 4, 2023, as a result of the reduction in the NTN-B, which is calculated based on the composition of debt already issued and interest rates implicit in the secondary market quotations for the last 5 years. As a result of the revision, the balance of the contractual asset is adjusted to take account of the new financial flow.

RAP amount, net of PIS and Cofins, received in 2023 was R$ 695 million, (R$ 355 million in 2022), being R$ 628 million (R$ 322 million in 2022) corresponding to the amortization of the contractual asset, offset against the contractual asset account and R$ 67 million (R$ 33 million in 2022) relative to revenues from O&M services rendered.

Below is the composition of regulatory transmission EBITDA:

(In millions of R$)	2023	2022	Variation
RAP, net of PIS and Cofins	695	355	340
Operational costs	(71)	(20)	(51)
Selling, general and administrative expenses	(20)	(13)	(7)
Operational revenues, net	5	22	(17)
Regulatory transmission Ebitda	**609**	**344**	**265**

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 preestablished 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.

On an annual comparative base, gross result in 2023 was R$ 4 million, a R$ 12 million (75.0%) decline when compared to R$ 16 million in 2022, largely due to the negative effect of marking-to-market of R$ 15 million. This effect was partially reduced by the positive impact of R$ 3 million worth of executed energy purchase and sale 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, like 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 analysed - the reason for including this specific topic. The strategy allows us to analyse the fluctuations of the principal elements involved despite allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

	Generation	Trading	Consolidated
2023			
Net operating revenue	388	1	389
Operational costs	(201)	-	(201)
Net result	**187**	**1**	**188**
2022			
Net operating revenue	351	1	352
Operational costs	(167)	-	(167)
Net result	**184**	**1**	**185**
Variation			
Net operating revenue	37	-	37
Operational costs	(34)	-	(34)
Net result	**3**	**-**	**3**

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.

For the calendar year of 2023, the net result, fruit of short-term transactions, **was positive at R$ 188 million**, a growth of R$ 3 million in relation to the positive result of R$ 185 million for 2022, reflecting an increase in the result from transactions in the generation and sales from the portfolio segment. There were no variations in the transactions conducted through the CCEE for the calendar years in question in the result of the energy trading segment.

These variations were a consequence largely of the combination of the following positive elements: (i) export of spilled hydropower, in other words, energy not used for meeting the demands of the National Interconnected System (SIN) and which would have been wasted by the hydropower plants, participants of the MRE, being allocated to a new commercial transaction with neighbouring countries; and (ii) increase in the MRE Adjustment Factor (GSF) on the back of higher energy volumes generated by plants, participants of the MRE, resulting in a positive variation between the periods under review.

These elements were attenuated by the following negative effects: (iii) reduction of free energy due to the strategy of the seasonally weighted allocation of energy in the periods, attenuated by the positive variation in PLD; (iv) negative effect on the MRE by virtue of the reduction of the physical guarantee of the Company's plants, ameliorated by the increase in hydropower generation from the plants; and (v) month-end closing operations, rebooking and modulations by the CCEE between the years under analysis.

In December 2023, Aneel established maximum and minimum limits of PLD for the year 2024 at R$ 716.80/MWh and R$ 61.07/MWh, respectively. The following table shows average PLD values for the submarkets in which the Company operates, in MWh.

Average PLD in R$/MWh	2023	2022	Chg. (%)
South	72.17	58.99	22.3%
Southeast/Centre-West	72.17	58.99	22.3%
Northeast	72.17	58.51	23.3%

Selling, general and administrative expenses

The Company reported increased selling, general and administrative expenses of R$ 66 million between 2023 and 2022. The key variations reflect increases in the generation segment of R$ 62 million, largely impacted by the following events: (i) an increase in expenses with advertising and publicity in the light of the commercial strategy for capturing opportunities following the opening of the free energy market; and (ii) an increase in expenses with outsourced IT services, consultancies and legal fees.

Other operating (expenses) revenues, net

In 4th quarter of 2023, the Company recognized the amount of R$ 45 million in the generation segment by way of an insurance claim following an incident at the Paracatu Photovoltaic Complex and registered under other operational revenues. In addition, during 2023, R$ 64 million was recognized in the transmission segment with a negative effect on the result relating to the periodic tariff review offset against the contractual asset, more details being described above under the specific item.

In 2022, the amount of R$ 20 million was recognized in the transmission segment and reflecting a positive adjustment in the acquisition price of the Novo Estado Transmissora de Energia. This adjustment was made following a 12-month measurement period of the combination of businesses, being booked to the Company's result. In addition to the effect mentioned in the transmission segment, again in 2022, a negative R$ 22 million was booked to the accounts with respect to the generation segment, largely the write-off of Pampa Sul assets in the light of maintenance undertaken in 2022.

Reversal (Provision) for Impairment and Disposal of Subsidiary

	Generation					
	Pampa Sul	Paracatu	Lages	Diamante	Solar Panels	Consolidated
	2023					
Impairment reversal, net	1,243	(45)	-	-	-	1,198
Disposal of subsidiary	(1,296)	-	-	9	-	(1,287)
	2022					
Impairment, net	(164)	-	(21)	-	118	(67)
Disposal of subsidiary	10	-	-	-	(94)	(84)
	Variation					
Impairment reversal, net	1,407	(45)	21	-	(118)	1,265
Disposal of subsidiary	(1,306)	-	-	9	94	(1,203)

Impairment

During 2023, the Company booked an amount of R$ 1,243 million in reversal of impairment due to the disposal of the Pampa Sul TPP subsidiary, and the amount of R$ 45 million in provision for reduction in recoverable value, referring to the incident at at the Paracatu Photovoltaic Complex. In 2022, the Company (i) recognized R$ 21 million impairment provision related to the increase in raw material supply to the Lages subsidiary; (ii) complemented the Pampa Sul impairment of R$ 164 million; and (iii) reverted R$ 118 million related to EGSD, due to the sale, which took place on February 21, 2022.

Disposal of a Subsidiary

Following the fulfilment of suspensive conditions, the disposal of the Company's corporate stake in the Pampa Sul TPP subsidiary was concluded on May 31, 2023. On this date, ceasing to be controlled by EBE and no longer consolidated. The result of the sale of the asset, net of selling costs (a negative R$ 1,296 million) and reversal of the impairment (R$ 1,243 million), was negative at R$ 53 million in 2023.

Additional to this operation, the Company reported sales revenue of R$ 9 million, a reflection of an adjustment of the sale price of the Diamante subsidiary, which occurred in 2021 - such price arises from the fulfilment of obligations conditioned to receipt.

On February 21 and September 1, 2022, the sale of the Company's stakes in the EGSD and Norte Catarinense subsidiaries were concluded. On these dates, these corporations ceased to be controlled by the Company, as well as no longer being consolidated. The result of the disposal of EGSD, net of selling costs (R$ 94 million), and reversal of impairment (R$ 118 million), was a positive R$ 24 million. The result of the sale of Norte Catarinense, net of selling costs was positive at R$ 10 million.

Equity Income – Gas Transportation

The Company had, at 12.31.2023, a 32.5% direct corporate stake in TAG. The result of equity income from TAG for the years 2023 and 2022 is composed of the following items:

	2023		2022	
Income statement – in R$ million	**100%**	**Company's share**	**100%**	**Company's share**
Net operational revenue	9,029	2,934	8,426	2,738
Costs of services provided	(2,486)	(808)	(2,722)	(885)
Gross income	**6,543**	**2,126**	**5,704**	**1,853**
General and administrative expenses	(233)	(76)	(192)	(62)
Income before financial result and taxes	**6,310**	**2,050**	**5,512**	**1,791**
Financial result	(1,662)	(540)	(2,102)	(683)
Income before taxes	**4,648**	**1,510**	**3,410**	**1,108**
Income tax and social contribution	(1,592)	(517)	(1,172)	(381)
TAG's net income	**3,056**	**993**	**2,238**	**727**

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

	12M23		12M22	
Ebitda – in R$ million	**100%**	**Company's share**	**100%**	**Company's share**
Income before financial result and taxes	**6,310**	**2,050**	**5,512**	**1,791**
Depreciation and amortization	674	219	672	218
Amortization of *mais valia*	592	192	914	297
Ebitda	**7,576**	**2,461**	**7,098**	**2,306**
Ebitda Margin	**83.9%**		**84.2%**	

The equity income generated from the stake in TAG for the years 2023 and 2022 increased R$ 266 million (36.6%) from R$ 727 million to R$ 993 million.

The variation was mainly due to the combination of the following positive effects: (i) R$ 155 million growth in Ebitda principally due to (i.i) the updating of transportation tariffs; (i.ii) the termination of the O&M agreement with Transpetro in June 2022, this responsibility being taken over by Esom, a company in the ENGIE Group in Brazil; these items being partially offset by; (i.iii) provision of penalties in the amount of R$ 85 million, previously agreed with the ANP, to be passed through to the market throughout 2024 and 2025; (ii) a reduction in net financial expenses of R$ 143 million, substantially due to (ii.i) the positive result of the contracted swap operation; (ii.ii) reduction of interest on debentures a reflection of the reduction in CDI and the outstanding balance of principal; (ii.iii) the booking of gains from debt renegotiation; (ii.iv) an increase in income on financial investments; but partially offset by; (ii.v) the increase in charges on loans due to the higher debt indexer; and (iii) a reduction of R$ 105 million in the amortization of the *mais valia*, in the light of the revision of useful life. We highlight that item (i.iii), with a negative impact in 2023, does not have a recurring effect on TAG's results.

These increases were partially attenuated by the increase in R$ 136 million in Income Tax and Social Contribution expenses, in turn a reflection of increased pre-tax profit.

In addition, net operating revenue and the costs of services rendered were impacted, both in the amount of R$ 89 million, due to the passing on of costs to customers, relating to charges to be excluded from the carrier's margin such as congestion charges, balancing and gas for use in the system. It is worth noting that these transfers are enshrined in resolutions issued by the National Petroleum Agency (ANP).

Balance sheet

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

Balance Sheet	12.31.2023	12.31.2022
ASSETS		
Current assets	**3,439**	**2,828**
Cash and cash equivalents	1,423	688
Accounts receivables from clients	1,541	1,513
Derivative financial instruments - hedge	50	284
Other current assets	425	343
Non-current assets	**29,573**	**30,585**
Restricted deposits	633	217
Derivative financial instruments - hedge	-	284
Other non-current assets	119	624
Property, plant, and equipment	26,074	26,706
Intangible	2,747	2,754
Total	**33,012**	**33,413**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**4,693**	**4,341**
Debt instruments	3,107	3,974
Other current liabilities	1,586	367
Non-current liabilities	**20,505**	**20,356**
Debt instruments	13,969	15,584
Derivative financial instruments - hedge	376	-
Deferred income taxes and social contribution	5,626	3,908
Other non-current liabilities	534	864
Shareholders' equity	**7,814**	**8,716**
Total	**33,012**	**33,413**

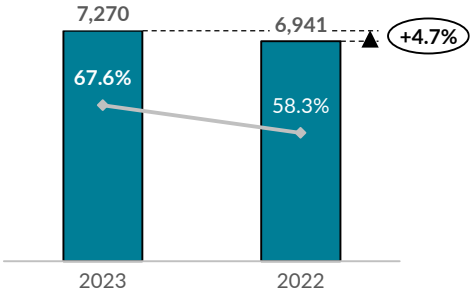
Ebitda and Ebitda Margin

Ebitda by segment – 2023 x 2022 (in R$ million)

	Electric Energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
2023						
Income before financial results and taxes	4,621	746	-	-	993	6,360
Depreciation and amortization	914	11	-	-	-	925
Ebitda	**5,535**	**757**	**-**	**-**	**993**	**7,285**
Impairment reversal, net	(1,198)	-	-	-	-	(1,198)
Disposal of subsidiary	1,287	-	-	-	-	1,287
Insurance indemnity	(104)	-	-	-	-	(104)
Adjusted Ebitda	**5,520**	**757**	**-**	**-**	**993**	**7,270**
Adjusted Ebitda margin	**60.2%**	**66.7%**	**-**	**-**	**-**	**67.6%**
2022						
Income before financial results and taxes	4,465	572	11	26	727	5,801
Depreciation and amortization	989	-	-	-	-	989
Ebitda	**5,454**	**572**	**11**	**26**	**727**	**6,790**
Impairment, net	185	-	-	(118)	-	67
Disposal of subsidiary	(10)	-	-	94	-	84
Adjusted Ebitda	**5,629**	**572**	**11**	**2**	**727**	**6,941**
Adjusted Ebitda margin	**59.2%**	**33.6%**	**1.6%**	**28.6%**	**-**	**58.3%**
Change						
Income before financial results and taxes	156	174	(11)	(26)	266	559
Depreciation and amortization	(75)	11	-	-	-	(64)
Ebitda	**81**	**185**	**(11)**	**(26)**	**266**	**495**
Impairment reversal, net	(1,383)	-	-	118	-	(1,265)
Disposal of subsidiary	1,297	-	-	(94)	-	1,203
Insurance indemnity	(104)	-	-	-	-	(104)
Adjusted Ebitda	**(109)**	**185**	**(11)**	**(2)**	**266**	**329**
Adjusted Ebitda margin	**1.0 p.p.**	**33.1 p.p.**	**(1.6 p.p.)**	**(28.6 p.p.)**	**-**	**9.3 p.p.**

Between the calendar years 2023 and 2022, **adjusted Ebitda increased R$ 329 million (4.7%) from R$ 6,941 million in 2022 to R$ 7,270 million in 2023.** The variation was the consequence of the combination of the following positive effects: (i) R$ 266 million (36.6%) due to the improved result from the corporate stake in a jointly controlled subsidiary – TAG; and (ii) R$ 185 million (32.3%) from the energy transmission segment. These positive effects were attenuated by the following negative effects: (iii) R$ 109 million (1.9%) in the electric energy generation and sale from the Company's portfolio segment; (iv) R$ 11 million derived from the energy trading segment; and (v) R$ 2 million in the solar panel segment, the relative subsidiary having been sold in the first quarter of 2023.

Adjusted Ebitda (R$ million) **and adjusted Ebitda margin**(%)*



*Adjusted Ebitda: net income + income tax and social contribution + financial results + depreciation and amortization + impairment + non recurrent effects.

The transmission segment had a positive impact on Ebitda, mainly a reflection of the following: (i) a R$ 214 million increase in the construction result given the progress made in the work; (ii) R$ 76 million increase in remuneration revenue from contractual assets; (iii) booking of R$ 64 million with a negative effect due to the periodic tariff revision; (iv) an increase of R$ 26 million (152.9%) in costs of materials and outsourced services; and (v) a R$ 17 million reduction in the O&M Margin (O&M RAP, net of costs), due to cost increases.

The electric energy generation and sale segment indicated in the item (iii) above, negatively impacted Ebitda, the negative effects being: (i) R$ 343 million from the combination of variations in energy sales volume and net average selling price; (ii) R$ 62 million selling, general and administrative expenses; (iii) R$ 43 million of charges for the use of the electic energy network and connections; and (iv) R$ 16 million relative to other revenues, operational and administrative costs and expenses. These effects were attenuated by growth in the following factors: (v) a decrease of R$ 208 million in energy purchases; and (vi) R$ 115 million with respect to the renegotiation of hydrological risk (GFOM) recorded for 2023.

Taking into account the non-recurring effects of net impairment, disposal of a subsidiary and the result of an insurance claim, Ebitda increased R$ 495 million (7.3%) between 2022 and 2023 from R$ 6,790 million in 2022 to R$ 7,285 million in 2023.

Consolidated Adjusted Ebitda Margin

The consolidated adjusted Ebitda margin **went from 58.3% in 2022 to 67.6% in 2023, an increase of 9.1 p.p.**

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 R$ million)	2023	2022	Chg. %
Recurrent net income	3,429	2,665	28.7
(+) Income tax and social contribution	968	621	55.9
(+) Net financial result	1,963	2,515	(21.9)
(+) Depreciation and amortization	925	989	(6.5)
Ebitda	**7,285**	**6,790**	**7.3**
Non-recurrent effects			
(+) (Reversal) provision of impairment, net	(1,198)	67	(1.888.1)
(+) Disposal of subsidiary	1,287	84	1.432.1
(-) Insurance indemnity	(104)	-	100.0
Adjusted Ebitda	**7,270**	**6,941**	**4.7**
Statutory transmission Ebitda (IFRS)	(757)	(572)	32.3
Regulatory transmission Ebitda (RAP)	609	344	77.0
Statutory quota holders Ebitda (IFRS)	(726)	(717)	1.3
Regulatory quota holders Ebitda	632	611	3.4
Ebitda adjusted by transmission and quota effects	**7,028**	**6,607**	**6.4**

Financial result

(In R$ million)	2023	2022	Chg. (R$)
Income from financial investments	392	518	(126)
Other financial income	57	67	(10)
Total financial income	**449**	**585**	**(136)**
Debt:			
Interest	(1,029)	(1,433)	404
Monetary restatement	(645)	(768)	123
Other financial expenses, net	(139)	(172)	33
Total financial expenses	**(1,813)**	**(2,373)**	**560**
Concessions payable (Use of Public Asset):			
Monetary restatement	(109)	(264)	155
Present value restatement	(490)	(463)	(27)
Total concession payable expenses (Use of Public Asset)	**(599)**	**(727)**	**128**
Financial result	**(1,963)**	**(2,515)**	**552**

Financial revenues: Comparing the calendar years, financial revenues were down R$ 136 million (23.2%) from R$ 585 million in 2022 to R$ 449 million in 2023, principally in the light of lower income from financial investments of R$ 126 million. This reduction was mainly a reflection of lower average balances of financial investments between the years and a slight increase in CDI between the years under analysis.

Financial expenses: On an annual basis, expenses fell from R$ 2,373 million in 2022 to R$ 1,813 million in 2023, or a reduction of R$ 560 million (23.6%), a combination largely of the following effects: (i) a decrease of R$ 527 million in debt between the years analyzed, of which: (i.i) a reduction in interest payments of R$ 404 million, principally in the form of settlement of debt instruments in significant amounts in the course of the year 2023; and (i.ii) a reduction of R$ 123 million of monetary restatement in the light of inflationary variation, attenuated by the increase in the outstanding balance of debt instruments.

Concession expenses payable (Use of Public Asset): When comparing calendar years, there was a reduction of R$ 128 million, that is 17,6%, from R$ 727 million in 2022 to R$ 599 million in 2023, the result of the following effects: (i) a reduction of R$ 155 million in monetary restatement, driven largely by the deceleration in IPCA and IGPM between the years, of especial note being the IGPM index for 2023 which posted deflation; and (ii) a R$ 27 million increase with the restatement of the present value of concessions payable.

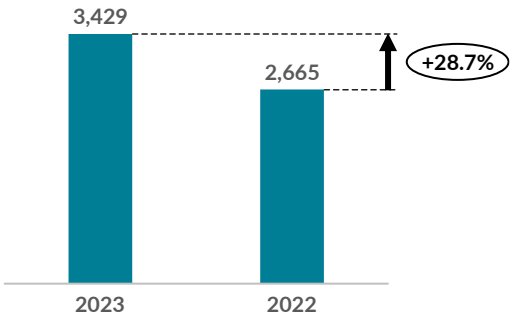
Income Tax and Social Contribution

On the basis of a calendar year-on-year comparison, Income Tax and Social Contribution (IR and CSLL) reported an **increase of R$ 347 million (55.9%) from R$ 621 million in 2022 to R$ 968 million in 2023**. Variation largely reflected the increase in pre-IR and -CSLL profit between years under review. Excluding non-recurring factors, IR and CSLL expenses were down R$ 288 million (42.8%), respectively between the years under analysis.

Net income

Net income rose from R$ 2,665 million in 2022 to R$ 3,429 million in 2023, or growth of R$ 764 million or 28.7%. This result is a consequence of a combination of the following: (i) the positive effect of R$ 552 million of the net financial result; (ii) an increase of R$ 329 million in adjusted Ebitda; (iii) an increase of R$ 288 million in IR and CSLL, considering recurring transactions; (iv) variation of non-recurring effects with a positive net impact of R$ 107 million; and (v) a reduction of R$ 64 million in depreciation and amortization. Excluding the non-recurring effects of impairment reversal and provision, net, disposal of a subsidiary and the result of an insurance claim, net income increased by R$ 657 million (23.8%) between the compared years.

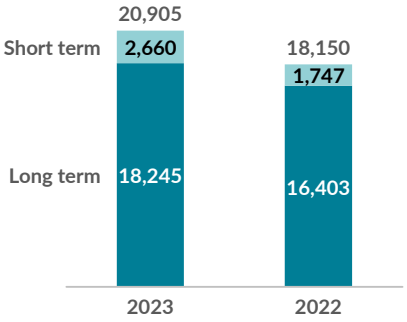
Net income (R$ million)



Debt

As of December 31, 2023, total consolidated gross debt, representing principally loans, financing, debentures, and preferred shares redeemable, net of hedging operations, totalled R$ 20,905 million — an increase of 15.2% (R$ 2,755 million) compared to the position as of December 31, 2022. The average debt maturity at the end of 2023 was 7.4 years.

Total debt (R$ million)



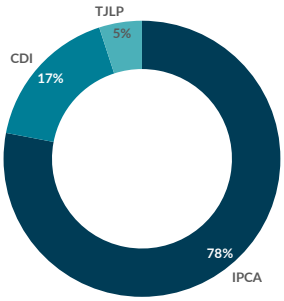
The variation in company debt is related principally to a combination of the following factors in 2023: (i) R$ 2,447 million from the Company's 11th debenture issue; (ii) R$ 1,003 million in withdrawals from the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) for the construction of Santo Agostinho and Assuruá Wind Complexes; (iii) generation of R$ 1,934 million in charges incurred and to be paid and monetary restatement; (iv) R$ 2,618 million in amortization of loans, financing, debentures and preferred shares; and (v) R$ 11 million in transfer of financing and debentures from subsidiaries reclassified to Asset Held for Sale.

The average weighted nominal cost of debt at the end of 2023 was 10.1% — equivalent to IPCA + 5.3% — 1.3 p.p. lower than recorded at the end of 2022 (11.4% — equivalent to IPCA + 5.3%). The decrease in relation to the previous year is mainly due to the deceleration of the IPCA index in the period.

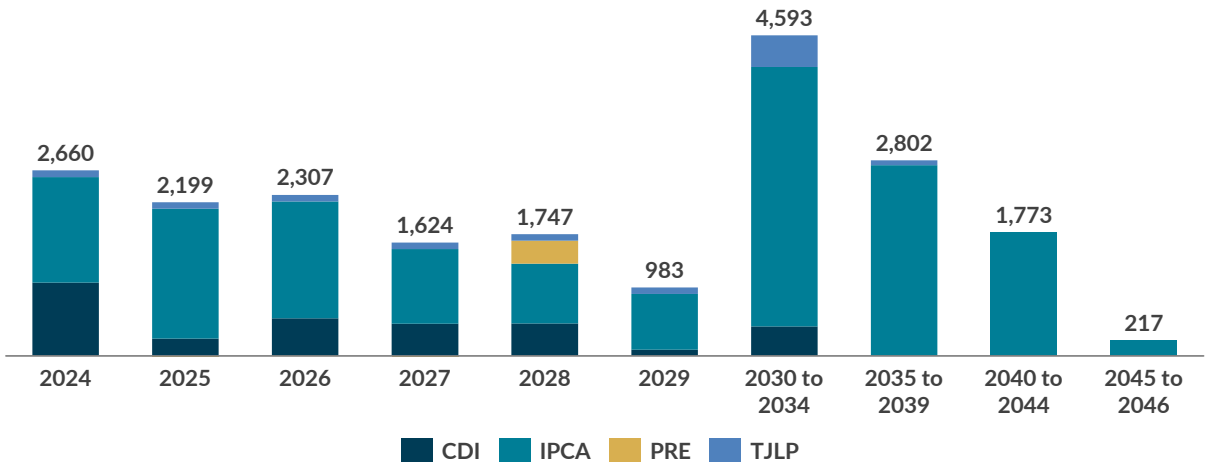
On December 31, 2023, the Company's net debt (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was R$ 15,335 million, a decrease of 2.2% compared with the end of 2022.

	12/31/2023	12/31/2022	Chg. %
Gross debt	20,677	17,941	15.3
Result of hedge operations	228	209	8.7
Deposits earmarked for the payment of debt	(314)	(229)	37.3
Cash and cash equivalents	(5,256)	(2,236)	135.1
Total net debt	**15,335**	**15,685**	**(2.2)**
Net debt x Ebitda	**2.1X**	**2.3X**	

Debt breakdown



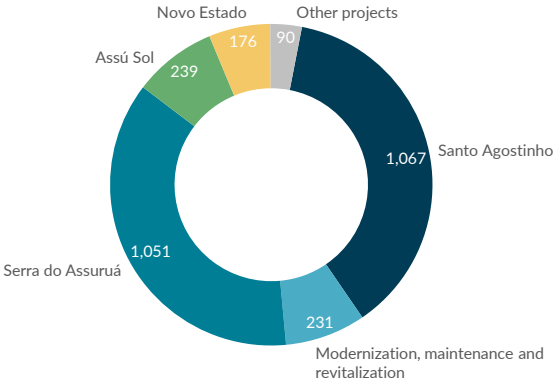
Maturity term loans (R$ million)



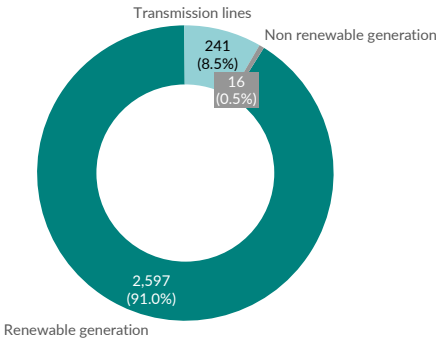
Capital expenditures

In 2023, the Company invested R$ 2,854 million, of which: (i) R$ 28 million were applied in the acquisition of corporate stakes: (i.i) R$ 20 million in increasing the stake in Machadinho Consortium; and (i.e.) R$ 8 million in the Assú Sol Photovoltaic Complex; (ii) R$ 2,595 million in the construction of new projects, being: (ii.i) R$ 1,067 million in the Santo Agostinho Wind Complex – Phase I; (ii.ii) R$ 1,051 million in the Serra do Assuruá Wind Complex; (ii.iii) R$ 239 million to the Assú Sol Photovoltaic Complex; (ii.iv) R$ 176 million in the Novo Estado Transmission System; (ii.v) R$ 47 million in the Gavião Real Transmission System; (ii.vi) R$ 8 million in Asa Branca Transmission System; and (ii.vii) R$ 7 million in the Gralha Azul Transmission System; (iii) R$ 143 million were allocated to generator park maintenance and revitalization projects; and (iv) R$ 88 million designated to the modernization of the Salto Osório, Miranda and Jaguara Hydroelectric Power Plants.

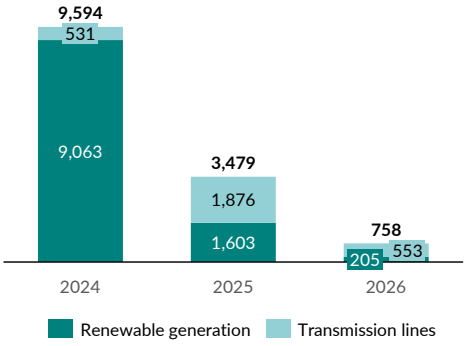
Capital expenditures in 2023 (R$ million)



2023's investments by business lines (R$ million and %)



Estimated investments for the coming years (R$ million)



Capital markets

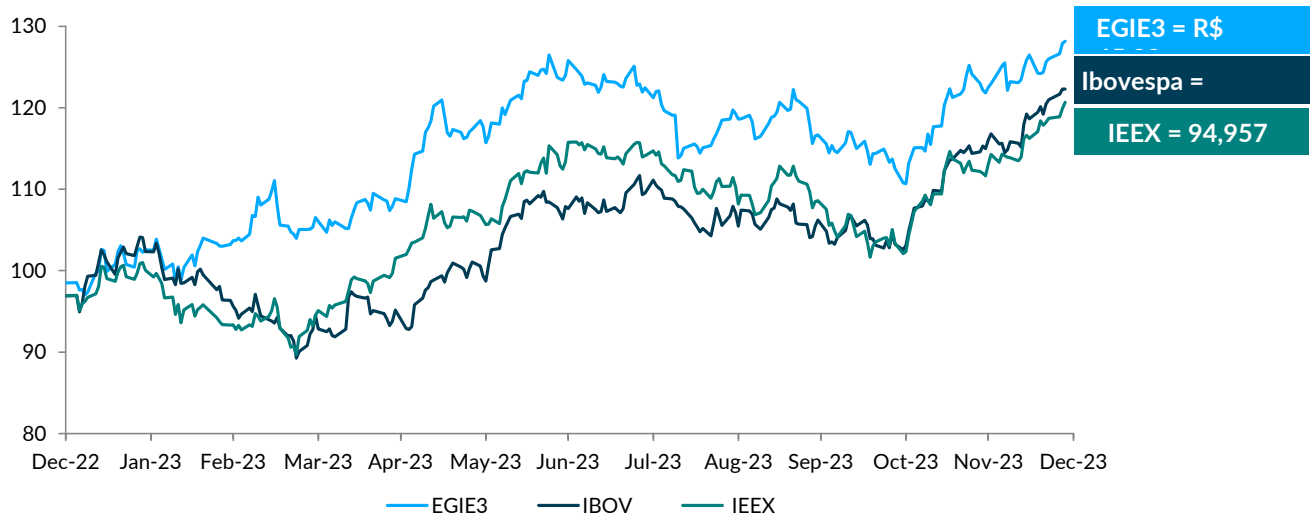
ENGIE Brasil Energia is part of more than ten indexes in the Brazilian market. Since its listing on B3's Novo Mercado has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on B3's leading stock index – the Ibovespa – and are traded under the **EGIE3 ticker**. On the United States Over The Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the EGIEY Code, one ADR being equivalent to one common share.

Share performance

Ibovespa (the main index on the Brazilian stock exchange) had a very volatile trajectory throughout 2023, however, it closed the year with its best performance since 2019 and a historic 134 thousand points. In 2023, the performance of **EGIE3 surpassed Ibovespa and the Electric Energy Sector Index (IEEX),** accumulating a positive appreciation of 28.2%, compared to 21.0% for IEEX and 22.3% for Ibovespa.

The average daily trading volume reached R$68.7 million in the year, an increase of 2.8% compared to 2022, when it reached R$66.8 million. In the last trading session of December 2023, the Company's shares **closed at R$45.33/share**, which gives the **Company a market value of R$37.0 billion**.

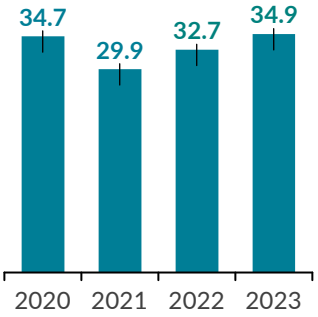
EGIE3 vs. Ibovespa vs. IEEX (Base 100 – 12.31.2022)



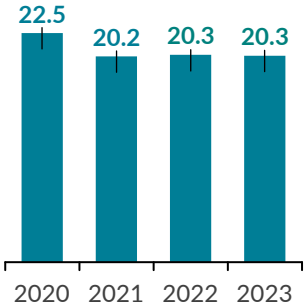
ROE and ROIC

Return on Adjusted Equity (ROE) and Adjusted Return on Invested Capital (ROIC) are two of the main financial metrics for measuring shareholder value creation and profitability. The values achieved by the Company in recent years are available in the graphs.

ROE[1] – Return on Adjusted Equity (%)



ROIC[2] – Adjusted Return on Invested Capital (%)



Notes: ENGIE Brasil Energia internal study based on the Company's Financial Statements.
1 - ROE: net income of the past 4 quarters / shareholders' equity. Adjusted ROE net of non-recurring.
2 - ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE). Adjusted ROIC net of non-recurring.

Dividends and interest on shareholders' equity

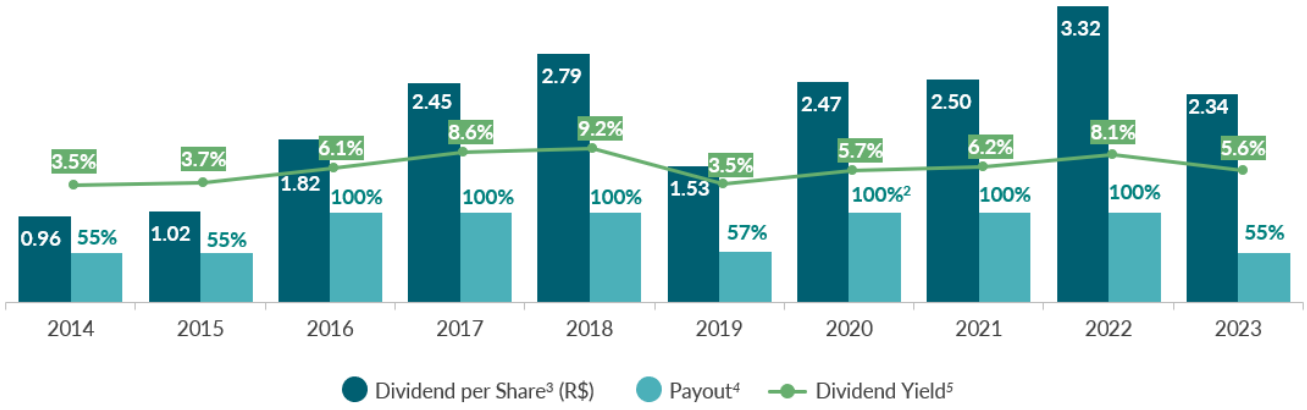
ENGIE Brasil Energia's Board of Directors, at the meeting of August 8, approved the credit of interim dividends based on the financial statements raised on June 30, 2023, in the amount of R$ 767.2 million (R$ 0.94027879765 per share), representing a payout of 55% of distributable net income for the first half of 2023. The amount was paid on December 27, 2023.

Subsequently, at the Meeting of December 8, 2023, the distribution of interest on shareholders' equity for fiscal year 2023 of R$ 145.0 million (R$ 0.17771181551 per share) was approved. The ex-interest on shareholders' equity date was December 22, 2023, while date for payout will be decided by the Executive Board at the proper time.

In addition, the Meeting of February 27, 2024, approved the proposal for distribution of complementary dividends for fiscal year 2023 of R$ 994.5 million (R$ 1.21880323443 per share). The proposal mentioned is to be ratified by the Annual General Meeting – on which it is incumbent to decide the conditions for credit and payout.

The total amount proposed for distribution of earnings in 2023 reached R$ 1,906.7 million (R$ 2.33679384759 per share), equivalent to 55% of the adjusted net income, a dividend yield of 5.6%.

Dividends (based on distributable net income)



Notes:

1 - Figures for 2019 were resubmitted in the light of the AGM's decision on the retention of interim dividends for fiscal year 2019.

2 - Payout equivalent to 100% of the distributable adjusted net income (ex-hydrological risk negotiation).

3 - For the purposes of comparability between fiscal years, an adjustment in dividend per share was made in the light of the share bonus approved on December 07, 2018.

4 - Considers the annual adjusted net income.

5 - Based on a volume-weighted closing price of ON shares in the period.

ADDITIONAL INFORMATION

SUSTAINABILITY REPORT

Complementary information and details on the Company's socio-environmental activities as well as issues relating to the creation of value for stakeholders will be included in ENGIE Brasil Energia's Sustainability Report, to be published in April 2024.

Identification of those responsible for the socio-environmental data and means of contact

The coordinator of the Sustainability Committee is the person responsible for socio-environmental information and contact can be made by e-mail to: comitedesustentabilidade.brenergia@engie.com.

INDEPENDENT AUDITORS

Pursuant to Article 2 to CVM Instruction 381/03, ENGIE Brasil Energia informs that Ernst & Young Auditores Independentes, the independent auditor of the Company and its subsidiaries, rendered services unrelated to the independent audit in 2022.

During 2023, the Company contracted, upon **approval by the Board of Directors at a meeting held on October 11, 2023**, a letter of comfort for the issuance of debt instruments with the independent auditor. The fees for this service were R$1,427 thousand and represent 54.6% of the fees for external audit services contracted for 2023.

Additionally, throughout 2023 the Company contracted tax consultancy services, which were **approved at the Board of Directors Meeting held on 02/16/2023**. The fees for this service were R$315 thousand and represent 12.1% of the fees for external audit services contracted for 2023.

The Company's policies in contracting the services of the independent auditors are designed to ensure that there is no conflict of interest and loss of independence or objectivity and are based on the principles which preserve the independence of the auditor as follows: (i) the auditor should not audit their own work; (ii) the auditor should not exercise managerial functions in the name of their client; and (iii) the auditor shall not promote the interests of their client.

STATEMENT OF THE EXECUTIUVE BOARD

The Executive Board declares, in accordance with item VI of article 27 of CVM Resolution 80, it has reviewed, discussed, and agreed with the Financial Statements contained in this Report, and the opinions expressed in the Independent Auditor's report.

The Executive Board

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

ASSETS

	Note	Parent Company		Consolidated	
		12.31.2023	12.31.2022	12.31.2023	12.31.2022
CURRENT ASSETS					
Cash and cash equivalents	3	3,250,488	321,005	5,255,767	2,235,887
Accounts receivable	4	521,099	547,279	1,132,836	1,143,117
Income tax and social contribution credits	18.a	186,570	131,251	249,839	181,438
Dividends receivable	25.a.1	1,251,049	309,862	325,000	-
Derivative financial instruments - trading	13.a.4	-	-	74,532	209,928
Restricted deposits	5	26,214	30,877	36,177	34,527
Concession financial asset	6	-	-	377,543	363,802
Contract asset	7	-	-	615,096	558,179
Other current assets	8	582,034	191,273	842,084	318,872
		5,817,454	**1,531,547**	**8,908,874**	**5,045,750**
Non-current assets held for sale		4,577	327,107	4,577	2,332,778
		5,822,031	**1,858,654**	**8,913,451**	**7,378,528**
NON-CURRENT ASSETS					
Long-term assets					
Derivative financial instruments - hedge	13.a.1	12,921	-	12,921	31,981
Derivative financial instruments - trading	13.a.4	-	-	30,110	45,638
Restricted deposits	5	11,992	10,741	322,021	235,970
Judicial deposits	17.b	54,656	67,898	59,005	71,435
Concession financial asset	6	-	-	2,955,998	2,856,475
Contract asset	7	-	-	6,214,341	5,895,776
Other non-current assets	8	206,108	187,966	348,381	332,623
		285,677	**266,605**	**9,942,777**	**9,469,898**
Investments	**9**	**14,334,273**	**14,099,469**	**2,713,065**	**3,006,423**
Property, plant and equipment	**10**	**3,269,513**	**3,397,697**	**16,563,397**	**14,196,959**
Intangible assets	**11**	**2,161,811**	**2,265,850**	**4,091,783**	**4,134,944**
		20,051,274	**20,029,621**	**33,311,022**	**30,808,224**
TOTAL ASSETS		**25,873,305**	**21,888,275**	**42,224,473**	**38,186,752**

The notes are an integral part of these financial statements.

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

LIABILITIES AND EQUITY

	Note	Parent Company		Consolidated	
		12.31.2023	12.31.2022	12.31.2023	12.31.2022
CURRENT LIABILITIES					
Suppliers	12	161,705	150,191	828,865	535,398
Dividends and interest on equity	21	411,443	180,617	411,578	181,104
Debt instruments	14	1,567,635	830,271	2,549,863	1,652,968
Concessions payable (Use of Public Asset)	15.a	754,774	399,390	762,588	406,871
Tax and regulatory liabilities	18.b	99,929	88,543	319,916	264,258
Labor obligations	16.a	133,767	150,208	136,387	153,809
Derivative financial instruments - trading	13.a.4	-	-	64,008	189,932
Provisions	17.a	950	4,106	951	4,144
Retirement benefits obligations	16.b	34,127	54,015	34,127	54,015
Other current liabilities	19	171,343	125,516	1,005,382	442,049
		3,335,673	**1,982,857**	**6,113,665**	**3,884,548**
Liabilities related to non-current assets held for sale		-	-	-	2,005,671
		3,335,673	**1,982,857**	**6,113,665**	**5,890,219**
NON-CURRENT LIABILITIES					
Debt instruments	14	7,274,255	5,427,274	18,127,381	16,288,157
Derivative financial instruments - trading	13.a.4	-	-	23,004	31,527
Concessions payable (Use of Public Asset)	15.a	4,601,816	4,794,057	4,657,314	4,849,081
Provisions	17.a	223,773	207,085	507,607	531,756
Retirement benefits obligations	16.b	366,076	218,959	366,076	218,959
Deferred income tax and social contribution	18.c	1,016,211	694,143	2,087,298	1,505,352
Other non-current liabilities	19	192,730	127,378	525,918	431,529
		13,674,861	**11,468,896**	**26,294,598**	**23,856,361**
TOTAL LIABILITIES		**17,010,534**	**13,451,753**	**32,408,263**	**29,746,580**
EQUITY					
Capital stock	20.b	4,902,648	4,902,648	4,902,648	4,902,648
Capital reserves	9	(176,543)	(156,743)	(176,543)	(156,743)
Profit reserves	20.c	3,950,408	2,381,683	3,950,408	2,381,683
Additional dividends proposed	21.a	721,661	1,455,160	721,661	1,455,160
Equity valuation adjustments	20.d	(535,403)	(146,226)	(535,403)	(146,226)
		8,862,771	**8,436,522**	**8,862,771**	**8,436,522**
Non-controlling interest	20.e	-	-	953,439	3,650
TOTAL SHAREHOLDERS' EQUITY		**8,862,771**	**8,436,522**	**9,816,210**	**8,440,172**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**25,873,305**	**21,888,275**	**42,224,473**	**38,186,752**

The notes are an integral part of these financial statements.

ENGIE BRASIL ENERGIA S.A.
CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(in thousands of reais, unless otherwise stated)

		Parent Company		Consolidated	
	Nota	2023	2022	2023	2022
NET OPERATING REVENUE	22	**4,732,619**	**4,569,792**	**10,747,784**	**11,906,605**
OPERATING COSTS	23.a	**(1,855,545)**	**(1,784,860)**	**(4,840,645)**	**(6,317,412)**
GROSS PROFIT		**2,877,074**	**2,784,932**	**5,907,139**	**5,589,193**
Operating income (expenses)					
Selling expenses	23.b	(57,580)	(20,624)	(57,921)	(27,031)
General and administrative expenses	23.b	(364,262)	(331,385)	(374,091)	(339,153)
Reversal (recording) of provision for impairment of assets, net	9/10	1,205,158	(6,824)	1,198,494	(66,078)
Sale of subsidiary	9.f	(1,248,923)	(84,519)	(1,287,320)	(84,518)
Other operating (expenses) income, net		(5,084)	(711)	(19,120)	1,035
		(470,691)	**(444,063)**	**(539,958)**	**(515,745)**
Equity income					
Equity	9.b	2,571,963	1,993,971	993,117	727,136
Goodwill amortization	9.c	(2,540)	(3,341)	-	-
		2,569,423	**1,990,630**	**993,117**	**727,136**
INCOME BEFORE FINANCIAL RESULT AND TAXES		**4,975,806**	**4,331,499**	**6,360,298**	**5,800,584**
Financial result					
Financial income	24	185,091	247,975	448,980	585,191
Financial expenses	24	(772,519)	(1,019,622)	(1,813,081)	(2,373,763)
Expenses with concessions payable (Use of Public Asset)	24	(589,931)	(717,251)	(598,897)	(726,718)
		(1,177,359)	**(1,488,898)**	**(1,962,998)**	**(2,515,290)**
INCOME BEFORE INCOME TAXES		**3,798,447**	**2,842,601**	**4,397,300**	**3,285,294**
Income tax and social contribution					
Current	18.d	2,587	(272,284)	(325,247)	(569,224)
Deferred	18.d	(371,479)	92,762	(642,993)	(51,502)
		(368,892)	**(179,522)**	**(968,240)**	**(620,726)**
NET INCOME FOR THE YEAR		**3,429,555**	**2,663,079**	**3,429,060**	**2,664,568**
NET INCOME ATTRIBUTABLE TO:					
Shareholders of ENGIE Brasil Energia		3,429,555	2,663,079	3,429,555	2,663,079
Non-controlling shareholder		-	-	(495)	1,489
		3,429,555	**2,663,079**	**3,429,060**	**2,664,568**
BASIC AND DILUTED EARNINGS PER SHARE - IN REAIS		**4.20326**	**3.26387**	**4.20326**	**3.26387**

The notes are an integral part of these financial statements.

ENGIE BRASIL ENERGIA S.A.
CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
COMPREHENSIVE INCOME STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Reais)

	Note	Parent Company		Consolidated	
		2023	2022	2023	2022
NET INCOME FOR THE YEAR		**3,429,555**	**2,663,079**	**3,429,060**	**2,664,568**
Other comprehensive income that in the future:					
- will not be reclassified to profit or loss					
Retirement benefit					
Remeasurement of retirement obligations	16.b	(145,326)	196,047	(145,326)	196,039
Deferred income tax and social contribution	18.c	49,411	(66,655)	49,411	(66,652)
Equity income of the abovementioned effects		-	(5)	-	-
		(95,915)	**129,387**	**(95,915)**	**129,387**
- will be reclassified to profit or loss					
Cash flow hedge					
Unrealized losses generated in the year	13.a,1	-	(23,039)	(332,257)	(124,890)
Deferred income and social contribution[1]	18.c	-	7,833	-	7,833
Equity income of the abovementioned effects		(332,257)	(101,851)	-	-
Unrealized (losses) gains generated in the year of joint venture	9	78,525	416,329	78,525	416,329
		(253,732)	**299,272**	**(253,732)**	**299,272**
COMPREHENSIVE INCOME FOR THE YEAR		**3,079,908**	**3,091,738**	**3,079,413**	**3,093,227**
NET INCOME ATTRIBUTABLE TO:					
Shareholders of ENGIE Brasil Energia		3,079,908	3,091,738	3,079,908	3,091,738
Non-controlling shareholder		-	-	(495)	1,489
		3,079,908	**3,091,738**	**3,079,413**	**3,093,227**

(1) The subsidiaries presenting Cash Flow Hedge are taxed by presumed profit, so no deferred income tax is charged.

The notes are an integral part of these financial statements.

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 YEARS ENDED DECEMBER 31, 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 proposes	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		-	(156,743)	-	-	-	-	-	-	-	**(156,743)**	-	**(156,743)**
Interim dividends	21.d	-	-	-	-	(638,669)	-	-	-	-	**(638,669)**	(159)	**(638,828)**
Additional dividends	21.d	-	-	-	-	-	(549,798)	-	-	-	**(549,798)**	(1,120)	**(550,918)**
Net income for the year		-	-	-	-	-	-	2,663,079	-	-	**2,663,079**	1,489	**2,664,568**
Remeasurement of retirement obligations	16.b/20.d.2	-	-	-	-	-	-	-	-	129,387	**129,387**	-	**129,387**
Fair value of cash flow hedge	13.a.2/20.d.2	-	-	-	-	-	-	-	-	(117,057)	**(117,057)**	-	**(117,057)**
Interest in joint venture	9.b	-	-	-	-	-	-	-	-	416,329	**416,329**	-	**416,329**
Time-barred dividends and IoE	21.a	-	-	-	-	-	-	11,684	-	-	**11,684**	-	**11,684**
Realization of deemed cost	21.a	-	-	-	-	-	-	40,048	(40,048)	-	-	-	-
Allocations proposed to the ASM:													
Tax incentive reserve	21.a	-	-	-	8,953	-	-	(8,953)	-	-	-	-	-
Interim dividends	21.a	-	-	-	-	-	-	(1,050,698)	-	-	**(1,050,698)**	-	**(1,050,698)**
- Minimum mandatory dividends		-	-	-	-	-	-	-	-	-	-	(149)	**(149)**
- Interest on equity (IOE)	21.a	-	-	-	-	-	-	(200,000)	-	-	**(200,000)**	-	**(200,000)**
- Additional dividends proposed	21.a	-	-	-	-	-	1,455,160	(1,455,160)	-	-	-	-	-
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.e,1	-	(19,800)	-	-	-	-	-	-	-	**(19,800)**	-	**(19,800)**
Capital contribution from non-controlling shareholders	9.g	-	-	-	-	-	-	-	-	-	-	951,759	**951,759**
Additional dividends	21.d	-	-	-	-	-	(1,455,160)	-	-	-	**(1,455,160)**	(1,340)	**(1,456,500)**
Net income for the year		-	-	-	-	-	-	3,429,555	-	-	**3,429,555**	(495)	**3,429,060**
Remeasurement of retirement obligations	16.b/20.d.2	-	-	-	-	-	-	-	-	(95,915)	**(95,915)**	-	**(95,915)**
Fair value of cash flow hedge	13.a.2/20.d.2	-	-	-	-	-	-	-	-	(332,257)	**(332,257)**	-	**(332,257)**
Interest in joint venture	9.b	-	-	-	-	-	-	-	-	78,525	**78,525**	-	**78,525**
Time-barred dividends and IoE	21.a	-	-	-	-	-	-	6,295	-	-	**6,295**	-	**6,295**
Realization of attributed cost	21.a	-	-	-	-	-	-	39,530	(39,530)	-	-	-	-
Allocations proposed to the ASM:													
- Tax incentive reserve	21.a	-	-	-	8,735	-	-	(8,735)	-	-	-	-	-
- Interim dividends	21.a	-	-	-	-	-	-	(767,200)	-	-	**(767,200)**	-	**(767,200)**
- Minimum mandatory dividends	21.a	-	-	-	-	-	-	(272,794)	-	-	**(272,794)**	(135)	**(272,929)**
- Interest on equity (IOE)	21.a	-	-	-	-	-	-	(145,000)	-	-	**(145,000)**	-	**(145,000)**
- Additional dividends proposed	21.a	-	-	-	-	-	721,661	(721,661)	-	-	-	-	-
-Retained earnings reserve		-	-	-	-	1,559,990	-	(1,559,990)	-	-	-	-	-
Balances on 12.31.2023		**4,902,648**	**(176,543)**	**980,530**	**282,471**	**2,687,407**	**721,661**	**-**	**251,492**	**(786,895)**	**8,862,771**	**953,439**	**9,816,210**

The notes are an integral part of these financial statements.

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 YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Reais)

		Parent Company		Consolidated	
	Note	2023	2022	2023	2022
Cash flow from operating activities					
Income before income taxes		3,798,447	2,842,601	4,397,300	3,285,294
Reconciliation of net income with cash from operations:					
Equity interest income	9	(2,569,423)	(1,990,630)	(993,117)	(727,136)
Depreciation and amortization	10/11/12.a,2	421,357	425,155	924,259	989,800
(Reversal) recording of provision for impairment of assets, net	9.f/10	(1,205,158)	6,824	(1,198,494)	66,078
Sale of subsidiary	9.f	1,248,923	84,519	1,287,320	84,518
Interest and monetary variation	24	713,422	970,576	1,683,893	2,219,473
Concessions payable expenses (Use of Public Asset)	24	589,931	717,251	598,897	726,718
Renegotiation of hydrological risk	11.b,1	-	-	(114,508)	-
Remuneration of concession financial asset	6	-	-	(467,748)	(485,490)
Remuneration of contract asset	7	-	-	(831,388)	(755,119)
Transmission infrastructure construction revenue	7	-	-	(236,755)	(914,384)
Losses due to inefficiency in construction	7	-	-	538	217,249
Unrealized losses (gains) from trading operations, net	13	-	-	16,477	2,301
Other		7,883	26,172	131,681	15,924
Profit before adjusted taxes		**3,005,382**	**3,082,468**	**5,198,355**	**4,725,226**
(Increase) decrease in assets					
Trade accounts receivable		37,818	(49,357)	28,947	(47,241)
Income tax and social contribution credit		17,461	31,931	4,540	26,340
Restricted and judicial deposits		24,993	18,242	17,641	60,473
Concession financial asset	6	-	-	354,484	327,963
Contract asset	7	-	-	628,560	323,022
Other assets		(24,950)	6,751	(203,084)	(16,205)
(Decrease) increase in liabilities					
Trade accounts payable		1,882	(22,957)	(41,032)	(127,614)
Tax and regulatory obligations		19,868	23,184	19,709	17,714
Labor obligations		(16,441)	(8,855)	(17,627)	(9,342)
Retirement benefits obligations		(49,769)	(41,531)	(49,770)	(41,531)
Other liabilities		5,146	(40,416)	126,800	(347,409)
Cash from operations		**3,021,390**	**2,999,460**	**6,067,523**	**4,891,396**
Payment of interest on debts, net of hedge	13/14	(487,834)	(535,702)	(1,120,734)	(1,065,683)
Payment of income tax and social contribution		(102,154)	(284,610)	(360,847)	(488,220)
Net cash from operating activities		**2,431,402**	**2,179,148**	**4,585,942**	**3,337,493**

To be continued on the next page

		Parent Company		Consolidated	
		2023	2022	2023	2022
Investing activities					
Dividends received from subsidiaries and joint ventures		2,170,211	1,681,420	1,040,000	503,750
Capital increase in subsidiaries	9	(1,230,434)	(2,067,883)	-	-
Capital decrease in subsidiaries	9	66,510	862,135	-	-
Acquisition of subsidiaries	9	-	-	-	(659,959)
Cash and cash equivalents of subsidiary acquired	9	-	-	-	199,870
Amounts received for sale of subsidiaries, net of cost of sale		36,482	99,958	36,482	99,959
Cash and cash equivalents of subsidiary sold		-	-	(107,999)	(61,839)
Investment in property, plant and equipment and intangible assets	10/11	(137,960)	(108,890)	(2,565,799)	(1,528,874)
Payment of obligations linked to acquisition of assets	19	-	-	(10,191)	(49,912)
Payments of concession installments (Use of Public Asset)	15	(426,788)	(281,897)	(434,947)	(289,557)
Other		40	3,205	40	2,125
Net cash from investing activities		**478,061**	**188,048**	**(2,042,414)**	**(1,784,437)**
Financing activities					
New debt instruments	14	3,134,517	-	3,450,536	788,790
Payment of debt instruments, net of hedge	13/14	(736,525)	(2,879,469)	(1,497,918)	(3,489,879)
Payment of dividends and interest on equity	21	(2,377,950)	(2,284,784)	(2,379,596)	(2,286,031)
Deposits linked to debt service		(22)	558,854	(48,429)	513,545
Capital contribution from non-controlling shareholders, net of issue costs	9.g	-	-	951,759	-
Net cash from financing activities		**20,020**	**(4,605,399)**	**476,352**	**(4,473,575)**
Increase (decrease) in cash and cash equivalents		**2,929,483**	**(2,238,203)**	**3,019,880**	**(2,920,519)**
Reconciliation of cash and cash equivalents					
Opening balance	3	321,005	2,559,208	2,235,887	5,156,406
Closing balance	3	3,250,488	321,005	5,255,767	2,235,887
Increase (decrease) in cash and cash equivalents		**2,929,483**	**(2,238,203)**	**3,019,880**	**(2,920,519)**

Additional information on transactions not affecting cash and cash equivalents is presented in Note 29 - Additional information to the cash flow.

The notes are an integral part of these financial statements.

ENGIE BRASIL ENERGIA S.A.
CNPJ No. 02.474.103/0001-19 | NIRE No. 42 3 0002438-4
VALUE ADDED STATEMENT FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Reais)

	Parent Company		Consolidated	
	2023	2022	2023	2022
VALUE ADDED GENERATED				
Gross operating revenue	5,245,901	5,061,978	10,158,470	10,750,613
Remuneration of contract asset	-	-	831,388	755,119
Remuneration of concession financial asset	-	-	467,748	485,490
Revenue from generation construction	-	-	2,501,364	577,744
Revenue from construction of transmission infrastructure	-	-	236,755	914,384
Unrealized gains on trading operations	-	-	-	1,074
Sale of subsidiary	(1,248,923)	(84,519)	(1,287,320)	(84,518)
Other operating (expenses) income, net	(5,084)	(711)	(19,120)	1,035
	3,991,894	**4,976,748**	**12,889,285**	**13,400,941**
(-) Inputs				
Electric power purchases	(498,563)	(493,191)	(1,927,007)	(2,368,882)
Charges for the use of and connection to the power grid	(439,954)	(411,204)	(668,063)	(625,137)
Third-party materials and services	(226,649)	(197,618)	(568,183)	(561,725)
Transactions in the short-term energy market	(80,020)	(45,766)	(200,695)	(166,753)
Insurance	(36,655)	(34,102)	(89,436)	(91,835)
Fuels for electric energy production	-	-	(66,032)	(115,457)
Costs of construction of plants	-	-	(2,136,424)	(473,482)
Costs of construction of transmission infrastructure	-	-	(228,289)	(1,120,351)
Reversal (recording) of provision for impairment of assets, net	1,205,158	(6,824)	1,198,494	(66,078)
Renegotiation of hydrological risk	-	-	114,508	-
Other	(85,897)	(54,383)	(101,533)	(45,321)
	(162,580)	**(1,243,088)**	**(4,672,660)**	**(5,635,021)**
GROSS ADDED VALUE	**3,829,314**	**3,733,660**	**8,216,625**	**7,765,920**
Depreciation and amortization	(421,357)	(425,155)	(924,259)	(989,800)
NET ADDED VALUE GENERATED	**3,407,957**	**3,308,505**	**7,292,366**	**6,776,120**
ADDED VALUE RECEIVED THROUGH TRANSFER				
Financial income	185,091	247,975	448,980	585,191
Equity income	2,569,423	1,990,630	993,117	727,136
ADDED VALUE TO DISTRIBUTE	**6,162,471**	**5,547,110**	**8,734,463**	**8,088,447**

To be continued on the next page

ADDED VALUE DISTRIBUTED

	Parent Company				Consolidated			
	2023	%	2022	%	2023	%	2022	%
Remuneration:								
Labor								
Remuneration and payroll charges	203,772	3.3	182,327	3.3	240,447	2.8	217,562	2.7
Benefits	60,274	1.0	55,425	1.0	70,704	0.8	69,334	0.9
Profit sharing	33,238	0.5	35,115	0.6	38,464	0.4	43,385	0.5
Workers' severance fund (FGTS)	14,139	0.3	12,981	0.2	17,257	0.2	15,674	0.2
	311,423	**5.1**	**285,848**	**5.1**	**366,872**	**4.2**	**345,955**	**4.3**
Government								
Federal taxes	853,173	13.8	684,521	12.3	1,891,097	21.7	1,624,037	20.1
State taxes	11,419	0.2	8,521	0.2	13,196	0.2	11,351	0.1
Municipal taxes	4,258	0.1	4,809	0.1	5,180	0.1	5,270	0.1
Sectorial charges	192,744	3.1	173,061	3.1	253,735	2.9	232,402	2.9
Concessions payable expenses (Use of Public Asset)	589,931	9.6	717,251	12.9	598,897	6.7	726,718	9.0
	1,651,525	**26.8**	**1,588,163**	**28.6**	**2,762,105**	**31.6**	**2,599,778**	**32.2**
Third-party capital								
Interest and monetary variations	753,411	12.2	997,377	18.0	1,717,507	19.7	2,256,622	27.9
Interest, inflation adjustment and depreciation capitalized	-	-	-	-	364,940	4.1	104,262	1.3
Rentals	1,438	-	603	-	10,480	0.1	11,087	0.1
Other financial expenses	15,119	0.2	12,040	0.2	83,499	1.0	106,175	1.3
	769,968	**12.4**	**1,010,020**	**18.2**	**2,176,426**	**24.9**	**2,478,146**	**30.6**
Equity								
Tax incentive reserve	8,735	0.1	8,953	0.2	8,735	0.1	8,953	0.1
Retained earnings reserve	1,559,990	25.3	-	-	1,559,990	17.9	-	-
Dividends	1,761,655	28.6	2,505,858	45.2	1,761,655	20.2	2,505,858	31.0
Interest on equity	145,000	2.4	200,000	3.6	145,000	1.7	200,000	2.5
Realization of deemed cost	(39,530)	(0.6)	(40,048)	(0.7)	(39,530)	(0.5)	(40,048)	(0.6)
Time-barred dividends and IOE	(6,295)	(0.1)	(11,684)	(0.2)	(6,295)	(0.1)	(11,684)	(0.1)
Non-controlling shareholders	-	-	-	-	(495)	-	1,489	-
	3,429,555	**55.7**	**2,663,079**	**48.1**	**3,429,060**	**39.3**	**2,664,568**	**32.9**
	6,162,471	**100.0**	**5,547,110**	**100.0**	**8,734,463**	**100.0**	**8,088,447**	**100.0**

The notes are an integral part of these financial statements.

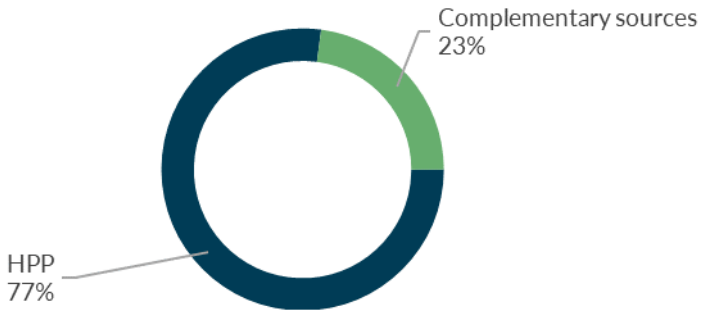
NOTE 1. OPERATIONS

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 26 – 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 4.9%[1] of the country's installed capacity. At 12.31.2023, its installed capacity, including its stakes in energy generation consortiums, was 8,324.1 own MW, broken down in the chart below. Physical guarantee for sale averaged was 4,147.7 average MW, of which 358.6 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. The Company's installed capacity is distributed as follows.



On 12.31.2023, Company's generating complex in operation was composed of **81 plants**, of which:

11	56	3	9	2
HPPs	wind farms	biomass plants	photovoltaic solar plants	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 12.31.2023, 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 – EBE	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	1,091	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 and 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	02.2047	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	12.2017	06.2048	IPCA	Return of concession and subsequent re-auction	6, 10 and 11
Miranda HPP	Miranda	Quota System	408	188	12.2017	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 13,360/2016, 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
Asa Branca	ETP II	RAP Discount	1,006 km	-	09.2023	09.2053	IPCA	Return of concession and subsequent re-auction	7
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)	Note
UHE Itá	1,127	529	9
UHE Machadinho	415	143	9
UHE Estreito	436	244	9

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.

a.4) Authorizations

Authorizations	Authorization holder	Length (km)	Total contracts	Compression stations	Start of authorization	Expiry of authorization	Note
Gas pipelines							
Transportadora Associada de Gás (TAG)	Transportadora Associada de Gás (TAG)	4,500	5	11[1]	06.2019	Indeterminate	9

(1) TAG has 11 own compression stations.

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 New 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.

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
SHPPs							
Rondonópolis	Tupan	27	14	12.2002	12.2032	Return of the asset	10 and 11
Engenheiro José Gelazio da Rocha	Hidropower	24	12	12.2002	12.2032	Return of the asset	10 and 11
WPPs							
Trairí Wind Power Complex	Complex's SPEs	213	88	09.2011 and 01.2015[2]	09.2041 and 01.2045[2]	Demobilization	10 and 11
Campo Largo III, IV, VI and VII	CLWP WPPs	119	60	07.2015	07.2050	Demobilization	10 and 11
Campo Largo V e XXI	CLWP WPPs	59	29	08.2015	08.2050	Demobilization	10 and 11
Campo Largo I, II, XV, XVI and XVIII	CLWP WPPs	148	77	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 P&D	ENGIE Brasil Energia	2	0,3	05.2015	Non-operational	Non-operational	10 and 11
Tubarão 2 P&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 1,2, 14, 21, 25 and 27	Complex's SPEs	149	75	05.2021	05.2056	Demobilization	10 and 11
WPPs – Under construction							
Santo Agostinho 3-6,13,17,18 and 26	Complex's SPEs	285	149	05.2021	05.2056	Demobilization	10 and 11
Serra do Assuruá 1 to 24	Complex's SPEs	846	412	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	0,2	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 construction							
Assu Sol 1 to 16 Photovoltaic Complex	Complex's SPEs	752	229	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 9 – Investments.
(3) Paracatu Photovoltaic Complex is composed of four SPEs with different operation start and end dates. Further information is available in Note 9 – Investments.
(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 7.1 MWa of installed capacity and physical guarantee, respectively, at the Ibitiúva Bioenergética Cogeneration Plant, which corresponds to its share as shareholder and consortium member.

a.5) Contractual obligations as conditions for the concessions

The Company, as concessionaire, has obligations towards the Concession Authority and Aneel. Except for the particularities of each plant, general obligations for all concessions include the responsibility for damages arising from the operation of plants, as well as actions of companies subcontracted for one or more services related to construction, assembling, operation and maintenance, especially arising from expansions and improvements.

The concessionaire must always maintain, through appropriate an operational and conservation structure, the equipment and facilities of concessions in perfect working conditions, as well as inventory of spare parts, maintain its own or outsourced technical team, legally authorized and trained and in a number compatible with operations, in order to ensure the continuity, regularity, efficiency and safety of concessions. It must meet all tax, labor and social security obligations, as well as the charges established by law and the regulatory standards established by the Concession Authority and Aneel.

The concessionaire is responsible for making the necessary investments to ensure the quality, timeliness of production and transmission of electricity, which includes modern techniques, equipment and facilities, and their conservation, improvements and expansion. Other obligations are preparing, maintaining and performing periodical inspections, monitoring, emergency actions and safety evaluation of the structures of concessions, as well as maintaining updated the analysis and interpretation of such data, which must remain available for inspection of Aneel.

Moreover, obligations related to concessions include managing and protecting documents and files, organizing and keeping updated records and inventories of assets linked to the concession and publishing the financial and regulatory statements annually. Contracting and keeping during the duration of the concession, insurance policies for appropriate coverage of equipment that is indispensable for the continuity of services, with the concessionaire being responsible for defining the assets and facilities to be insured.

Complying with environmental and water laws, installing, operating and keeping, in accordance with the Joint Resolution of Aneel and ANA, hydrometric facilities and notes. Respecting the maximum and minimum limits of flows, variation rates of downward flows, maximum and minimum operational levels, observing the conditions of reservoir operation defined by ANA jointly with ONS. The concessionaire is responsible for managing reservoirs of hydroelectric power plants and their respective protection areas.

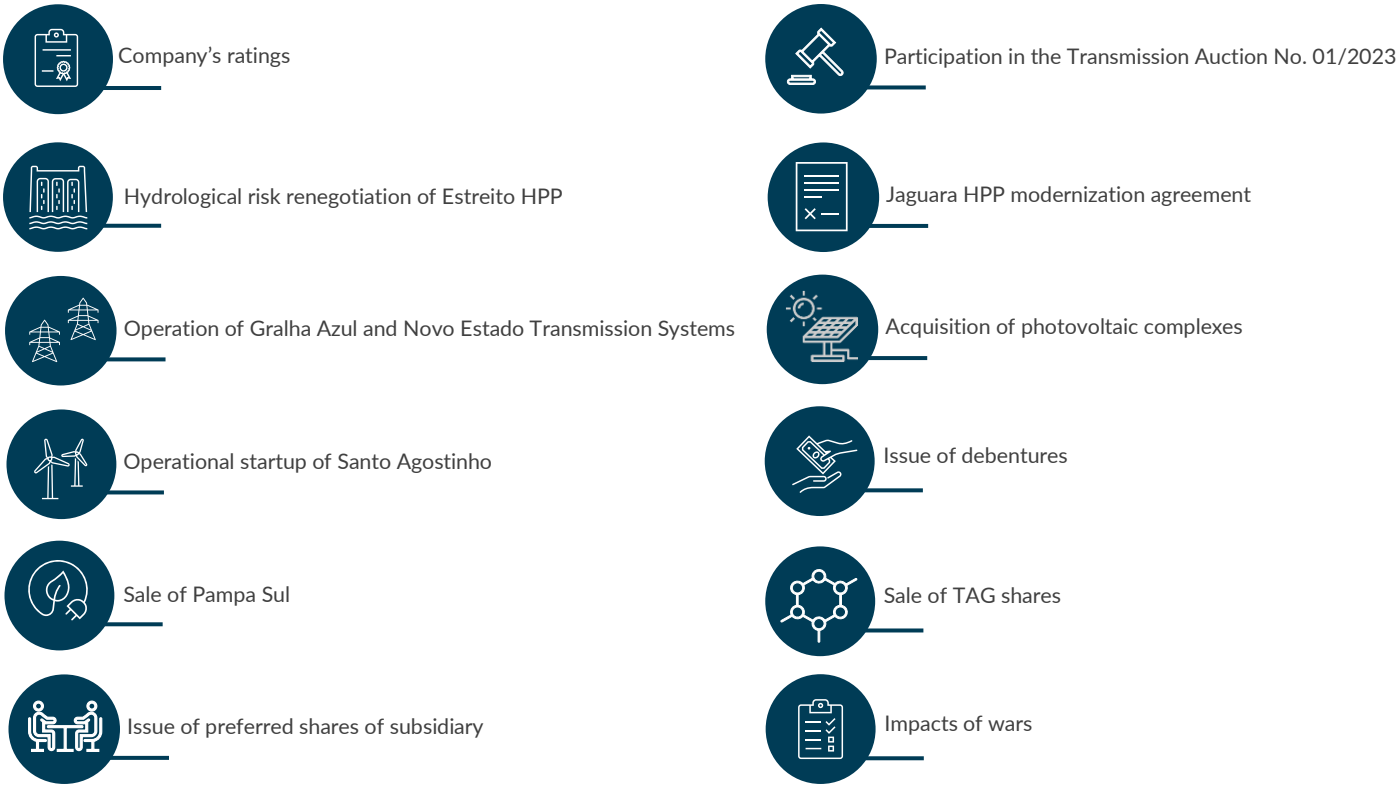
Regarding contracts, the concessionaire is responsible for entering into contracts for use of and connection to transmission and distribution systems and pay the respective charges, rendering accounts to Aneel annually, for the management of generation concession, through reports informing the technical and operational performance of facilities under its responsibility, as well as for constant communication with Aneel on corporate changes and related-party transactions.

a.6) Unavailability of assets

The assets and facilities used in generation, transmission and sale of electricity are linked to these services and cannot be removed, sold, assigned or given in mortgage guarantee without prior and express authorization of the Regulatory Agency. Aneel regulates the release of concessions' assets from the Public Electricity Service, granting prior authorization for the release of unserviceable assets for the concession, when destined for sale, determining that the product of sales be deposited in restricted bank account to be used in the concession.

Main corporate and operational events

The main corporate and operational events occurred in 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 national rating – 11th issue of debentures	'AAA(bra)' with stable outlook	11.08.2023
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) Hydrological risk renegotiation 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.

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.

The start of the extended concession related to the hydrological risk renegotiation (non-hydric impacts), previously recognized, was postponed by 852 days. To maintain the value over time, Aneel recalculated the extension of the hydrological risk renegotiation from 1,876 to 2,496 days.

Based on the accounting practice used to recognize the concession extension related to the hydrological risk renegotiation in 2020/2021, the additional 620 days represent an intangible asset as a corresponding entry to profit or loss. This asset was measured at fair value considering the energy prices of PPAs in effect during this additional period. The effect of this transaction on profit or loss was a gain of R$ 114,508. 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. On 12.31.2023 the Company has total installed capacity of 105.8 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$ 53,108 added to impairment booked earlier. Further information is available in Note 9 – Investments, item f).

g) Issue of preferred shares of indirect subsidiary

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

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.

On 09.27.2023, the Company signed the agreement for the concession offered in said auction, which was called Asa Branca. Construction work should begin in the second half of 2024.

The term of concession 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) Jaguara HPP modernization agreement

On 07.25.2023, the Company, through its subsidiary Companhia Energética Jaguara, 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. Further information is available in Note 28 – Long-term commitments, item d.4).

j) Acquisition of photovoltaic complexes

The Company's Board of Directors, at a meeting held on 10.27.2023, approved the execution of the agreement for acquisition of photovoltaic complexes by ENGIE Brasil Energia Complementares Participações Ltda., a direct subsidiary of the Company. On 10.28.2023, ECP and GIP Helios II S.A. ("GIP") executed a purchase agreement that governs the acquisition of all shares issued by Atlas Energia Renovável do Brasil S.A. ("Atlas Renovável") and Atlas Brasil Energia Holding 2 S.A. ("Atlas Holding 2" and, jointly with Atlas Renovável, referred to as "Atlas") and, consequently, the shares issued by the Juazeiro, São Pedro, Sol do Futuro, Sertão Solar and Lar do Sol Photovoltaic Complexes held by Atlas.

The installed capacity and commercial capacity of the complexes total 545 MW average and 145.1 MW average, respectively. The total acquisition amount will be approximately R$ 3,240 million, divided into the purchase price of up to R$ 2,269 million and Atlas' net debt of around R$ 971 million, which is now consolidated with the company's debt. The amounts may change (*earn-out*), as certain conditions set forth in the Agreement are met, subject to adjustments until the closing date of the operation. The closing of the operation is expected in the first quarter of 2024.

k) Issue of debentures

The Company issued debentures to raise working capital to finance the implementation of the Company's business plan. On 12.07.2023, the Company settled the 11th issue of debentures, in the total amount of R$2,500 million, in 5 series. Further information on the transactions is available in Note 14 – Debt instrument.

l) Sale of TAG shares

The Company's Board of Directors, at a meeting held on 12.28.2023, approved the execution of a share sale agreement and other covenants between the Company and Caisse de Dépôt et Placement du Québec ("CDPQ"), through its wholly-owned subsidiary CDP Groupe Infrastructures Inc., with the consent of TAG. The agreement establishes the terms and conditions for sale, by the Company to CDPQ, of shares issued by TAG held by the Company, representing 15% of TAG's total capital stock.

The sale base price was R$ 3,113 million, in a locked-box structure, with due inflation adjustments until the closing date, in line with the terms typical to transactions of the same size and nature and as provided for in the Sale Agreement.

With the performance of the transaction, the Company will remain a shareholder of TAG, becoming the direct holder of shares issued by TAG representing 17.5% of capital stock. Accordingly, the Company will remain bound to the shareholders agreement of TAG, keeping the current control, jointly with GDF International ("GDFI") and CDPQ.

m) Impacts of the war in Ukrain and the conflict between Israel and Hamas

The Company does not have contracts with any of the parties involved in the conflicts, but it will continue monitoring the events. In addition, provided the scenario does not worsen, the Company does not estimate significant effects in its results for the fiscal year ended 12.31.2023 that could compromise the operational capacity and implementation of its projects.

NOTE 2. PRESENTATION OF FINANCIAL STATEMENTS

a) Preparation basis

The consolidated financial statement were prepared and are being presented in compliance with the IFRS, issued by the IASB and the Brazilian accounting practices, which comprise the rules of the CVM and the pronouncements, interpretations and guidelines issued by the CPC and approved by the CFC and the CVM.

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.

Additionally, these financial statements were elaborated considering the historical costs based on value, adjusted to reflect the fair value of certain financial instruments, when applicable. These financial statements provide the relevant information, which is consistent with that used by the Management in its activities.

The Company is presenting one package, containing these individual and consolidated financial statements, which presents comparisons with prior-year information.

b) Functional currency and presentation currency

The Company's functional currency is the Brazilian real, which is the main currency in the Company's business and operational environment. The financial information is stated in thousands of reais, unless otherwise stated.

c) Operational continuity

The Management evaluated the Company's capacity to continue operating normally and concluded that it has the resources to continue its businesses in the future. In addition, it is not aware of any uncertainty that could give rise to doubts about its capacity to continue operating. As such, as per CPC 26 (R1) – Presentation of Financial Statements, these parent company and consolidated financial statements were prepared based on the presumption of continuity.

d) Consolidation basis

The consolidated financial statements include information of ENGIE Brasil Energia and its subsidiaries and joint operations, all of which headquartered in Brazil, with their accounting practices being consistent with those adopted by the Company. In the individual financial statements, the Company's investments are booked according to the equity method.

The dates of the financial statements for the subsidiaries and joint venture used for consolidation and equity accounting coincide with those of the Company. The companies consolidated with ENGIE Brasil Energia are:

	Investor	Operating segment	Equity interest (%) 12.31.2023	Equity interest (%) 12.31.2022
Direct wholly owned subsidiaries				
Companhia Energética Estreito ("CEE")[1]	ENGIE	Generation	99.99	99.99
Companhia Energética Jaguara ("Jaguara")	ENGIE	Generation	99.99	99.99
Companhia Energética Miranda ("Miranda")	ENGIE	Generation	99.99	99.99
ENGIE Brasil Energia Comercializadora Ltda. ("EBC")	ENGIE	Generation	99.99	99.99
ENGIE Brasil Energias Complementares Participações Ltda. ("ECP")[2]	ENGIE	Generation	99.99	99.99
ENGIE Comercializadora Varejista de Energia Ltda. ("ECV")	ENGIE	Generation	99.99	99.99
Lages Bioenergética Ltda. ("Lages")	ENGIE	Generation	99.99	99.99
Usina Termelétrica Pampa Sul S.A. ("Pampa Sul")	ENGIE	Generation	-	99.99
ENGIE Trading Comercializadora de Energia Ltda. ("ENGIE Trading")	ENGIE	Trading	99.99	99.99
ENGIE Transmissão de Energia Participações II S.A. ("ETP II")	ENGIE	Transmission	99.99	99.99
Gavião Real Transmissora de Energia S.A. ("Gavião Real")	ENGIE	Transmission	99.99	-
Safira Transmissão de Energia Participações S.A. ("Safira")[11]	ENGIE	Transmission	-	99.99
ENGIE Comercializadora de Gás Ltda ("ECG")	ENGIE	Gas	99.90	99.90
Joint ventures				
Itá Energética S.A. ("Itasa")[4]	ENGIE	Generation	48.75	48.75
Indirect subsidiaries				
Alvorada Participações Ltda. ("Alvorada")[2] and subsidiaries[3]	ECP	Generation	99.99	99.99
Assu Sol Solar Participações e Geração de Energia SPE S.A, ("Assu Sol") and subsidiaries[3]	ECP	Generation	99.99	99.99
Campo Largo Solar Participações e Geração de Energia Ltda.	ECP	Generation	99.99	99.99
Central Fotovoltaica Assú I, II, III, IV e V ("Assú")[3]	ECP	Generation	99.99	99.99
CLWP Brasil Participações S.A. ("CLWP Br")[2] and subsidiaries[3 and 6]	ECP	Generation	99.99	99.99
CLWP Brasil II Participações S.A. ("CLWP Br II")[2] and subsidiaries[3 and 7]	ECP	Generation	99.99	99.99
CLWP Brasil III Participações Ltda. ("CLWP Br III")[2] and subsidiaries[3]	ECP	Generation	99.99	99.99
Conjunto Eólico Santo Agostinho - Fase II[3]	ECP	Generation	99.99	99.99
Energias Eólicas do Ceará Ltda. ("EEC")[2] and subsidiaries [3 and 8]	ECP	Generation	99.99	99.99
Energias Eólicas do Nordeste Ltda. ("EEN")[2] and subsidiaries[3 and 8]	ECP	Generation	99.99	99.99
ENGIE Solar Brasil Energia e Consultoria Ltda. ("ENGIE Solar")	ECP	Generation	99.99	99.99
Ferrari Termoelétrica S.A. ("Ferrari")	ECP	Generation	99.99	99.99
Ibitiúva Bioenergética S.A. ("Ibitiúva")	ECP	Generation	95.00	95.00
Hidropower Energia S.A. ("Hidropower")	ECP	Generation	99.99	99.99
Maracanã Geração de Energia e Participações S.A. and subsidiaries[12]	ECP	Generation	87.66	99.99
Santo Agostinho Participações S.A,[2] and subsidiaries[3 and 9]	ECP	Generation	99.99	99.99
Solairedirect Holding Brasil S.A. ("Solairedirect")[2] and subsidiaries[3]	ECP	Generation	99.99	99.99
Tupan Energia Elétrica Ltda. ("Tupan")	ECP	Generation	99.99	99.99
Umburanas Participações S.A. ("Umburanas")[2] and subsidiaries[3 and 10]	ECP	Generation	99.99	99.99
Umburanas Participações 2 Ltda. ("Umburanas 2")[2] and subsidiarie [3]	ECP	Generation	99.99	99.99
Gralha Azul Participações S.A. ("GAP") [2 and 11] and subsidiary3	ETP II	Transmission	99.99	99.99
Asa Branca Transmissora de Energia S.A.[5]	ETP II	Transmission	99.99	99.99
Safira Transmissão de Energia Participações S.A. ("Safira")[11]	ETP II	Transmission	99.99	-
Novo Estado Participações S.A. ("NEP")[2] and subsidiary[3]	ETP II	Transmission	99.99	99.99

(1) Includes Estreito Consortium.
(2) Holding company.
(3) Further information is available in Note 9.
(4) Includes Itá Consortium.
(5) New name of ENGIE Transmissão de Energia Participações IV S.A. ("ETP IV")
(6) Includes Campo Largo Consortium.
(7) Includes Campo Largo II Consortium.
(8) Includes Trairi and Faísa Trairi Consortiuns.
(9) Includes Santo Agostinho Consortium.
(10) Includes Umburanas Consortium.
(11) Merged into ENGIE Transmissão de Energia Participações II S.A. ("ETP II")
(12) Further information is available in Note 1, item g.

The consolidation of the balance sheet accounts and income statement occurs with the sum of assets, liabilities, and consolidated income statement, according to their respective accounting natures, adjusted through the elimination of transactions made between the consolidated companies.

Assets, liabilities, revenues and expenses of the joint operation Itasa are recognized in the consolidated financial statements in proportion to the Company's interest. The Company also holds interest in consortia (joint operations in unincorporated entities), which are described in the table above, except Consórcio Machadinho, whose direct interest is held by ENGIE Brasil Energia, for which the assets, liabilities, revenues and expenses are recognized directly in the financial statements of the consortium member based on the respective interests held in the consortia.

The indirect subsidiary Ibitiúva is fully consolidated. The 5% non-controlling interest held in that company is presented separately in the balance sheets and in the consolidated statements of income.

In addition, on 12.31.2023, the Company held 32.5% interest in the joint venture TAG. Further information is available in Note 9 – Investments.

When the Company loses control over a subsidiary, the corresponding assets and liabilities of the subsidiary are written off at their book value on the date when control is lost.

e) Accounting practices

The main accounting practices of the Company are described in the accompanying notes to the items that they refer to.

f) Application of judgments and critical accounting practices

Critical accounting practices are those important to present the financial conditions and also the results, and require more difficult, subjective or complex judgments made by Management, often as a result of the need of making estimates that have an impact on questions that are inherently uncertain. As the number of variables and assumptions that affect the possible future solution of such uncertainties increases, these judgments become even more subjective and more complex.

In the preparation of financial statements, the Company adopted certain assumptions arising from the historical experience and other factors which are considered reasonable and relevant. Even though these estimates and assumptions are reviewed by the Company in the normal course of business, the statement of its financial conditions and the results of the operations often require the use of judgments in relation to the book value of its assets and liabilities.

The main notes linked to the application of critical judgments and accounting practices are:

Estimate	Note
Determination of fair values of derivative financial instruments	13 and 14
Determination of useful life of property, plant and equipment and intangible assets	10 and 11
Impairment test of long-term assets	9, 10 and 11
Contract asset construction margin	7
Recoverability of deferred income tax and social contribution	18
Discount rate on retirement benefits obligations	16
Discount rate on concession financial asset	6
Discount rate used in concessions payable (Use of Public Asset)	15
Electricity purchases and sales in the short-term market	22 and 23
Provision for tax, civil and labor risks	17
Provision for demobilization of generation assets	17

f.1) Derivative financial instruments

Derivative financial instruments are recognized at their fair values in the financial statements. Determining the fair value of the Company's derivatives requires the use of valuation methodologies that can be complex and involve the use of future estimates for exchange, inflation, long-term interest rates and energy prices.

f.2) Useful life of property, plant and equipment

The Company recognizes the depreciation of its property, plant and equipment, based on the annual rates established by Aneel, which are practiced by the companies of the Brazilian electrical sector and represent the estimated useful lives of the assets. The initial investments in generation assets whose power plants hold public service concessions are depreciated based on the useful lives defined by Aneel, limited to the time frame for concession of the power plants. However, the real useful lives may vary based on the technological updates made to the assets of each generation unit. The useful lives of fixed assets also affect the impairment tests of property, plant and equipment, when these are necessary.

f.3) Long-term assets impairment test

There are specific rules for impairment test of long-term and indefinite useful life assets, particularly property, plant and equipment, intangible assets and investments. At the end of the year, the Company conducts an analysis to assess if there is any evidence that the total value of the long-lived and indefinite useful life of assets may not be recovered. In uncommon situations, if this evidence is identified, then the Company proceeds to the impairment of these assets. These tests involve a few variables and uncertainties regarding cash flow forecasts for the valuation of assets in use and definition of the market value of assets intended for sale.

f.4) Recoverability of deferred income tax and social contribution

The estimated realization of deferred tax credits registered in non-current assets and liabilities, arising from temporary differences, is based on the period of realization of each item included in deferred assets and liabilities, income tax losses and social contribution loss carryforwards, based on projections of future results.

The criteria used for the realization of each item are related to the predictability of realization of principal amount that originated the temporary difference. When the expectation of realization of the item is hard to predict, mainly because it is beyond the Company's control, such as provisions for litigation, the Company adopts past records of realization to project its future realization. The realization of amounts of tax losses and social contribution tax loss carryforwards follow the possibilities of compensation considering future profit and the limit established in law.

f.5) Retirement benefits obligations

The Company recognizes its obligations in relation to benefits plans for employees and related costs, net of plan assets, adopting the following practices: (i) the future obligations arising from the pension benefit plans are discounted to present value, based on the interest rates on Federal Government bonds with average duration similar to those expected for the payment of the future forecasted commitments; and (ii) the assets of the pension plans are assessed at fair value on the date of the financial statements.

In actuarial calculations, the actuarial consultants also use subjective factors, such as mortality tables, inflation estimates and forecasts of salary growth, resignation, and staff turnover.

The actuarial assumptions used by the Company may be different from the real results, due to changes in the economic or market conditions, regulatory events, court decisions, or shorter or longer life periods of the participants. However, the Company and its actuaries use assumptions consistent with the internal and external analysis carried out for the definition of the estimates.

f.6) Electricity purchases and sales in the short-term market

Records of electricity purchase and sale transactions in the short-term market are recognized using the accrual method based on data disclosed by CCEE, which are calculated by multiplying the surplus or deficit energy registered in a certain month by the corresponding PLD, or, when this information is not available on a timely basis, by an estimate prepared by the Company.

f.7) Provisions

- Provisions for civil, tax and labor risks

The Company is a party in various lawsuits and administrative proceedings, for which provisions are constituted when it is likely that funds will be used to settle a contingency and when such funds can be reasonably estimated. The significant contingent liabilities which have been assessed as possible and remote risk are not recorded. When relevant, the proceedings which have been evaluated as possible risk are disclosed in the explanatory note.

The probability of outflow of funds is based on an appraisal and a qualification of the risks. This appraisal is supported by the judgment and experience of the Management, together with its legal advisors, considering cases of jurisprudence, decisions taken at lower and higher levels, and other applicable aspects. Risk assessments and estimated amounts may differ from those effectively incurred by the Company.

- Provision for demobilization of generation assets

Costs with the demobilization of generation assets are recorded in the provision based on estimates and assumptions related to discount rates and the present value of expected costs of demobilization and removal of assets by the end of the term of authorization for the plants and are recognized as a corresponding entry to the costs of the respective asset. The provision is revised annually and any estimate adjustments are recognized as a corresponding entry to the cost of the asset.

g) New standards, amendments and interpretations

The IASB and the CPC issued new pronouncements and revisions of existing standards, applicable from 01.01.2023. The following table shows the revisions applicable to and adopted by the Company and their respective impacts:

Revision and Standards affected	IASB Correlation	Publication date (Brazil)	Applicable starting	Accounting impacts
CPC Technical Pronouncements No. 50				
This Pronouncement replaced the standard previously in effect addressing Insurance contracts (CPC 11).	IFRS 17	05.07.2021	01.01.2023	No significant impacts.
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 financeiras*; 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; e Deferred Tax related to Assets and Liabilities arising from a Single Transaction	04.01.2022	01.01.2023 (amendment to CPC 37, in effect immediately)	No significant impacts.
Revision of Technical Pronouncements No. 22				
Technical Pronouncements CPC 15 (R1) – *Combinação de negócios*; CPC 27 – *Ativo imobilizado*; CPC 20 (R1) – *Custos de empréstimos*; and CPC 41 – *Resultado por ação*.	IAS 32	08.04.2023	01.01.2023	No significant impacts.

h) New standards, amendments and interpretations not yet in force

As of 01.01.2024, the following pronouncements or amendments to already existing pronouncements will be in force, which were not adopted in advance by the Company:

Revision and Standards impacted	IASB Correlation	Publication date (Brazil)/ Status	Applicable starting	Accounting impacts
Revision of Technical pronouncements No. 23				
Technical Pronouncements CPC 26 (R1) – *Apresentação das demonstrações financeiras*; and CPC 06 (R2) – *Arrendamentos*.	IAS 1, IAS 7, IFRS 7 and IFRS 16	08.04.2023	01.01.2024	No significant impacts.
Revision of Technical pronouncements No. 24				
As a result of the changes in the International Tax Reform – Pillar Two Model Rules and the Supplier Financing Agreement, amendments were made to the Technical Pronouncements CPC 03 (R2) – *demonstração dos fluxos de caixa*. CPC 32 – *tributos sobre o lucro* and CPC 40 (R1) – *instrumentos financeiros (evidenciação)*.	IAS 12	12.01.2023	These amendments will come into effect as established by the regulatory agencies approving them.	The Company is currently evaluating the impact of amendments on current practice.

i) Approval of the financial statements

These financial statements were approved at the Board of Directors Meeting held on 02.27.2024.

NOTE 3. CASH AND CASH EQUIVALENTS

Accounting practice:

Consist of cash, bank deposits, and short-term marketable securities with immediate liquidity, without any significant risk of change of value. These financial investments are maintained with the purpose of meeting short-term cash commitments, and measured at the fair value on the financial statements date. The fair value variation is recorded in the profit or loss when obtained.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Cash and bank deposits	**7,678**	**10,778**	**123,494**	**89,742**
Marketable securities				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	3,242,206	309,757	5,076,800	2,105,510
Other marketable securities	604	470	55,473	40,635
	3,242,810	**310,227**	**5,132,273**	**2,146,145**
	3,250,488	**321,005**	**5,255,767**	**2,235,887**

The Company's financial investments are concentrated in the exclusive fund Energy Renda Fixa Fundo de Investimento Exclusivo (FIE), which is managed by Banco Santander. The fund has a policy of allocating its equity to very-low-risk assets and on 12.31.2023, 100% of its portfolio had assets with the Brazilian Government risk, all with daily liquidity.

The average yield of the Fund in 2023 and 2022 was around 99.7% of the CDI (reference rate).

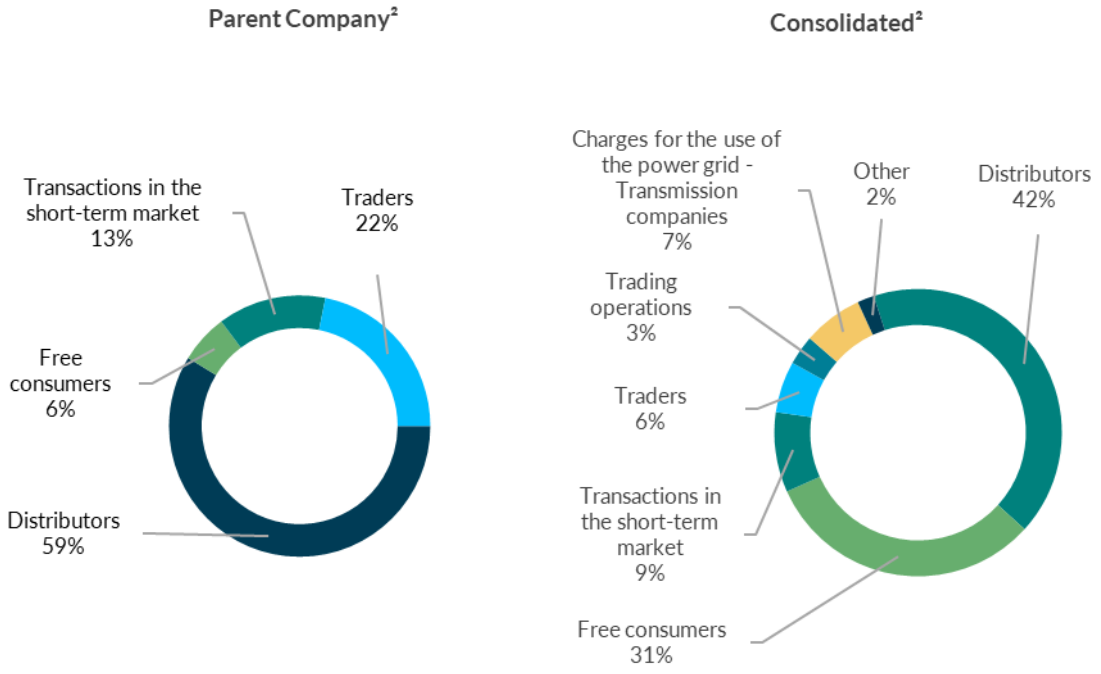
NOTE 4. TRADE ACCOUNTS RECEIVABLE

Accounting practice:

These are recognized when the receipt of consideration is unconditional, i.e., if only time lapse is required for its receipt. These are initially recorded at fair value of the consideration to be received, and subsequently measured at amortized cost, deducted from expected impairment losses. These expected losses are determined based on the history of impairment losses, adjusted based on recent observable data to reflect current and future effects and conditions, when applicable.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Distributors	309,313	305,762	478,301	470,087
Free Consumers	31,901	36,095	356,936	376,507
Transactions in the short-term market	70,763	70,658	103,392	102,078
Charge for the use of the power grid – Transmission companies	-	-	77,046	48,197
Traders	115,302	140,944	66,452	84,422
Trading operations	-	-	38,172	50,086
Others	-	-	21,650	20,853
Allowance for expected losses	(6,180)	(6,180)	(9,113)	(9,113)
Current assets	**521,099**	**547,279**	**1,132,836**	**1,143,117**
Free Consumers	-	-	5,369	5,402
Distributors	748	748	748	748
Non-current assets[1]	**748**	**748**	**6,117**	**6,150**
	521,847	**548,027**	**1,138,953**	**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 average term of receipt for the energy transmission activity is approximately 25 days. The term of energy trading activity through agreements is approximately 22 days, as from the first day of month subsequent to the sale, whereas the term of amounts settled within the CCEE is approximately 45 days.

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

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Overdue up to 30 days	-	-	6,759	6,691
Overdue more than 30 days				
With estimated losses recognized	6,180	6,180	9,113	9,113
Other	39	50	22,183	11,556
	6,219	**6,230**	**38,055**	**27,360**

In 2023, the Company has not registered any amount arising from expected loan losses. In 2022, the Company reversed R$ 15 million of credit losses expected as a result of an agreement with a client, having received the outstanding balances. The change in balances, related to expected losses, was as follows:

	Parent Company	Consolidated
Balances at 12.31.2021	**(6,180)**	**(24,254)**
Reversal	-	15,141
Balances at 12.31.2022 and 12.31.2023	**(6,180)**	**(9,113)**

NOTE 5. RESTRICTED DEPOSITS

Accounting practice:

These are maintained to comply with legal and contractual requirements. These are initially booked at the amount deposited and subsequently at amortized cost.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Guarantees for negative balance at CCEE	21,134	30,877	23,017	32,575
Reinvestment deposits	5,080	-	13,152	1,944
Financing guarantees	-	-	8	8
Current assets	**26,214**	**30,877**	**36,177**	**34,527**
Financing guarantees	11,992	10,741	314,463	229,090
Others	-	-	7,558	6,880
Non-current assets	**11,992**	**10,741**	**322,021**	**235,970**
	38,206	**41,618**	**358,198**	**270,497**

a) Financing guarantees

The financing guarantees are aimed at paying the creditor the debt owed to BNDES, BNB, BASA and debentures, issued by its subsidiaries, as well as for operation and maintenance, in case of default by the beneficiaries, as established in the agreements. They are mostly constituted for the amount equivalent to three months of debt service and three months of contractual operating and maintenance expenses.

NOTE 6. CONCESSION FINANCIAL ASSET

Accounting practice:

Corresponds to the unconditional right to receive cash through the RBO, in order to recover the investment made to acquire concessions for hydroelectric power plants granted by the Federal Government. Initially recorded at the present value of guaranteed future cash flows and, subsequently, at amortized cost based on the rate used to calculate present value. Financial assets of concessions are remunerated at the internal rate of return and the variation in the IPCA index.

On 09.27.2017, the Company won the Auction for Non-Extended Concessions for the concession of the Jaguara and Miranda Hydroelectric Power Plants for approximately 30 years starting 11.10.2017. The bonus for the concession grant was paid in a single installment on 11.30.2017.

As part of the Auction process, the Government guarantees the Company's right to sell 70% of the physical guarantee of its plants in the Physical Guarantee Quota System, thus ensuring the unconditional right to receive cash during the concession period with no demand, market and hydrological risks. As such, the amount paid for the concession grant corresponding to the present value of future cash flows, calculated based on the reference discount rate on the date of initial recognition (10.5%), to be received for the sale of energy in the ACR, was recognized as financial asset.

The right to extend the concession term on account of the renegotiation of hydrological risk, described in Note 11 – Intangible assets, by approximately 6 months did not generate additional rights to receive RBO.

a) Breakdown

	Consolidated					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Jaguara HPP	234,229	1,833,921	2,068,150	225,704	1,772,176	1,997,880
Miranda HPP	143,314	1,122,077	1,265,391	138,098	1,084,299	1,222,397
	377,543	**2,955,998**	**3,333,541**	**363,802**	**2,856,475**	**3,220,277**

b) Changes in concession financial assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
Balances at 12.31.2021	**1,900,149**	**1,162,601**	**3,062,750**
Amounts received	(203,467)	(124,496)	(327,963)
Interest	150,329	91,976	242,305
Inflation adjustment	150,869	92,316	243,185
Balances at 12.31.2022	**1,997,880**	**1,222,397**	**3,220,277**
Amounts received	(219,921)	(134,563)	(354,484)
Interest	148,970	91,144	240,114
Inflation adjustment	141,221	86,413	227,634
Balances at 12.31.2023	**2,068,150**	**1,265,391**	**3,333,541**

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

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
2025	194,645	119,091	313,736
2026	176,084	107,735	283,819
2027	159,294	97,462	256,756
2028	144,068	88,147	232,215
2029	130,328	79,740	210,068
2030 to 2034	487,226	298,108	785,334
2035 to 2047	542,276	331,794	874,070
	1,833,921	**1,122,077**	**2,955,998**

NOTE 7. CONTRACT ASSET

Accounting practice:

Concession agreements define the public energy transmission service as the service provided upon construction (implementation of infrastructure) and O&M of transmission facilities. Based on that, the performance obligations in these concession agreements were defined: (i) construction and improvements; and (ii) O&M. Accordingly, the Company allocates revenue from these agreements to each of these performance obligations, considering the estimated costs for each of them plus a profitability margin.

The transmission contract asset corresponds to the consideration of the revenue for construction of the transmission infrastructure during the course of installation of the transmission system. The consideration associated with the contract asset is received through the RAP allocated to the performance obligation related to the construction and improvements and depends on the conclusion of such installation and subsequent operation and maintenance of said infrastructure. Contract assets are remunerated at the remuneration rate and the IPCA variation.

The recognition of revenue from construction of transmission infrastructure considers the costs effectively incurred in the works, plus the construction margin calculated for the project, with gains or losses (construction efficiencies or inefficiencies) identified during the construction phase promptly booked when incurred, under the cost line.

The construction margin is estimated individually based on the characteristics and complexities of projects. It represents the sufficient calculation of result during the construction phase to cover costs to manage the construction of transmission asset and, jointly with the O&M margin and the asset remuneration rate, contributes to zero the present value of projected cash flow considering investments and RAP receipts during the entire concession period.

Additionally, upon initial measurement of the contract asset, the Company estimates, where applicable, the use of mechanism named “Variable Portion” on the RAP to be received. This mechanism allows RAP to be increased or reduced depending on the performance of the transmission system.

a) Breakdown

	Consolidated					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Novo Estado	352,765	3,823,920	4,176,685	301,006	3,623,647	3,924,653
Gralha Azul	257,306	2,330,004	2,587,310	257,173	2,271,934	2,529,107
Gavião Real	5,025	51,093	56,118	-	195	195
Asa Branca [1]	-	9,324	9,324	-	-	-
	615,096	**6,214,341**	**6,829,437**	**558,179**	**5,895,776**	**6,453,955**

(1) Further details are available in Note 1 – Operations, item h.

b) Changes in contract asset

	Consolidated				
	Novo Estado	Gralha Azul	Gavião Real	Asa Branca	Total
Balances at 12.31.2021	**3,076,745**	**2,246,885**	-	-	**5,323,630**
Transmission infrastructure construction revenue	772.289	141,902	193	-	914,384
Losses (gains) due to inefficiency (efficiency) in construction	(187.896)	(29,354)	1	-	(217,249)
Interest rates	200,481	186,089	1	-	386,571
Inflation adjustment	194,510	174,038	-	-	368,548
RAP amounts received in construction	(131,476)	(190,453)	-	-	(321,929)
Balances at 12.31.2022	**3,924,653**	**2,529,107**	**195**	-	**6,453,955**
Transmission infrastructure construction revenue	163.432	9,278	54,837	9,208	236,755
Gains (losses) due to efficiency (inefficiency) in construction	3.903	(4,637)	196	-	(538)
Interest rates	225,566	188,288	601	68	414,523
Inflation adjustment	247,354	169,174	289	48	416,865
Result of periodical tariff review	(39,268)	(24,508)	-	-	(63,776)
RAP amounts received in construction	(348,955)	(279,392)	-	-	(628,347)
Balances at 12.31.2023	**4,176,685**	**2,587,310**	**56,118**	**9,324**	**6,829,437**

On 06.26.2023, 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 12.31.2023, 98% of its monthly RAP.

On 07.04.2023, 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 5th, 10th and 15th 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 RTP, a loss of R$ 63,776 was registered in the Company's consolidated results.

c) Losses (gains) due to inefficiency (efficiency) in the installation of transmission infrastructure

During the construction works and energization of the project, positive or negative impacts are expected due to events such as: (i) delays and additional costs due to environmental issues; (ii) change in costs of commodities, since cables and structures are acquired directly by the Company; (iii) Additional costs of land easements and negotiations; (iv) unexpected earthmoving works; and (v) anticipation of energization terms. Changes in the project that affect its productivity must be recognized directly in profit or loss.

In the current year, the Company recognized net loss of R$ 538 due to inefficiency in the construction of transmission infrastructure (in 2022, a net loss of R$ 217,249 was booked). The loss was recognized mainly due to the increase in the construction expenses estimated for implementing the Transmission Systems and the postponement of the commercial startup of each stage of the projects.

d) Assumptions made and other significant information

Assumptions made and other significant information	Novo Estado[1]	Gralha Azul	Gavião Real	Asa Branca
Annual RAP, net of charges (nominal value) [3]	305,498	226,504	6,485	249,300
Annual RAP – Construction (nominal value) [3]	263,849	202,553	6,278	236,385
Estimated nominal CAPEX of the project on 12.31.2023	3.3 billion	1.8 billion	78.3 million	2.7 billion
Adjustment index of contracts	IPCA	IPCA	IPCA	IPCA
Construction cost incurred until 12.31.2023	3,681,268	2,093,328	53,569	7,856
Estimated full commercial startup	04.2023	03.2023	02.2024	03.2029
Date of next Periodic Tariff Review	07.2028	07.2028	07.2028	07.2028
Concession period	30 years	30 years	30 years	30 years
Date of execution of concession agreement	03.08.2018	03.08.2018	09.30.2022	09.29.2023
Duration of the concession contract	03.2048	03.2048	09.2052	09.2053
Auction	02/2017	02/2017	01/2022	01/2023
Lot acquired	Lot 3	Lot 1	Lot 7	Lot 5
Discount in relation to the maximum revenue determined by Aneel	35.7%	34.8%	59.9%	42.8%
Number of substations	1	5	n/a[2]	n/a[2]
Length of transmission line	1,800 km	1,000 km	1 km	1,006 km

(1) On 05.18.2021, through Authorizing Resolution 9,996, Aneel authorized Novo Estado to implement reinforcements in the transmission installation under its responsibility.
(2) Application in third-party substation.
(3) Amounts considering the authorizing resolution 3,216 of 2023, which includes the Periodical Tariff Review.

Contract assets are remunerated at an average rate of 7.8% p.a. The Company attributed expected construction and O&M margins, before taxes, on the average of 6.3% and 38.3%, respectively.

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

	Consolidated				
	Novo Estado	Gralha Azul	Gavião Real	Asa Branca	Total
2025	321,892	236,257	3,836	17	562,002
2026	302,499	216,391	3,596	262	522,748
2027	280,702	195,853	3,371	342	480,268
2028	262,849	178,749	3,160	340	445,098
2029	246,239	163,234	2,962	338	412,773
2030 to 2034	820,058	511,921	12,251	1,691	1,345,921
2035 to 2053	1,589,681	827,599	21,917	6,334	2,445,531
	3,823,920	**2,330,004**	**51,093**	**9,324**	**6,214,341**

NOTE 8. OTHER ASSETS

Accounting practice

Other assets are recorded at acquisition cost, and are subsequently measured at amortized cost, deducted from the impairment provision, when applicable, or the lowest between the average weighted costs and its realizable net amount, as in the case of Inventories.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Sale of subsidiary	422,230	52,287	422,230	52,287
Insurance indemnification[1]	-	-	131,328	-
Right to reimbursement of ICMS on sale of electricity[2]	108,549	106,097	108,549	106,097
Tax credits recoverable[2]	329	1,066	82,509	72,183
Prepaid expenses	49,724	25,705	78,536	43,740
Risk premium to be appropriated – renegotiation of hydrological risk	51,240	64,256	70,417	85,507
Inventories	21,847	20,431	66,337	59,313
Divestments and services in course	48,708	33,773	47,293	29,539
Deferred income tax and social contribution [3]	-	-	37,037	50,579
Income tax and social contribution credit[3]	19,209	19,209	32,642	32,803
Advances to employees	6,566	5,414	6,829	5,667
Trade accounts receivables	748	748	6,117	6,150
Other amounts receivable	58,992	50,253	100,641	107,630
	788,142	**379,239**	**1,190,465**	**651,495**
Classification in balance sheet				
Current assets	582,034	191,273	842,084	318,872
Non-current assets	206,108	187,966	348,381	332,623
	788,142	**379,239**	**1,190,465**	**651,495**

(1) Further information is available in Note 27 – Insurance, item d).
(2) Further information is available in Note 17 –Provisions and judicial deposits, item a).
(3) Further information is available in Note 18 – Taxes and other regulatory obligations, items a) and c).

a) Sale of subsidiary

During 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. On 05.31.2023, the Company booked R$ 409,307 resulting from the disposal of the subsidiary Pampa Sul. This amount is adjusted for IPCA inflation rate and should be received in 2024. Interest and inflation adjustment refer to R$ 11,548 of this amount. In addition, the sum of R$ 1,375 refers to amounts receivable from the sale of ENGIE Geração Solar Distribuída (EGSD) on 02.21.2022 and should be received in 2024.

b) 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.

NOTE 9. INVESTMENTS

Accounting practice:

Investments in directly or indirect subsidiaries

Investments in subsidiaries are those in which the Company is exposed to or has rights to the variable returns resulting from its involvement with the entity and is capable of interfering in these returns through its power over such entity.

These investments are evaluated using the equity method in the Parent company financial statements, and fully consolidated for purposes of presentation of the consolidated financial statements.

Investments in joint arrangements

Joint operations

The Company holds joint operations in Itasa and in consortiums. The investment in joint operations in entities with their own legal personality, as occurs in Itasa, is recognized through the equity method in the parent company. In the consolidated statements, assets, liabilities, revenues and expenses of said joint operation are recognized in proportion to the interest in the business. Regarding interest in consortia (entities without their own legal personality), assets, liabilities, revenues and expenses are recognized directly in the financial statements of the consortium member, based on the respective interest held in the consortium.

Joint ventures

The Company has interest in a joint venture related to the shared control of TAG. The investment in joint venture is initially recorded at cost value and subsequently recognized by the equity method. The results of joint ventures are recognized under “Equity” in the individual and consolidated income statements, while changes in other comprehensive income are presented as part of other comprehensive income of the Company.

Annually, the Company assesses whether there is objective evidence that the investment in the joint venture suffered impairment loss, which is the difference between the recoverable amount of the joint venture and its book value. The premium related to joint ventures is included in the book value of the investment and hence is not amortized. Moreover, the Company, whether there is or no indication of impairment of premium, carries out annual impairment test, comparing its accounting value with recoverable value.

Business combination in investment acquisition

In the parent company, the difference between the amount paid and the book value of the shareholders' equity of acquired companies is recognized in the investment as (i) surplus, when the economic ground is substantially related to the fair value of net assets from the acquired subsidiary; and (ii) goodwill, when the amount paid exceeds the fair value of net assets and this difference represents the expected future value creation.

Business combination is a method used for recognizing acquisitions of control in the consolidated statements. This method requires identifiable assets acquired and liabilities assumed to be measured at their fair values. Goodwill from the business combination, which is registered under intangible assets, is tested for impairment every year.

a) Breakdown

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Interest on subsidiaries				
Measured at the equity method				
Equity value of investment	14,113,035	13,875,691	2,539,411	2,832,769
	14,113,035	**13,875,691**	**2,539,411**	**2,832,769**
Goodwill from investment acquisition	47,584	50,124	-	-
Goodwill from expected future profitability	173,654	173,654	173,654	173,654
	14,334,273	**14,099,469**	**2,713,065**	**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 and IoE[1]	OCI and Capital reserve[2]	Sale of subsidiary[3]	Balances on 12.31.2023
Subsidiaries								
ECP	**5,181,781**	921,629	-	558,150	(1,050,000)	(352,057)	-	**5,259,503**
ETP II	**1,403,940**	176,255	(66,500)	161,908	(23,459)	-	-	**1,652,144**
Jaguara	**1,506,160**	21,040	-	232,002	(151,876)	-	-	**1,607,326**
CEE	**1,363,952**	-	-	420,709	(312,586)	-	-	**1,472,075**
Miranda	**956,563**	8,050	-	145,640	(125,159)	-	-	**985,094**
EBC	**345,195**	20,000	-	(38,610)	(60,000)	-	-	**266,585**
Pampa Sul	**-**	37,250	-	72,613	-	-	(109,863)	**-**
Outros	**94,899**	46,210	(10)	21,698	(25,022)	-	-	**137,775**
Under shared control								
Itasa	**190,432**	-	-	4,736	(2,046)	-	-	**193,122**
Joint venture								
TAG	**2,832,769**	-	-	993,117	(1,365,000)	78,525	-	**2,539,411**
	13,875,691	**1,230,434**	**(66,510)**	**2,571,963**	**(3,115,148)**	**(273,532)**	**(109,863)**	**14,113,035**

(1) The amount of dividends and IoE allocated by the subsidiary Jaguara of R$ 151,876 refers to R$ 126,876 of dividends and R$ 25,000 of IoE (R$ 21,250 net of income tax).
(2) Equity income of other comprehensive income (loss) and capital reserve. Further information is available in item e.1.1.
(3) Further information is available in item 'f – Sale of subsidiary'.

	Parent company									
	Balances at 12.31.2021	Capital increase	Capital reduction	Acquisition / sale of subsidiary	*Impairment*, net	Equity in earnings of subsidiaries	Dividends	OCI and Capital reserve	Transfer to NCAHS	Balances at 12.31.2022
Subsidiaries										
ECP	**4,339,999**	1,512,296	(274,635)	-	-	496,931	(634,216)	(258,594)	-	**5,181,781**
ETP II	**1,120,148**	451,217	(200,000)	-	-	32,575	-	-	-	**1,403,940**
Jaguara	**1,323,204**	-	-	-	-	212,265	(29,309)	-	-	**1,506,160**
CEE	**1,667,660**	-	(380,000)	-	-	324,243	(247,951)	-	-	**1,363,952**
Miranda	**881,448**	-	-	-	-	135,154	(60,039)	-	-	**956,563**
EBC	**408,461**	-	-	-	-	36,734	(100,000)	-	-	**345,195**
Pampa Sul	**325,022**	104,100	-	-	(125,186)	18,599	-	(5)	(322,530)	-
Other	**99,532**	270	(7,500)	(71,393)	77,534	6,456	(10,000)	-	-	**94,899**
Under shared control										
Itasa	**186,950**	-	-	-	-	3,878	(396)	-	-	**190,432**
Joint venture										
TAG	**2,193,054**	-	-	-	-	727,136	(503,750)	416,329	-	**2,832,769**
	12,545,478	**2,067,883**	**(862,135)**	**(71,393)**	**(47,652)**	**1,993,971**	**(1,585,661)**	**157,730**	**(322,530)**	**13,875,691**

b.1) Information on main subsidiaries

Key information about the subsidiaries is shown below:

	12.31.2023						
	Capital	Assets	Liabilities	Adjusted shareholders' equity	Net revenue	Adjusted net income (loss)	Interest (%)
ECP	5,106,170	13,755,738	7,846,694	6,212,942	1,645,897	557,655	**99.99**
ETP II	1,565,103	7,527,488	5,887,074	1,652,144	1,079,499	161,908	**99.99**
Jaguara	875,449	2,681,786	1,074,460	1,607,326	514,315	232,002	**99.99**
CEE	989,380	1,952,284	480,209	1,472,075	621,218	420,709	**99.99**
Miranda	590,713	1,706,596	721,502	985,094	331,123	145,640	**99.99**
EBC	30,038	610,129	343,544	266,585	4,387,280	(38,610)	**99.99**

	12.31.2022						
	Capital	Assets	Liabilities	Adjusted shareholders' equity	Net revenue	Adjusted net income	Interest (%)
ECP	4,184,541	11,044,013	6,060,945	5,185,431	1,509,147	498,420	**99.99**
ETP II	1,455,348	7,122,259	5,731,132	1,403,940	1,702,692	32,575	**99.99**
Jaguara	854,409	2,607,218	1,101,058	1,506,160	526,141	212,265	**99.99**
CEE	989,380	1,911,665	547,713	1,363,952	578,343	324,243	**99.99**
Miranda	582,663	1,641,489	684,926	956,563	327,026	135,154	**99.99**
EBC	10,038	768,880	423,685	345,195	4,755,981	36,734	**99.99**
Pampa Sul	1,180,792	3,196,569	1,928,122	1,527,688	672,264	18,599	**99.99**

b.1.1) Non-controlling shareholder

The non-controlling interest of Ibitiúva and Maracanã at 12.31.2023 in the shareholders' equity and net income (loss) of ECP presented above was R$ 953,439 and loss of R$ 495 (R$ 3,650 in the shareholders' equity on 12.31.2022 and net income of R$ 1,489 at 12.31.2022), 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$ 949,916 in shareholders' equity and R$ 1,843 in 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$ 3,523 in shareholders' equity and R$ 1,348 in net income (R$ 3,650 and R$ 1,489 on 12.31.2022).

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)	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
ECP	303,898	202,363	101,535	32,196
Pampa Sul[1]	-	259,241	(3,964)	(9,514)

(1) The Company was sold on 05.31.2023. Further information is available in item f – Sale of subsidiary.

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 12.31.2023, the total amount capitalized was R$ 11,730. The amortization amount recognized in 2023 was R$ 1,083 (R$ 12,813 and R$ 1,083, respectively, in 2022).

c) Goodwill from investment acquisition

This item records goodwill (concession rights) paid in the acquisition of the direct subsidiary CEE, whose economic grounds are the rights over the concession granted by Aneel for the use of public assets in the generation of electricity. The "goodwill" is amortized through the straight-line method over the duration of the concession of the Plant, since the economic benefits will occur over the course of this period. In 2023, amortization was R$ 2,540 (R$ 3,341 in 2022). The change in the monthly amount was due to the extension of concession period of Estreito Hydroelectric Power Plant. Further information is available in Note 1 – Operations.

d) Goodwill on expected future profitability

In 2023 and 2022, the amount of R$ 173,654 corresponds to goodwill on expected future profitability in the acquisition of its joint venture TAG.

e) Information on subsidiaries

e.1) Subsidiaries

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

ECP is a holding company with the objective of participating in the capital of other companies and also concentrating the investments in projects related to complementary energy of the Company.

The capital increase in the subsidiary ECP was mainly allocated to investments in the Santo Agostinho Wind Power Complex, Serra do Assuruá Wind Power Complex and Assú Sol Photovoltaic Complex. Also, in 2023, the Company recognized R$ 332,257 in "Other comprehensive income" and R$ 19,800 in "Capital reserve", totaling R$ 352,057.

The following table presents financial information for the most significant subsidiaries of ECP for the year ended 12.31.2023.

	Capital	Assets	Liabilities	Shareholders' equity	Net Revenue	Net Income (loss)	Interest (%)
CESA	1,241,941	2,347,114	1,096,774	1,250,340	62,674	23,144	99.99
CECL	1,172,670	3,891,742	2,502,316	1,389,426	648,380	184,444	99.99
Maracanã	1,140,931	1,775,636	403,573	1,372,063	-	(15,199)	87.66
CETR	536,965	921,005	324,117	596,888	224,982	105,331	99.99
Solairedirect	429,578	1,370,322	947,951	422,371	183,690	(7,829)	99.99
Assú	395,036	702,482	528,895	173,587	32,336	9,302	99.99
CEUR	185,464	1,712,347	1,416,087	296,260	312,508	72,066	99.99
Ibitiúva	38,501	86,812	16,345	70,467	44,346	26,958	95.00
Ferrari	34,800	109,495	63,885	45,610	72,294	43,977	99.99
Tupan	31,879	63,193	31,140	32,053	33,073	23,668	99.99
Hidropower	22,994	51,072	27,752	23,320	31,614	22,826	99.99
Other	5,002	4,578	4,056	522	-	(2,464)	99.99

Further details on installed capacity and physical guarantee are included in Note 1 – Operations.

At 12.31.2023, the effects on ECP's consolidated assets deriving from the allocation of the fair value of the rights linked to authorizations and other rights acquired total R$ 310,180 (R$ 326,443 at 12.31.2022).

- Santo Agostinho and Santo Agostinho II Wind Power Complexes ("CESA")

CESA is formed by two wind power projects with total installed capacity of 600.0 MW, all located in the cities of Lajes and Pedro Avelino, Rio Grande do Norte. The complexes house the Santo Agostinho II Wind Power Complex, composed of ten SPEs under study phase and one holding company (Santo Agostinho Participações Ltda.) constituted to concentrate investments in 14 SPEs, which began construction in 2021. At the end of 2023, the general physical progress of works was 95.8% and the commercial startup of other wind turbines is expected to occur at the start of 2024.

- Campo Largo and Campo Largo II Wind Power Complexes ("CECL")

CECL is formed by a set of wind power projects, all of which located in the cities of Umburanas and Sento Sé, Bahia, with total installed capacity of 687.9 MW. CECL is composed of two wind power complexes formed by two holding companies, Campo Largo and Campo Largo II, to concentrate investments in 11 SPEs each.

- Maracanã

Maracanã is formed by wind power projects with total installed capacity of 882 MW. It is composed of one holding company (Maracanã Geração de Energia e Participações S.A.), located in the municipality of Gentio do Ouro, which concentrates 24 SPEs that will be implemented in a single phase. At the end of 2023, the physical progress of construction reached 31.0%. The commercial startup is expected to occur gradually from the second half of 2024.

- Trairí Wind Power Complex ("CETR")

CETR is formed by a set of wind power projects with total installed capacity of 213 MW, all located in the city of Trairí, Ceará. The complex is formed by two holding companies established to focus the investments on four SPEs each.

- Solairedirect Holding ("Solairedirect")

Solairedirect is formed by a set of photovoltaic generation projects with total installed capacity of 222 MW. It is composed of two complexes formed by two holding companies, Floresta and Paracatu, located in the municipalities Areia Branca (RN) and Paracatu (MG), which concentrate 3 and 4 SPEs, respectively.

- Assú Photovoltaic Power Complex ("Assú")

In 2015 and 2016, the direct subsidiary ECP acquired projects to implement five photovoltaic plants in the city of Assú, Rio Grande do Norte. ECP, through its direct subsidiary Assú V, executed one of the projects acquired, the Assú V Photovoltaic Plant, whose installed capacity is 30 MW and commercial start-up occurred in December 2017. In 2022, the other projects acquired were transferred to the direct subsidiary Assu Sol Geração de Energia SPE S.A. ("Assu Sol"), which was acquired at the end of 2021. The transaction was also conducted by the direct subsidiary ECP.

The Photovoltaic Complex is composed of 20 SPEs and is located in the municipality of Assú, state of Rio Grande do Norte, with total estimated installed capacity of up to 750 MW.

At the end of 2023, overall progress of works for connection to the system reached 53.0%. The progress of activities related to implementation of photovoltaic plants reached 8.6%. Commercial startup of the first photovoltaic unit is expected in the second half of 2024 and full commercial operation is expected in the second half of 2025.

- Umburanas Wind Power Complex – Phase I ("CEUR")

The Umburanas Wind Power Complex, located in the city of Umburanas, Bahia, has installed capacity of 360.0 MW and started operations during the first four-month period of 2019. The complex is composed of a holding company set up to focus the investments on 18 SPEs.

e.1.2) ENGIE Transmissão de Energia Participações II S.A. ("ETP II")

ETP II is a holding company whose corporate purpose is to hold interest in other companies, focusing its investments on projects in the transmission segment.

Below is some financial information on the most important subsidiaries of ETP II for the year ended 12.31.2023.

	Capital	Assets	Liabilities	Shareholders' equity	Net income	Net loss	Interest (%)
NEP[1]	969,398	4,688,869	3,683,718	1,005,151	666,735	35,758	99.99
GAP[2]	434,985	2,829,182	2,226,938	602,244	403,440	126,357	99.99
Asa Branca[3]	7,783	9,358	845	8,513	9,324	964	99.99

(1) Parent company of Gralha Azul Transmissão de Energia S.A. Further information is available in Note 7 – Contract asset.
(2) Parent company of Novo Estado Transmissora de Energia S.A. Further information is available in Note 7 – Contract asset.
(3) Further information is available in Note 7 – Contract asset.

e.1.3) Companhia Energética Jaguara ("Jaguara")

Jaguara is the owner of the Jaguara Hydroelectric Power Plant, located in the municipality of Rifaina, São Paulo, with installed capacity of 424.0 MW. Further information is available in Note 6 – Concession financial asset.

e.1.4) Companhia Energética Estreito ("CEE")

CEE has a 40.07% share in the Estreito Energia Consortium (Ceste) and leads the consortium, which was created for the implementation and exploitation of the Estreito Hydroelectric Power Plant, situated on the Tocantins River, between the Brazilian states of Tocantins and Maranhão. The Company's share of the Plant's installed capacity is 435.6 MW.

e.1.5) Companhia Energética Miranda ("Miranda")

Miranda is the owner of the Miranda Hydroelectric Power Plant, located in the city of Indianópolis, Minas Gerais, with installed capacity of 408.0 MW. Further information is available in Note 6 – Concession financial assets.

e.1.6) ENGIE Brasil Energia Comercializadora Ltda. ("EBC")

EBC's main purpose is electricity trading, which includes the purchase, sale, import and export of electricity, as well as the intermediation of any of these operations, and all measures and execution of commercial agreements arising from such activities.

e.2) Joint Operation – Itá Energética S.A. ("Itasa")

ENGIE Brasil Energia has joint control over Itasa, with a 48.75% share in the voting and paid-up capital of the company. The Company and Itasa own the exploration rights over the Itá Hydroelectric Power Plant, situated on the Uruguay River, on the border of the Brazilian States of Rio Grande do Sul and Santa Catarina, by means of a consortium in which Itasa has a 60.5% share and ENGIE Brasil Energia has 39.5%.

The main groups, of assets, liabilities and income statement of Itasa, as shown below, are consolidated in ENGIE Brasil Energia's consolidated financial statements proportionally to its equity interest in the capital of this Company, since that Company has its legal personality.

Balance Sheet	12.31.2023	12.31.2022
ASSETS		
Current assets	**123,497**	**80,220**
Cash and cash equivalents	89,358	46,945
Other current assets	34,139	33,275
Non-current assets	**314,882**	**344,928**
Long-term assets	18,054	19,007
Property, plant and equipment	296,823	325,916
Intangible assets	5	5
TOTAL	**438,379**	**425,148**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	32,770	28,697
Non-current liabilities	9,462	5,822
Shareholders' equity	396,147	390,629
TOTAL	**438,379**	**425,148**

Statement of income	12.31.2023	12.31.2022
Net operating revenue	191,428	188,025
Costs of energy sold	(179,725)	(171,921)
GROSS PROFIT	**11,703**	**16,104**
Operating expenses		
Administrative and general expenses	(3,165)	(6,274)
INCOME BEFORE FINANCIAL INCOME (LOSS) AND TAXES	**8,538**	**9,830**
Financial result	**5,849**	**2,536**
INCOME BEFORE INCOME TAXES	**14,387**	**12,366**
Income tax and social contribution	(4,673)	(4,408)
NET INCOME FOR THE YEAR	**9,714**	**7,958**

e.3) Joint Venture – Transportadora Associada de Gás ("TAG")

In 2019, the ENGIE Group, in partnership with CDPQ, entered into a purchase agreement between Aliança and Petrobrás, to acquire the control of TAG. After meeting all the conditions precedent envisaged in the contract, the operation was concluded at an approximate amount of R$ 35 billion. Subsequently, in order to meet the requirements of the financing agreement held by Aliança, the managements of Aliança and TAG conducted a reverse merger of Aliança by TAG.

On 12.28.2023, a share sale agreement and other covenants was signed between the Company, as seller, Tag, as consenting intervening party, and CDPQ, through its wholly-owned subsidiary CDP Groupe Infrastructure Inc. as the buyer with consent of TAG, which rules the terms and conditions for the sale, by the Company to CDPQ, of 15% TAG's total capital stock. Further information is available in Note 1 – Operations.

TAG has an infrastructure of high-pressure gas pipelines spanning approximately 4,500 km, 11 own gas compression facilities and 91 delivery points.

The main asset and liability groups of TAG on 12.31.2023 and 12.31.2022 were:

Balance Sheet	12.31.2023	12.31.2022
ASSETS		
Current assets	**3,439,512**	**2,828,323**
Cash and cash equivalents	1,422,532	687,711
Trade accounts receivable	1,541,310	1,512,626
Derivative financial instruments - hedge	50,446	284,172
Other current assets	425,224	343,814
Non-current assets	**29,573,176**	**30,585,101**
Restricted deposits	633,422	217,407
Derivative financial instruments - hedge	-	283,528
Other long-term assets	119,042	623,731
Property, plant and equipment	26,074,102	26,706,311
Intangible assets	2,746,610	2,754,124
Total	**33,012,688**	**33,413,424**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**4,693,758**	**4,341,416**
Debt instruments	3,107,294	3,973,976
Other current liabilities	1,586,464	367,440
Non-current liabilities	**20,505,359**	**20,355,796**
Debt instruments	13,968,980	15,583,937
Derivative financial instruments - hedge	375,973	-
Deferred income tax and social contribution	5,626,478	3,908,026
Other non-current liabilities	533,928	863,833
Shareholders' equity	**7,813,571**	**8,716,212**
Total	**33,012,688**	**33,413,424**
Company's interest in shareholders' equity	**2,539,411**	**2,832,769**

Equity income (loss) of the Company was composed of the following items:

	2023		2022	
	12M23	*Company's interest*	12M22	*Company's interest*
Net operating income	9,029,219	2,934,496	8,426,186	2,738,510
Cost of services rendered	(2,486,256)	(808,033)	(2,722,087)	(884,678)
Gross income	**6,542,963**	**2,126,463**	**5,704,099**	**1,853,832**
General, administrative and other expenses	(232,630)	(75,605)	(193,230)	(62,800)
Profit before financial result and taxes	**6,310,333**	**2,050,858**	**5,510,869**	**1,791,032**
Financial result	(1,662,088)	(540,179)	(2,101,550)	(683,004)
Profit before taxes	**4,648,245**	**1,510,679**	**3,409,319**	**1,108,028**
Income tax and social contribution	(1,592,499)	(517,562)	(1,171,976)	(380,892)
Net income of TAG	**3,055,746**	**993,117**	**2,237,343**	**727,136**
Impact on ENGIE's equity income		**993,117**		**727,136**

f) Sale of subsidiary

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":

	Parent Company			
	12.31.2023			12.31.2022
	Pampa	Diamante[1]	Total	Total
Reversal (recording) of impairment	1,205,158	-	1,205,158	(6,824)
	1,205,158	**-**	**1,205,158**	**(6,824)**
Revenue from sale of subsidiary	409,307	9,343	418,650	27,703
Net assets of subsidiary	(1,637,551)	-	(1,637,551)	-
Disposal costs	(30,022)	-	(30,022)	(112,222)
	(1,258,266)	**9,343**	**(1,248,923)**	**(84,519)**
Result from sale	**(53,108)**	**9,343**	**(43,765)**	**(91,343)**

(1) The Company registered revenue from sale amounting to R$ 9,343 arising from adjustment in sale price of the subsidiary Diamante, carried out in 2021. This price adjustment is linked to the fulfillment of conditions provided for in the QPA.

f.1) Pampa Sul

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."

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.

g) Issue of preferred shares

On 06.07.2023, an Investment Agreement was entered into between its subsidiary Engie Brasil Energias Complementares Participações Ltda. ("ECP") and Itaú Unibanco S.A., 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$ 951,759 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 12.31.2023 and hence its value was not booked.

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Accounting practice:

Measurement

The assets that compound the property, plant and equipment are recorded at acquisition or construction cost. The interests and other financial charges arising from debt instruments related to the constructions in progress are calculated as the cost of the respective fixed asset, likewise the gains and losses from cash flow hedge, which qualify as property, plant and equipment. The present value of the cost expected for demobilization of an asset after its use, when applicable, is included in the cost of the respective asset.

The costs of property, plant and equipment are deducted from accumulated depreciations and provisions for asset impairment, when applicable.

The assets, or set of assets, that had accounting values significantly different from their fair values on the date of adoption of new accounting practices in Brazil, on 01.01.2009, started to have their fair value taken as deemed cost in assets.

The components of certain assets that are regularly replaced during the economic useful life of the asset are recognized as separate assets and then depreciated for the expected period for the substitution. The costs incurred in small regular maintenance activities and also routine activities are recognized in the profit or loss, when incurred.

In the consolidated statements, the Company recognizes the fair values of intangible assets arising from the concession of or authorization to use public assets, acquired in a business combination, as a single asset in the group of property, plant and equipment. This procedure was adopted in view of the impossibility of these fixed and intangible assets to be sold or transferred separately and to the similar durations of said rights and useful lives of the assets.

Depreciation

Depreciation of fully operating assets is calculated by the straight-line method, based on the annual rates established by Aneel, which are practiced by the companies of the Brazilian electrical sector and represent the estimated useful life of the assets, except for the initial investments in generation assets, whose plants have public utility concession. These investments are depreciated based on the useful lives defined by Aneel, limited to the period of concession of the power plants.

The residual value and useful life of the assets and the depreciation methods are reviewed at the end of each fiscal year and adjusted prospectively, as applicable.

Appraisal of recoverable value of asset – Impairment

The Company assesses, at least annually, the property, plant and equipment to identify evidence that could lead to impairment of the respective cash-generating units, or when events or significant changes indicate that their book values may not be recoverable. If it is identified that the book value of the asset exceeds its recoverable value, this provision for impairment is recognized in profit or loss for the year.

The recoverable amount of an asset is the highest of its value in use and its fair sale value, net of costs required to carry out the sale. Value in use corresponds to discounted cash flows, before taxes, generated by using the asset during its useful life.

Right of use of leases

The rights of use of leases, initially, comprise lease liabilities plus advance payments. These assets are depreciated based on the term of the lease agreements and assessed in terms of impairment loss. In addition, they are adjusted by any new remeasurement of lease assets.

PROPERTY, PLANT AND EQUIPMENT

	Average depreciation rate			Average depreciation rate	
	Parent Company	Consolidated		Parent Company	Consolidated
Machinery and equipment	3.4%	3.7%	Furnitures and fixtures	6.3%	6.3%
Reservoirs, dams and ducts	2.7%	2.7%	Vehicles	14.3%	14.3%
Buildings and improvements	2.9%	3.2%	Special obligations	4.6%	4.6%
Right of use of leases	5.9%	3.5%			

a) Breakdown

	Parent Company					
	12.31.2023			12.31.2022		
	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service						
Machinery and equipment	4,281,976	(2,840,715)	1,441,261	4,231,372	(2,778,303)	1,453,069
Reservoirs, dams and ducts	5,144,143	(3,804,607)	1,339,536	5,128,148	(3,683,489)	1,444,659
Buildings and improvements	1,288,794	(961,195)	327,599	1,285,953	(930,116)	355,837
Right of use of leases	93,870	(27,139)	66,731	37,087	(20,512)	16,575
Furniture and fixtures	9,470	(5,738)	3,732	9,038	(5,352)	3,686
Vehicles	1,369	(1,220)	149	1,402	(1,193)	209
Special obligations	(43,122)	13,914	(29,208)	(43,122)	12,054	(31,068)
	10,776,500	**(7,626,700)**	**3,149,800**	**10,649,878**	**(7,406,911)**	**3,242,967**
In progress						
Machinery and equipment	75,675	-	75,675	83,150	-	83,150
Advances to suppliers	20,378	-	20,378	48,694	-	48,694
Acquisitions to be apportioned	17,340	-	17,340	21,674	-	21,674
Reservoirs, dams and ducts	259	-	259	1,211	-	1,211
Buildings and improvements	6,061	-	6,061	1	-	1
	119,713	**-**	**119,713**	**154,730**	**-**	**154,730**
	10,896,213	**(7,626,700)**	**3,269,513**	**10,804,608**	**(7,406,911)**	**3,397,697**

	Consolidated					
	12.31.2023			12.31.2022		
	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service						
Machinery and equipment	14,122,147	(5,252,489)	8,869,658	13,837,775	(4,845,163)	8,992,612
Reservoirs, dams and ducts	7,125,121	(4,721,927)	2,403,194	7,108,635	(4,546,177)	2,562,458
Buildings and improvements	1,805,970	(1,171,064)	634,906	1,782,051	(1,120,308)	661,743
Right of use of leases	296,060	(49,908)	246,152	209,730	(38,247)	171,483
Furniture and fixtures	12,299	(6,603)	5,696	11,617	(6,099)	5,518
Vehicles	5,423	(3,515)	1,908	4,050	(3,308)	742
Special obligations	(43,247)	13,914	(29,333)	(43,247)	12,054	(31,193)
	23,323,773	**(11,191,592)**	**12,132,181**	**22,910,611**	**(10,547,248)**	**12,363,363**
In progress						
Machinery and equipment	779,345	-	779,345	330,287	-	330,287
Reservoirs, dams and ducts	2,436	-	2,436	2,120	-	2,120
Buildings and improvements	207,176	-	207,176	95,373	-	95,373
Advances to suppliers	2,396,549	-	2,396,549	1,089,817	-	1,089,817
Acquisitions to be apportioned	1,045,710	-	1,045,710	315,999	-	315,999
	4,431,216	**-**	**4,431,216**	**1,833,596**	**-**	**1,833,596**
	27,754,989	**(11,191,592)**	**16,563,397**	**24,744,207**	**(10,547,248)**	**14,196,959**

b) Changes in property, plant and equipment

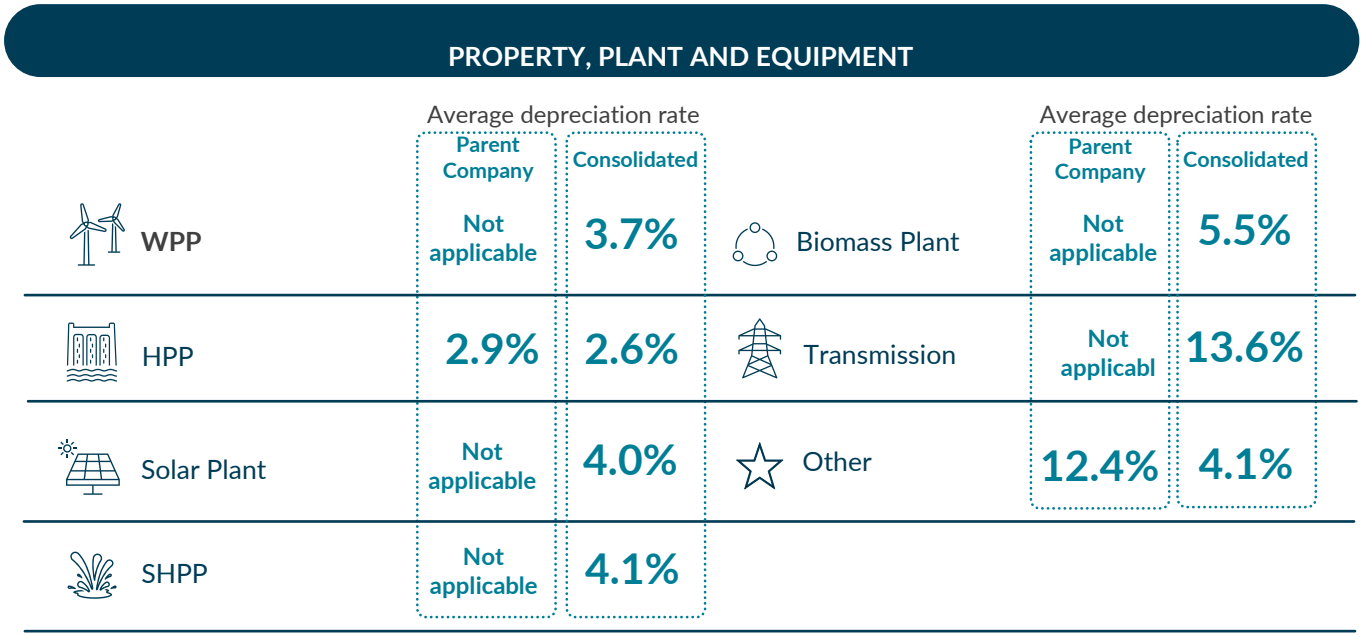
	Parent Company							
	Machinery and equipment	Reservoirs, dams and ducts	Buildings and improvements	Right of use of leases	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2021	**1,554,797**	**1,562,117**	**390,206**	**20,797**	**4,168**	**106,815**	**(32,943)**	**3,605,957**
Additions	-	-	-	-	-	64,261	-	64,261
Remeasurement	-	-	-	1,437	-	-	-	1,437
Transfers	14,880	673	(281)	-	1,074	(16,346)	-	-
Write-offs	(1,296)	(21)	-	-	(846)	-	-	(2,163)
Depreciation	(115,312)	(118,110)	(34,088)	(5,659)	(501)	-	1,875	(271,795)
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]	-	-	-	56,029	-	82,891	-	138,920
Remeasurement	-	-	-	778	-	-	-	778
Transfers	107,322	9,106	1,109	-	371	(117,908)	-	-
Write-offs	(3,358)	(78)	-	-	(8)	-	-	(3,444)
Depreciation	(115,772)	(114,151)	(29,347)	(6,651)	(377)	-	1,860	(264,438)
Balance at 12.31.2023	**1,441,261**	**1,339,536**	**327,599**	**66,731**	**3,881**	**119,713**	**(29,208)**	**3,269,513**

(1) Additions mainly refer to: (i) R$ 56,029 refer to amendment to the lease agreement for building the headquarters of ENGIE Brasil Energia; and (ii) R$ 46,100 refer to the modernization of 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 12.31.2021	**9,930,002**	**2,926,073**	**979,514**	**145,158**	**7,680**	**568,586**	**(33,068)**	**14,523,945**
Additions	-	-	-	1,958	-	1,326,742	-	1,328,700
Additions – Provision for divestment	-	-	-	-	-	25,881	-	25,881
Acquisition of subsidiaries	1,042,096	-	6	29,112	340	11,141	-	1,082,695
Remeasurement	-	-	-	5,258	-	-	-	5,258
Sale of subsidiary	(10,243)	(3,588)	-	-	(9)	-	-	(13,840)
Reversal of estimates	-	-	-	-	-	(3,000)	-	(3,000)
Capitalized interest, inflation adjustment and depreciation	-	-	-	-	-	104,262	-	104,262
Impairment	(169,633)	-	(5,344)	-	-	-	-	(174,977)
Transfers	169,171	5,825	4,564	-	1,648	(181,208)	-	-
Transfer to NCAHS	(1,402,596)	(184,929)	(258,590)	(42)	(982)	(18,808)	-	(1,865,947)
Write-offs	(24,579)	(21)	-	-	(862)	-	-	(25,462)
Depreciation	(541,606)	(180,902)	(58,407)	(9,961)	(1,555)	-	1,875	(790,556)
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]	-	-	-	56,996	-	2,798,176	-	2,855,172
Reversal of provision for demobilization	-	-	-	-	-	(52,745)	-	(52,745)
Remeasurement	-	-	-	30,480	-	-	-	30,480
Sale of subsidiary[5]	(38,397)	-	-	(19)	-	(16,665)	-	(55,081)
Reversal of estimates	-	-	-	-	-	(560)	-	(560)
Capitalized interest, inflation adjustment and depreciation [2]	-	-	-	-	-	364,940	-	364,940
Impairment[3]	(45,061)	-	-	-	-	-	-	(45,061)
Reversal of impairment[4]	38,397	-	-	-	-	-	-	38,397
Transfers	461,892	9,611	21,326	-	2,697	(495,526)	-	-
Write-offs	(62,871)	(133)	-	(709)	(39)	-	-	(63,752)
Depreciation[6]	(476,914)	(168,742)	(48,163)	(12,079)	(1,314)	-	1,860	(705,352)
Balances at 12.31.2023	**8,869,658**	**2,403,194**	**634,906**	**246,152**	**7,604**	**4,431,216**	**(29,333)**	**16,563,397**

(1) Additions mainly refer to: (i) R$ 1,160,000 for the construction of Santo Agostinho Wind Power Complex; (ii) R$ 1,120,000 for the construction of Maracanã; (iii) R$ 434,000 for the construction of Assú Sol Photovoltaic Complex; (i) R$ 56,029 refer to amendment to lease agreement of building of the headquarters of ENGIE Brasil Energia; and (v) R$ 46,100 refer to modernization of Salto Osório HPP.
(2) Of this amount, (i) R$ 107,576 refers to capitalization of losses registered from cash flow hedge of obligations, further information is available in Note 13 – Management of financial risks and instruments, item a.2); and (ii) R$ 393 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, strong winds in the region of the Complex damaged a part of trackers and photovoltaic modules. The Company has agreements with insurers with coverage for material damages and loss of profit, further details are available in sub-item "g) Impairment" in this Note;
(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 machinery and equipment of the subsidiary Pampa Sul, which was sold, for more information on sale, see Note 9 – Investments.
(6) Of this amount, R$ 138 refer to capitalized depreciation, net of PIS and Cofins, related to the right of use of leases.

b.1) Breakdown of property, plant and equipment in service, by type of generation plants and transmission lines



	Parent Company			
	12.31.2023			12.31.2022
	Cost	Accumulated depreciation	Net amount	Net amount
Hydroelectric Power Plants	10,582,744	(7,529,189)	3,053,555	3,207,233
Other	193,756	(97,511)	96,245	35,734
	10,776,500	**(7,626,700)**	**3,149,800**	**3,242,967**

	Consolidated			
	12.31.2023			12.31.2022
	Cost	Accumulated depreciation	Net amount	Net amount
Wind power plants	6,820,620	(1,193,951)	5,626,669	5,734,664
Hydroelectric power plants	13,278,764	(8,795,110)	4,483,654	4,949,271
Solar power plants	1,358,992	(254,187)	1,104,805	1,267,717
SHPP	349,913	(217,734)	132,179	145,388
Biomass power plants	348,940	(237,672)	111,268	135,355
Transmission lines[1]	3,269	(207)	3,062	352
Other	1,163,275	(492,731)	670,544	130,616
	23,323,773	**(11,191,592)**	**12,132,181**	**12,363,363**

(1) Only administrative assets related to the transmission segment are recorded as property, plant and equipment. Further information is available in Note 7 – Contract Asset.

c) Depreciation

The useful lives set by Aneel, which correspond to the estimated useful life of assets, for the main groups of assets which make up the generator parks of the Company, are the following:

	Correlation with "a" table	Depreciation (% p.a.)	Average useful life (years)
Engine Rooms	Buildings and improvements	2.0	50
Reservoirs and dams	Reservoirs, dams and water mains	2.0	50
Hydraulic Turbines	Machinery and equipment	2.5	40
Buildings and improvements	Machinery and equipment	3.3	30
Generators	Machinery and equipment	3.3	30
Solar Modules	Machinery and equipment	4.0	25
Wind Turbines (aerogenerators)	Machinery and equipment	5.0	20
General Equipment	Machinery and equipment / Furniture and fixtures /Vehicles	6.3	16

The amounts of fully depreciated items, which make up the value of the cost and depreciation, at 12.31.2023 and 12.31.2022, were as follows:

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Machinery and equipment	979,037	911,916	1,019,793	942,545
Reservoirs, dams and pipelines	721,965	721,965	723,435	721,965
Buildings and improvements	254,294	254,812	254,773	254,953
Vehicles	982	975	2,552	2,044
Furniture and fixtures	2,265	2,222	2,437	2,327
	1,958,543	**1,891,890**	**2,002,990**	**1,923,834**

c.1) Depreciation of assets comprising the Original Project of the Hydroelectric Power Plants under concession

The Management of the Company, solely based on the interpretation of Law 8,987/95 and Decree 2,003/96, considers that there is no guarantee of restitution by the Granting Power of the residual value of the Original Project of the hydroelectric projects at the end of the concession and authorization terms.

Therefore, these assets are depreciated based on the rates determined by Aneel, limited to the concession term, even though the agreements and the law provide the possibility of renewing said concessions and authorizations.

d) Fair value adjustment of property, plant and equipment

In compliance with the guidelines of accounting pronouncements, on 01.01.2009, date of the adoption of the IFRS and the standards provided by CPC, the Company adopted the fair value as the deemed cost of property, plant and equipment of its plants whose book values differed substantially from their fair value.

The adjustment to the fair value of property, plant and equipment, net of deferred income tax and social contribution was offset by the 'Asset Valuation Adjustments' account under Shareholders' Equity. Depreciation and write-off of said adjustment to assets will not produce any effects on the income tax and social contribution calculation base or on the dividend distribution base.

d.1) Changes in fair value adjustment

	Consolidated
	Fair value adjustment
Balance at 12.31.2021	**504,973**
Write-off due to replacement	(2,410)
Depreciation	(61,621)
Balance at 12.31.2022	**440,942**
Write-off of assets due to replacement	(170)
Depreciation	(59,724)
Balance at 12.31.2023	**381,048**

e) Record of the onerous concessions contracted or acquired in a business combination

The Company, for the purpose of preparing the consolidated information, considered as reference to record the onerous concessions and authorizations granted by the Federal Government for the use of public assets to generate electricity, contracted or acquired in a business combination, the IFRS 3 - Business Combination Application Guide, which enables the recognition of the fair value for the concession and the property, plant and equipment as the single asset in the financial statements, when these assets can no longer be sold or transferred separately.

The Company recognized the onerous concession and the authorizations contracted or acquired in a business combination as a single asset in the property, plant and equipment group, broken-down by the nature of the assets proportionally to their cost of acquisition.

The balance of concessions to use public assets for power generation, in Property, Plant and Equipment, on 12.31.2023 was R$ 418,062 (R$ 447,030 at 12.31.2022) at the parent company, and R$ 488,997 (R$ 521,658 at 12.31.2022) in the consolidated.

f) Appropriation of financial charges

Financial charges linked to debt instruments and concession payables, as well as finance charges and depreciation linked to lease agreements, are capitalized in property, plant and equipment assets in progress during the construction of the power plants and, after the conclusion of construction, transferred to the property, plant and equipment assets in operation. The capitalization rate used to determine the costs of debt instruments eligible for capitalization was between 9.1% and 11.4%.

g) Impairment

At least once a year, the Company evaluates the need to establish a provision for impairment. Following are the impairment recognitions in 2023 and 2022:

	Consolidated	
	2023	2022
Recording of impairment of property, plant and equipment	**(103,663)**	**(227,718)**
Paracatu	(103,663)	-
Pampa Sul	-	(206,862)
Lages	-	(20,856)
Reversal of impairment of property, plant and equipment	**96,999**	**52,741**
Paracatu	58,602	-
Pampa Sul	38,397	43,278
EGSD	-	9,463
Impairment of property, plant and equipment, net	**(6,664)**	**(174,977)**
Reversal of impairment of other assets	**1,205,158**	**108,899**
Pampa	1,205,158	-
EGSD	-	108,899
Total impairment	**1,198,494**	**(66,078)**

Recording of impairment: R$ 103,663, due to strong winds in the region of the four farms of the Paracatu Photovoltaic Complex, a part of trackers and photovoltaic modules were damaged. Further information is available in Note 27 – Insurance.

Reversal of impairment: Impairment reversals result from: (i) Impairment registered due to loss in Paracatu Photovoltaic Complex farms, considering that works to reestablish the operations in farms are still in progress and should be concluded in 2024. Accordingly, part of the amount initially calculated, due to effective write-off o property, plant and equipment, was reversed, totaling R$ 58,602; and (ii) R$ 1,243,555 refers to the sale of subsidiary Pampa Sul, of which R$ 1,205,158 refers to its investment and R$ 38,397 refers to sale of property, plant and equipment. Further information is available in Note 9 – Investments, item f.

h) Demobilization provision

The Company continues to recognize, as a corresponding entry to its property, plant and equipment, the provision of costs arising from the demobilization of its wind and solar farms, based on the present value of expected cash flows for meeting the obligation to withdraw the assets related to those farms and to restore the site at the end of the authorization periods.

			Consolidated			
			12.31.2023			12.31.2022
	Discount rate (p.a.)	Amortization period	Cost	Accumulated depreciation	Net amount	Net amount
Trairí Wind Power Complex	3.59%	2041 and 2045	61,114	(4,553)	56,561	53,716
Umburanas Wind Power Complex	3.59%	2049 and 2050	44,680	(5,978)	38,702	68,802
Campo Largo Wind Power Complex	3.59%	2050 and 2052	35,265	(3,218)	32,047	54,408
Campo Largo II Wind Power Complex	3.59%	2054	26,116	(923)	25,193	32,843
Paracatu Photovoltaic Complex	6.05%	2051	11,796	(364)	11,432	10,366
Floresta Photovoltaic Complex	6.05%	2051	8,973	(246)	8,727	6,552
Lages Cogeneration Unit	5.80%	2032	2,877	908	3,785	8,421
Santo Agostinho Wind Power Complex	5.77%	2056	3,369	(3)	3,366	-
Assú V	3.61%	2051	3,022	(193)	2,829	3,170
			197,212	**(14,570)**	**182,642**	**238,278**

The real discount rate used to calculate the present value was based on the rates of public securities with maturity similar to the end of authorizations.

NOTE 11. INTANGIBLE ASSETS

Accounting Practice:

Are registered at acquisition cost or at the fair value of the intangible assets acquired in a business combination.

The Company recognized in 2020 and 2021 intangible assets arising from the right to extend the concession, in view of the adhesion to the renegotiation of hydrological risk to compensate the Company for costs incurred in the past, as provided for in Federal Laws 14,052/2020 and 14,182/2021, at fair value, which is usually equivalent to the amount defined and made available by Aneel. This right was recognized when it became virtually certain, as a corresponding entry to "Operating costs – Renegotiation of hydrological risk." In addition, in 2023, the Company recognized intangible assets related to the postponement of extension days of the GSF due to non-hydric impacts, according to Federal Law 13,360/2016.

Intangible assets with definite life are amortized at the straight-line method, based on commercial contracts or contracts of concession and authorization. Intangible assets with undefined useful life are not amortized, but tested annually for any impairment loss.

Appraisal of recoverable value of intangible asset - Impairment

The Company assesses, at least annually, the property, plant and equipment to identify evidence that could lead to impairment of the respective cash-generating units or intangible assets, or when events or significant changes indicate that their book values may not be recoverable. If it is identified that the book value of the asset exceeds its recoverable value, this provision for impairment is recognized in profit or loss for the year.

The recoverable amount of an asset is the highest of its value in use and its fair sale value, net of costs required to carry out the sale. Value in use corresponds to discounted cash flows, before taxes, generated by using the asset during its useful life.

INTANGIBLE ASSETS PARENT COMPANY


Right to extend the concession **until 2040**


Right to use assets **until 2036**

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 2056**


Right to use assets **until 2047**


Right to purchase energy **until 2023**

a) Breakdown

	Parent Company					
	12.31.2023			12.31.2022		
	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Right to extend the concession[1]	2,397,705	(358,440)	2,039,265	2,397,705	(232,118)	2,165,587
Right to use assets	244,802	(122,256)	122,546	191,992	(91,729)	100,263
	2,642,507	**(480,696)**	**2,161,811**	**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					
	12.31.2023			12.31.2022		
	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Right to extend the concession [1]	2,666,677	(366,327)	2,300,350	2,552,169	(233,186)	2,318,983
Grant bonus - Plants holding shares						
Jaguara	620,327	(127,210)	493,117	620,327	(106,581)	513,746
Miranda	411,223	(84,329)	326,894	411,223	(70,654)	340,569
	1,031,550	**(211,539)**	**820,011**	**1,031,550**	**(177,235)**	**854,315**
Project rights – under operation						
WPPs in operation	110,793	(19,057)	91,736	110,793	(15,432)	95,361
SPP in operation	29,538	(3,881)	25,657	29,538	(4,556)	24,982
Novo Estado Transmission System	236,021	(7,848)	228,173	-	-	-
	376,352	**(30,786)**	**345,566**	**140,331**	**(19,988)**	**120,343**
Project rights – under development						
WPPs under construction/development	355,518	-	355,518	355,518	-	355,518
SPP under construction/development	46,110	-	46,110	46,110	-	46,110
Novo Estado transmission system	-	-	-	236,021	-	236,021
	401,628	**-**	**401,628**	**637,649**	**-**	**637,649**
	777,980	**(30,786)**	**747,194**	**777,980**	**(19,988)**	**757,992**
Right to use assets	379,499	(155,271)	224,228	318,190	(118,942)	199,248
Right to purchase energy	64,561	(64,561)	-	64,561	(60,155)	4,406
	4,920,267	**(828,484)**	**4,091,783**	**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.

a.1) Right to extend the concession –renegotiation of hydrological risk

On 9.8.2020, Federal Law 14,052 came into effect, which partially amended Federal Law 13,023 of 2015, and established new conditions for renegotiation of hydrological risk of energy generation.

On 12.1.2020, Aneel issued Normative Resolution 895, which established the methodology to calculate the compensation and the procedures for renegotiating the hydrological risk, and on 12.15.2020, after the meeting of the Board of Directors approved the Company's adhesion to said renegotiation of hydrological risk.

On 3.2.2021, CCEE published the revised calculation of compensations, resulting in the addition of extension days for some of the Company's plants. Ratification Resolutions 2,919/2021 and 2,932/2021 approved the deadline for extending the concession of plants.

In 2021, the Company concluded the formalization process for adhering to the agreement under the conditions set by the above Ratification Resolutions, including for Plants in which it participates through consortia, for which it obtained the consent of all consortium members at the end of 2021.

In 2022, there were no significant changes in balances relating to renegotiation of hydrological risk of electricity generation, except for the amortization in the year, which has been conducted on a straight-line basis until the end of the extension period.

In 2023, the Company recognized the amount of R$ 114,508 related to the extension of concession of Consórcio Estreito Energia ("CESTE") related to non-hydric impacts, to be explained in item "b.1) extension of concession period" in this Note.

The cost of extension of concession periods and the amounts by plant are:

Plants	Intangible assets	Accumulated amortization	Balances at 12.31.2023	Concession extension (years)
Salto Santiago	550,401	(162,361)	388,040	2.1
Salto Osório	429,433	(124,707)	304,726	2.5
Cana Brava	151,970	(24,004)	127,966	2.4
Passo Fundo	96,472	(28,015)	68,457	2.5
São Salvador	76,571	(9,200)	67,371	3.1
Ponte de Pedra	69,853	(10,153)	59,700	2.4
Consortium				
Itá	540,861	-	540,861	2.2
Machadinho	482,144	-	482,144	3.2
Parent Company	**2,397,705**	**(358,440)**	**2,039,265**	
Estreito	252,354	(6,209)	246,145	9.1
Jaguara	10,329	(1,042)	9,287	0.5
Miranda	6,289	(636)	5,653	0.5
Consolidated	**2,666,677**	**(366,327)**	**2,300,350**	

a.2) Grant bonus

The difference between the amount paid as bonus for the grant and the amount recorded as concession financial asset, as mentioned in Note 6 – Concession financial asset, represents the right to use the infrastructure of the Jaguara and Miranda Hydroelectric Power Plants to generate and sell energy in ACL. This amount was recognized under intangible assets and is being amortized using the straight-line method over the term of the concession of the Plants.

a.3) Right over projects

Rights over the projects in the table above arise from the fair value of the basic environmental projects, the certification of power generation, wind measurements, preliminary environmental licenses, studies on solar incidence and radiation and leasing agreements acquired jointly with the companies, on the acquisition date. The amortization of these rights will start after the wind farms start to operate commercially and will be recognized through the straight-line method over the term of the authorization for use of the assets.

a.4) Novo Estado Transmission System and Concession right – Novo Estado

In 2019, the acquisition of all the shares of Sterlite Novo Estado Energia S.A., current Novo Estado, by NEP, Company's indirect subsidiary, was approved.

The Company assessed concession right due to the recognition of deferred tax liability of R$ 80,247, which is presented in "Right of use of assets." After the operational startup of Novo Estado, in February 2023, the effects of surplus value were reclassified from "Project rights – under development – Novo Estado transmission system" to "Project rights – in operation – Novo Estado transmission system" in the table in this Note.

b) Changes in intangible assets

	Parent company		
	Right to extend concession	Right to use assets	Total
Balances at 12.31.2021	**2,298,246**	**108,930**	**2,407,176**
Addition	-	18,882	18,882
Write-offs	(6,336)	-	(6,336)
Amortization	(126,323)	(27,549)	(153,872)
Balances at 12.31.2022	**2,165,587**	**100,263**	**2,265,850**
Addition[1]	-	52,880	52,880
Amortization	(126,322)	(30,597)	(156,919)
Balances at 12.31.2023	**2,039,265**	**122,546**	**2,161,811**

(1) Addition of R$ 52,880 related to software acquisitions and development.

	Consolidated					
	Right to extend concession	Grant bonus	Project rights	Right to use assets	Energy purchase rights	Total
Balances at 12.31.2021	**2,452,251**	**888,619**	**478,535**	**208,329**	**10,422**	**4,038,156**
Addition	-	-	276,882	19,935	-	296,817
Write-offs	(6,336)	-	-	(511)	-	(6,847)
Acquisition of subsidiaries	-	-	23,302	4,697	-	27,999
Reversal of contractual additional installment	-	-	(16,266)	-	-	(16,266)
Transfer to NCAHS	-	-	-	(4,956)	-	(4,956)
Amortization	(126,932)	(34,304)	(4,461)	(28,246)	(6,016)	(199,959)
Balances at 12.31.2022	**2,318,983**	**854,315**	**757,992**	**199,248**	**4,406**	**4,134,944**
Addition[1]	114,508	-	-	61,376	-	175,884
Amortization	(133,141)	(34,304)	(10,798)	(36,396)	(4,406)	(219,045)
Balances at 12.31.2023	**2,300,350**	**820,011**	**747,194**	**224,228**	**-**	**4,091,783**

(1) Additions mainly refer to: (i) R$ 114,508 from extension of concession period, further details are available in sub-item b.1 below; and (ii) R$ 52,880 from acquisition and development of software.

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 delays for operational startup of the plant due to reasons beyond responsibility 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 01. 31.2023, determining that the days of extension of concession period due to non-hydric impacts also change the GSF extension days. On 04.27.2023, 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 08. 10.2023, adding 620 days to the previously calculated extension.

The Company adopted the same accounting practice used for the renegotiation of hydrological risk, concluded on 01.31.2021. This asset was measured at fair value considering the energy prices of PPAs in effect during this additional period. Thus, the Company recognized intangible asset, corresponding to the right to extend concession in the amount of R$ 114,508. The effect on result of this transaction was a gain of R$ 114,508, with a positive corresponding entry to profit or loss.

c) Asset impairment

At least once a year, the Company evaluates the need to establish a provision for impairment.

On 12.31.2023 and 12.31.2022, no evidence was found of intangible assets with reported costs higher than their recovery values.

NOTE 12. SUPPLIERS

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Suppliers of property, plant and equipment and intangible assets[1]	13,499	14,867	458,208	156,636
Suppliers of materials and services	52,285	37,060	146,272	106,767
Electricity purchased for resale	44,109	48,165	82,159	129,650
Charges for the use of the power grid	42,884	41,570	71,025	63,470
Trading operations	-	-	39,341	53,296
Leases payable	8,928	8,529	29,902	23,990
Transactions in the short-term market	-	-	1,958	1,203
Fossil fuels and biomass	-	-	-	386
Current liabilities	**161,705**	**150,191**	**828,865**	**535,398**
Leases payable	51,686	815	209,918	131,708
Suppliers of property, plant and equipment and intangible assets	6,650	7,471	10,502	15,221
Suppliers of materials and services	-	-	7,557	6,880
Non-current liabilities[2]	**58,336**	**8,286**	**227,977**	**153,809**
	220,041	**158,477**	**1,056,842**	**689,207**

(1) The variation of R$ 301,572 in Suppliers of Property, plant and equipment and Intangible Assets in consolidated mainly refers to: (i) R$ 171,544 from the progress of Assú Sol Project; (ii) R$ 142,233 from the progress of Serra do Assuruá Project, and; (iii) the reduction in balance related to Novo Estado, due to the completion of works in 2023.
(2) 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."

a) Lease operations

Accounting practice

Leases payable are initially measured at present value of future payment flows, discounted by the incremental financing rate, since the implicit interest rate of the lease cannot be easily determined. The flow of future payments comprises variable payments that depend on an index or rate.

Subsequently, the lease liability is measured at amortized cost using the effective interest method and remeasured (with corresponding adjustment in related right of use) when there is any change, modification in the lease term, change in future payments triggered, for example, by monetary adjustments, or change in the assessment of a call option of the underlying asset.

The variable lease payments that do not depend on an index or rate are recognized as expenses in the period in which they are made. In addition, the Company applies exemption from short-term lease recognition, that is, leases of assets whose lease term is 12 months or less at the start date, and assets of low individual value, which are recognized as expense throughout the lease duration.

The Company assesses, on the start date of each agreement, if such agreement is or contains a lease and whether the single approach of recognition and measurement, except for short-term leases and assets of low individual value.

a.1) Changes

	Parent Company	Consolidated
Balances at 12.31.2021	**12,401**	**126,384**
New	-	1,958
Remeasurement	1,437	5,258
Interest[1]	2,071	13,909
Capitalized interest	-	280
Acquisition of subsidiaries	-	30,494
Amortizations	(6,565)	(22,529)
Transfer to liabilities related to NCAHS	-	(56)
Balances at 12.31.2022	**9,344**	**155,698**
New	56,029	56,996
Sale of subsidiary	-	(19)
Remeasurement	778	30,480
Interest[1]	2,259	20,620
Capitalized interest	-	255
Amortizations	(7,796)	(24,210)
Balances at 12.31.2023	**60,614**	**239,820**
Current liabilities	**8,928**	**29,902**
Non-current liabilities	**51,686**	**209,918**

(1) Gross PIS and Cofins amounts.

Leases payable were measured at present value of future payment flows. The average discount rates used to calculate the present value were 9.0% and 10.2% for the headquarters building and the land in which the wind farms and solar facilities are established or will be built, respectively, and represent the incremental financing rate.

a.2) Recoverable PIS and Cofins

The rental agreements of ENGIE's headquarters and lease of Assú V lands and are subject to PIS and Cofins recovery in 2023 and, therefore, have a potential right of recoverable PIS and Cofins embedded in the payment of leases, in accordance with the terms set forth for payment in which the taxable income method is established for these companies.

The recognition of PIS and Cofins to be recovered was booked as an offset to depreciation on the right to use leases and interest expense of lease liabilities, in the results for the fiscal year. The following table shows the reconciliation of amounts recognized in these items:

	Parent Company				Consolidated			
	12.31.2023		12.31.2022		12.31.2023		12.31.2022	
	Interest	Depreciation	Interest	Depreciation	Interest	Depreciation	Interest	Depreciation
Gross amounts	2,259	6,651	2,071	5,658	20,875	12,079	14,189	9,517
PIS and Cofins credited	-	-	(132)	(512)	-	-	(340)	(567)
Capitalized amounts	-	-	-	-	(255)	(138)	(280)	(148)
Net amounts in profit or loss	**2,259**	**6,651**	**1,939**	**5,146**	**20,620**	**11,941**	**13,569**	**8,802**

a.3) Maturities of leases payable recorded under non-current liabilities

	Parent Company			Consolidated		
	Amounts not discounted	Embedded interest	Balance of lease liability	Amounts not discounted	Embedded interest	Balance of lease liability
2025	7,641	(1,008)	6,633	28,327	(4,991)	23,336
2026	7,217	(1,566)	5,651	27,517	(6,012)	21,505
2027	7,217	(2,090)	5,127	27,517	(8,056)	19,461
2028	7,217	(2,571)	4,646	27,517	(9,914)	17,603
2029	7,217	(3,012)	4,205	27,517	(11,604)	15,913
2030 to 2034	36,088	(20,504)	15,584	134,023	(76,302)	57,721
2035 to 2039	36,091	(27,171)	8,920	130,829	(97,877)	32,952
After 2040	5,413	(4,493)	920	325,814	(304,387)	21,427
Leases payable	**114,101**	**(62,415)**	**51,686**	**729,061**	**(519,143)**	**209,918**

a.4) Payment for leases of variable rentals, low-value individual and short-term assets

In 2023, the Company recognized the amount of R$ 1,438 (R$ 603 in 2022) and R$ 10,480 (R$ 11,087 in 2022), in the parent company and consolidated, respectively, related to costs and expenses related to the payments of short-term and variable rentals and assets with low individual value, as exemption applied by the Company.

a.5) Analysis of inflation impact on lease agreements

The Company, when measuring and remeasuring its lease liabilities and the right to use of leases, used the discounted cash flow technique without considering projected inflation in the flows to be discounted, in view of the barrier imposed by the accounting standard.

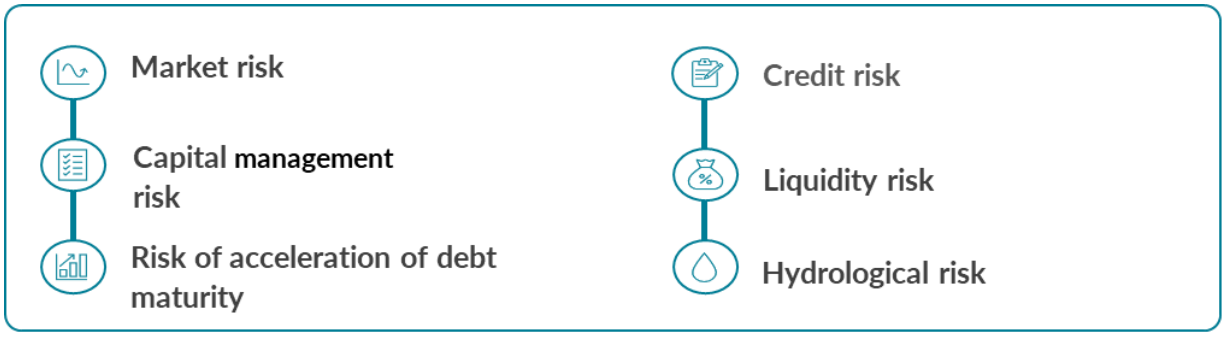
As such, in order to comply with CVM instructions, the comparative balances of lease liabilities, right to use of leases, financial expenses and depreciation expenses for 2023 are presented.

	Parent Company	Consolidated
Lease liability – closing balance		
As presented under IFRS 16	60,614	239,820
With effect from inflation	61,922	247,816
	2.16%	**3.33%**
As presented under IFRS 16	66,731	246,152
With effect from inflation	69,483	264,094
	4.12%	**7.29%**
Financial expenses		
As presented under IFRS 16	2,259	20,875
With effect from inflation	2,346	21,683
	3.85%	**3.87%**
Depreciation expenses		
As presented under IFRS 16	6,627	12,109
With effect from inflation	6,704	12,250
	1.16%	**1.16%**

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) analyzing and proposing inputs to the draft Risks and Opportunities Matrix; (ii) helping to identify of other business risks and opportunities; and (iii) approving the proposed Risks and Opportunities Matrix to be sent for approval by the Board of Executive Officers.

The Company's business, the financial conditions and the results of operations may be adversely affected by any of the following risk factors:



a) Market risk

The Company and its subsidiaries use financial instruments with the objective of hedging assets and liabilities, minimizing exposure to market risks, mainly in connection with fluctuations in interest rates, price indices and currencies and energy prices in operations resulting in the Company's exposure.

These risks are monitored by the Financial Forum that periodically evaluates the Company's exposure and propose operating strategies, control system and position and credit limits with other market partners. The Company does not perform financial operations in derivatives or any other instruments on a speculative basis, except for energy trading operations, described in item "a.4" below.

The main market risks to which the Company is exposed are as follows:

a.1) Risk related to debts and concessions with floating interest rates

This risk is related to the possibility of the Company incurring losses as a result of fluctuations in interest rates and financial indices applied to its liabilities, resulting in effects on its financial expenses.

The Company and its subsidiaries are exposed to interest rate and floating indices related to variations in TJLP, DI rate, IGP-M and IPCA.

Regarding the risk of accelerated inflation, all energy sale agreements in force have a clause for inflation adjustment based on IGP-M or IPCA, which represents a natural long-term hedge for debts and obligations indexed to inflation indices and/or linked to inflation, in case of debts linked to CDI.

With regard to risk related to floating interest rates, a portion of the debt is linked to TJLP, which tends to follow the variations in interest rates and inflation effects. Therefore, debts linked to TJLP are hedged by the energy contracts mentioned earlier. Note that, in agreements executed until 12.31.2018, the amount corresponding to the TJLP portion that exceeds 6% p.a. is included in the principal amount of the debt, which mitigates the immediate impact on the Company's cash flow by an acceleration of TJLP. As of 01.01.2019, the Company did not enter into any agreement indexed to TJLP.

a.2) Risk related to liabilities denominated in foreign currency

The exchange rate risk is associated with the possibility of variation in foreign exchange rates, which affects the financial result and the balances denominated in foreign currencies. The Company's policy to hedge against exchange rate variation risks seeks to achieve a low level of exposure for its liabilities and obligations denominated in foreign currency, which are permanently monitored by the Company's Financial Forum.

On 12.31.2023, the Company held no financial commitment denominated in foreign currencies whose exchange variation was not fully hedged against.

Derivative financial instruments and hedge operations are the following:

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Derivative financial instruments - hedge				
Non-current assets				
Fair value hedge – loans and debentures	12,921	-	12,921	-
Cash flow hedge - obligations	-	-	-	31,981
	12,921	**-**	**12,921**	**31,981**
Long positions	**12,921**	**-**	**12,921**	**31,981**
Current liabilities				
Fair value hedge – loans and debentures	(110,456)	(73,369)	(110,456)	(94,625)
Cash flow hedge - obligations	-	-	(476,569)	(31,288)
	(110,456)	**(73,369)**	**(587,025)**	**(125,913)**
Non-current liabilities				
Fair value hedge – loans and debentures	(130,027)	(114,725)	(130,027)	(114,725)
Cash flow hedge – obligations	-	-	(6,386)	(43,815)
	(130,027)	**(114,725)**	**(136,413)**	**(158,540)**
Short positions	**(240,483)**	**(188,094)**	**(723,438)**	**(284,453)**
Net positions	**(227,562)**	**(188,094)**	**(710,517)**	**(252,472)**
Fair value hedge – loans and debentures	(227,562)	(188,094)	(227,562)	(209,350)
	(227,562)	**(188,094)**	**(227,562)**	**(209,350)**
Cash flow hedge – obligations[1]	**-**	**-**	**(482,955)**	**(43,122)**
Net positions	**(227,562)**	**(188,094)**	**(710,517)**	**(252,472)**

(1) During 2023, the Company recognized the amount of R$ 107,576 related to realized losses in the year, which were capitalized in property, plant and equipment. Further information is available in Note 10 – Property, plant and equipment, item b)

Accounting practice:

Derivative financial instruments are identified when: (i) their values are affected by rate or price fluctuations; (ii) there is no initial investment; and (iii) settlement is on a future date.

Derivative financial instruments held by the Company correspond to hedging operations against exposure to risks related to exchange variation and interest rates of debts and future commitments, which are recognized in accordance with the standards applicable to hedge accounting, as mentioned below. Moreover, the Company carries out energy trading operations to capitalize on price variations in the market.

Derivative financial instruments are recognized as asset and/or liability in the balance sheet and measured at fair value. Gains or losses resulting from changes in their fair value are recognized as financial income (loss), except when the derivative qualifies for and is designated for hedge accounting.

Hedge accounting

At the start of the hedge operation, the Company prepares a formal documentation describing the objectives and strategies of the risk hedging and the relationship between the underlying hedge transaction and the hedge instrument used to provide the expected protection.

The following hedge operations of the Company qualify for hedge accounting:

Hedge operations to protect the Company's loans and debentures from foreign exchange and interest rate variations result from short positions tied to the IPCA or CDI rate variation, i.e. non-fixed components, therefore designated as

Fair value hedge (FVH)

air value hedge." In these transactions, any gains or losses arising from fair value measurement variations of loans and debentures and hedge operations are recognized as financial income (loss).

Cash flow hedge (CFH)

The Company designated as cash flow hedges: (i) hedge against exposure to foreign currencies of financial commitments for acquisition of assets and loans; and (ii) hedge against exposure to the loans abroad and fair value hedge, changing the short position for fixed components (fixed rate). In these transactions, for the highly effective portion of the hedge, gains and losses arising from changes in the instrument's fair value are recognized as shareholders' equity, under "Other comprehensive income (loss)", and transferred to profit or loss or assets when the hedged object is finally realized. The ineffective portion of the hedge instrument, if any, is recorded as financial income (loss), jointly with interest and exchange variations of the transaction, and capitalized in property, plant and equipment, if applicable.

(i) Hedge operations on loans and debentures

Breakdown of hedges on loans and debentures

On 12.31.2023, the amounts of loans, debentures and derivatives valued at cost amortized and at fair value are:

Financial instrument	Notional value	Principal maturity	Interest payments	Interest rates[1]	Amortized cost	Fair value adjustment	Book balance
Parent Company and Consolidated:							
BNP Paribas III	US$ 125,000	03.2024	Semiannual	2.54% p.a.	609,133	(6,402)	602,731
Swap (HVJ)	R$632,490	03.2024	Semiannual	CDI + 1.70% p.a.	(653,154)	599	(652,555)
MUFG V	US$ 94,518	10.2025	Semiannual	1.8914% p.a. until 10.2021 and 2.0057% p.a. until 10.2025	459,808	(34,459)	425,349
Swap (HVJ)	R$500,000	10.2025	Semiannual	CDI + 1.32% p.a.	(514,744)	3,265	(511,479)
Scotiabank IV	US$ 102,465	07.2026	Semiannual	2.002% p.a.	500,477	(44,412)	456,065
Swap (HVJ)	R$530,000	07.2026	Semiannual	CDI + 1.35% p.a.	(561,315)	721	(560,594)
Debentures 11th Issue – Series 3 [2]	R$318,253	11.2028	11,2028	10.90% p.a.	320,087	12,349	332,436
Swap *(HVJ)*	R$318,253	11.2028	11,2028	CDI + 0.378% p.a.	(320,296)	781	(319,515)
Position at 12.31.2023					**(160,004)**	**(67,558)**	**(227,562)**

(1) Interest rates include the income tax rate of 15% on remittances abroad.

(2) The balance of hedge financial instrument excludes funding costs of this transaction, in the amount of R$ 6,361

Currently, the Company has contracted derivative instruments with top-tier banks to convert its exposure to exchange variation to debt indexed to the CDI with annual maturities through 2028. These instruments were designated as fair value hedges.

Due to the characteristics of financial instruments, the Company applied the rules of fair value and cash flow hedge accounting to record them, as applicable, based on accounting policies.

Net changes in hedge operations on loans and debentures

	Parent Company	Consolidated
	Total	Total
Assets at 12.31.2021, net	**111,371**	**57,993**
Interest and inflation adjustments	(369,107)	(371,544)
Exchange variation	(313,555)	(313,555)
Fair value adjustment through profit or loss	(112,461)	(108,314)
Fair value adjustment through other comprehensive income	(23,039)	(23,039)
Payment of principal	314,386	359,755
Repayment of interest	204,311	189,354
Liabilities at 12.31.2022	**(188,094)**	**(209,350)**
Interest and inflation adjustments	(218,229)	(218,571)
Exchange variation	(152,580)	(152,580)
Fair value adjustment through profit or loss	66,911	65,265
Payment of principal	27,270	54,096
Repayment of interest	237,160	233,578
Liabilities at 12.31.2023	**(227,562)**	**(227,562)**

The change in the fair value adjustment is presented in the table above:

	Parent Company	Consolidated
Balances at 12.31.2021	**1,031**	**(1,469)**
Fair value adjustment recognized in profit or loss	(112,461)	(108,314)
Fair value adjustment recognized in other comprehensive income	(23,039)	(23,039)
Balances at 12.31.2022	**(134,469)**	**(132,822)**
Fair value adjustment recognized in profit or loss	66,911	65,265
Balances at 12.31.2023	**(67,558)**	**(67,557)**

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:

	Parent Company	Consolidated	
	12.31.2022	12.31.2023	12.31.2022
Cash flow hedge – loans	(23,039)	-	(23,039)
Cash flow hedge – obligations	-	(332,257)	(101,851)
Unrealized losses from cash flow hedge operations	**(23,039)**	**(332,257)**	**(124,890)**

(ii) Cash flow hedge operations on obligations

The Company maintained, on 12.31.2023, NDFs 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 12.31.2023 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 12.31.2023, NDFs 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 11.12.2022 and the notional value on 12.31.2023 was US$ 205,718 thousand, from Bradesco, HSBC and Itaú, and mature between January 2024 and November 2025.

On 12.31.2023, unrealized losses of NDF totaled a long position, net of R$ 482,955 (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 Assú Sol Photovoltaic Complex follow the presumptive profit tax regime. The companies in the Serra do Assuruá Wind Power Complex follow the taxable profit regime and they will be classified under the presumptive profit tax regime in the future. Therefore, the Company does not constitute deferred income taxes on the effects of this operation.

a.3) 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 12.31.2024 was defined using the following assumptions available in the market (Source: Central Bank of Brazil Market Readout):

Risk of variation in interest rates and indices:	Change 12 months 12.31.2023	Probable Scenario 12.31.2024	Sensitivity		
			Probable	Δ + 25% (1)	Management
TJLP	6.6%	6.5%	-0.1 p.p.	1.6 p.p.	0.1 p.p.
CDI	11.7%	8.9%	-2.8 p.p.	2.2 p.p.	-0.2 p.p.
IPCA	4.6%	3.9%	-0.7 p.p.	1.0 p.p.	0.1 p.p.
IGP-M	-3.2%	4.0%	7.2 p.p.	1.0 p.p.	-7.3 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 12.31.2023, and those expected for the next 12 months, ending on 12.31.2024, 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 12.31.2023	Sensitivity		
		Probable	Δ + 25%	Management
Risk of increase (liability)				
Loans and financing				
IPCA	9,856,714	62,441	(84,405)	(8,252)
U.S. dollar – with swap to CDI rate	1,484,145	28,250	(24,124)	2,568
TJLP	1,079,364	272	(12,437)	(831)
Debentures				
IPCA	6,358,039	43,495	(58,796)	(5,757)
CDI	1,001,910	25,435	(21,720)	2,312
Fixed rate – with swap to CDI rate	326,075	8,606	(7,342)	777
Redeemable preferred shares				
CDI	570,988	13,290	(11,349)	1,208
Concessions payable (Use of Public Asset)				
IPCA	3,912,349	26,426	(26,631)	(3,758)
IGP-M	1,507,553	(98,552)	(13,684)	100,798
Risk of decrease (asset)				
Concession financial asset				
IPCA	3,333,541	(22,879)	(55,167)	19,611

a.4) Risk related to energy prices in trading operations

The Company operates in the trading market to capitalize on variations in energy prices, within the market risk limits and offsets pre-established by Management, albeit in insignificant amounts as a percentage of total results.

a.4.1) Equity position and unrealized gains (losses) from energy trading operations

Trading operations take place in the active market and are recognized at fair value through profit or loss, based on the difference between the contracted price and the prices of the market-to-market adjustments in the contract.

The mark-to-market adjustment is primarily based on the trading prices of forward energy products in over-the-counter market. Since there is no significant liquidity in this market, we use techniques that consider in our calculations the prices established by specialized entities for the forward energy products. The discount rate used to calculate the fair value on 12.31.2023 and 12.31.2022 was 7.1%.

The balance sheets for outstanding trading transactions are presented below:

	Consolidated					
	12.31.2023			12.31.2022		
	Assets	Liabilities	Net gain	Assets	Liabilities	Net gain
Classification in balance sheet						
Current	74,532	(64,008)	10,524	209,928	(189,932)	19,996
Non-current	30,110	(23,004)	7,106	45,638	(31,527)	14,111
	104,642	**(87,012)**	**17,630**	**255,566**	**(221,459)**	**34,107**

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

	Consolidated
Balances at 12.31.2021	**36,408**
Unrealized gain recognized for the year	1,074
Unrealized loss recognized for the year	(3,375)
Balances at 12.31.2022	**34,107**
Unrealized loss recognized for the year	(16,477)
Balances at 12.31.2023	**17,630**

a.4.2) 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 25th percentile (P25) and the 75th percentile (P75) determine the extreme 25% and 75% lower prices observed, respectively.

The sensitivity analyses considering this methodology are shown below:

	Consolidated		
	12.31.2023	P25 Scenario	P75 Scenario
Derivative financial instruments - trading	17,630	16,789	16,728

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.

b) Capital management risk

The Company manages its capital in order to maximize return to investors by optimizing the debt and equity balances, seeking to structure capital and maintaining indebtedness and debt coverage ratios that provide the return to investors.

The Company's capital structure is formed by net indebtedness (loans and debentures – net of hedging effects, financing, redeemable preferred shares, less cash, cash equivalents and escrow deposits linked to debt) and shareholders' equity, which includes capital reserves and profit reserves. The ratio of net debt to shareholders' equity is as follows:

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Debt instrument	8,841,890	6,257,545	20,677,244	17,941,125
Hedge effects	227,562	188,094	227,562	209,350
(-)Deposits pegged to debt service	(11,992)	(10,741)	(314,471)	(229,098)
(-)Cash and cash equivalents	(3,250,488)	(321,005)	(5,255,767)	(2,235,887)
Net debt	**5,806,972**	**6,113,893**	**15,334,568**	**15,685,490**
Shareholders' equity	**8,862,771**	**8,436,522**	**9,816,210**	**8,440,172**
Total debt/Shareholders' equity	**0.7**	**0.7**	**1.6**	**1.9**

ENGIE Brasil Energia and its subsidiaries have debts that stipulate a maximum limit of the Company's gross debt, calculated based on EBITDA. The most restrictive covenant comes from the financing agreement of the subsidiary Ferrari, whose amount on 12.31.2023 is R$ 41,139, which limits debts to 3.5 times the net debt on EBITDA. Also, with regard to gross debt, the highest restriction stipulated in debt agreements is 4.5 times EBITDA.

c) Risk of acceleration of debt maturity

The Company has agreements for loans, financing and debentures with covenants, usually applicable to operations of this nature, related to the achievement of financial performance indicators. If the Company fails to comply with any of these clauses, the maturities of its debts may be accelerated. Further information is available in Note 14 – Debt instruments.

d) Credit risk

The transactions that are relevant to the Company's business in which there exists credit risk are energy sales, financial investments and hedge operations. The Company's history of losses resulting from difficulties of banks and customers to honor their commitments is practically zero. The Company is the guarantor of certain financing agreements for its subsidiaries to guarantee compliance with the commitments assumed.

d.1) Risks related to energy sale

In long-term agreements entered into with distributors, the Company minimizes its credit risk through a mechanism for the establishment of guarantees in the agreements, which involve receivables from its clients and are managed by a financial institution defined in advance.

To minimize the credit risk in agreements for the sale of electricity in ACL to free consumers, sellers and generators, the Company requires a standard guarantee in the form of bank guarantees and performance bonds. For counterparties that wish to present another type of guarantee, the Company, through its credit area, analyzes and establishes, in accordance with its Credit Policy, guarantees that should be required from these counterparties.

Credits of all customers are annually revised and its exposure to several economy factors is periodically assessed, so as to maintain the diversification of its portfolio and reduce its exposure to the specific sector risk.

d.2) Risks related to marketable securities

The Company and its subsidiaries' financial investments follow the rule of allocating a minimum of 90% of funds to Federal Public Securities – as final purchase and/or repurchase and resale commitments – and a maximum of 10% of funds to Private Securities – acquisition of CDBs from eligible banks and repurchase and resale commitments backed by debentures issued by lease companies controlled by eligible banks.

The Company uses Fitch Ratings (Fitch), Moody's or Standard & Poor's (S&P) ratings to identify banks eligible to receive funds. They should comply with the following parameters: (i) shareholders' equity of at least R$ 1 billion; and (ii) minimum rating equivalent to AA- (S&P and Fitch) or Aa3 (Moody's) in the domestic ambit.

The Company's available resources are allocated to a Fixed Income Exclusive Investment Fund whose policy is to allocate its equity to very low-risk assets. As of 12.31.2023, this fund had 100% of its portfolio in Brazilian Government credit-risk assets, all of them with floating rates and daily liquidity, linked to Selic variation.

Following the Company's financial planning, this fund will be used in the short-term, substantially reducing the risk of any significant effects on earnings as a result of possible reduction in Brazilian economy's basic interest rate.

d.3) Risks related to hedge operations

The Investment and Derivatives Policy imposes strong restrictions to the realization of derivative transactions and determines that exposures be continuously monitored in case this type of transaction is contracted.
As already mentioned previously, the main hedge operations contracted by the Company were swap and NDF operations to hedge against exchange and CDI variation of the payment of principal and interest of U.S. dollar-denominated loans and the 1st series debentures of Jaguara and Miranda adjusted for CDI rate, and payables to suppliers, as described in item a.2 – Risk related to liabilities denominated in foreign currency.

e) Liquidity risk

The management of the Company's liquidity risk is under the responsibility of the Financial Forum, which manages fund raising requirements and short-, medium- and long-term liquidity by permanently monitoring forecasted and actual cash flows.
The Company, in order to ensure the capacity to pay its obligations, uses a minimum cash policy that is annually reviewed based on cash projections and monthly monitored in the Financial Forum meetings. The management of marketable securities focuses on short-term instruments, especially with daily maturities, in order to provide maximum liquidity and to cover disbursements.

The Company's cash generating feature and the low volatility in receipts and payment obligations throughout the months guarantee to the Company the stability of its flows, reducing its liquidity risk.

The following statement presents the estimated settlement profile for the Company's main financial liabilities recorded at 12.31.2023. 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 year end.

	Parent Company					
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total	Accounting
Suppliers	161,705	21,508	14,434	84,809	282,456	220,041
Concessions payable (Use of Public Asset)	665,433	1,602,360	1,602,360	4,482,734	8,352,887	5,356,590
Floating interest rates:						
Loans and financing[1]	1,056,347	1,031,628	184,697	1,058,639	3,331,311	2,206,352
Debentures	1,018,250	2,671,812	2,655,801	2,600,531	8,946,394	6,635,529
Fixed interest rates:						
Loans and financing	9	-	-	-	9	9
	2,901,744	**5,327,308**	**4,457,292**	**8,226,713**	**20,913,057**	**14,418,521**

	Consolidated					
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total	Accounting
Suppliers	828,865	73,903	55,034	618,183	1,575,985	1,056,842
Concessions payable (Use of Public Asset)	673,657	1,618,079	1,618,760	4,557,896	8,468,392	5,419,902
Floating interest rates:						
Loans and financing[1]	2,169,826	3,180,074	2,239,367	11,475,067	19,064,334	12,420,223
Debentures	1,513,349	3,544,891	3,059,662	3,657,020	11,774,922	7,686,024
Redeemable preferred shares	150,661	137,979	159,915	648,117	1,096,672	570,988
Fixed interest rates:						
Loans and financing	9	-	-	-	9	9
	5,336,367	**8,554,926**	**7,132,738**	**20,956,283**	**41,980,314**	**27,153,988**

(1) Net of hedge effects.

The concession financial asset of the Jaguara and Miranda HPPs is not subject to liquidity risk, since it is related to the portion of energy allocated to the ACR, in the Physical Guarantee Quota System, whose payment is guaranteed by the Concession Authority.

f) Hydrological risk

Most of energy of the National Interconnected System (SIN) is generated by hydroelectric power plants. Since SIN operates in a dispatch system optimized and centralized by ONS, each hydroelectric power plant, including the Company's plants, is subject to changes in hydrological conditions in both the conditions in the regions where the plant operates and in other regions across Brazil, which could affect the volume of water available for generation.

However, almost all of the Company's hydroelectric generation capacity is included in the MRE, which functions as a "condominium" in which the hydrological risk is shared among all the plants participating in it.

In order to further protect itself from this hydrological risk, in December 2015, the Company joined the agreement for renegotiating the hydrological risk relating to the Company's plants, whose energy was sold in the Regulated Contracting Environment (ACR).

On 12.31.2023, the physical guarantee of the Company's hydroelectric plants totaled 3,231.8 average MW. The aforementioned agreement renegotiated 1,344.5 average MW, of which 1,243.7 average MW (approximately 92.5%) are hedged against hydrological risk. The portion of the Jaguara and Miranda Hydroelectric Plants allocated to the Physical Guarantee quotas – 512.3 average MW – is guaranteed by contractual clauses established by the Concession Authority and is also hedged against this risk. See Note 6 - Concession financial asset.

Regarding the impacts of non-hydrological reasons on the MRE in the past, the generators will be entitled to an extension of the concession period for generation in order to compensate for perceived losses, pursuant to Laws 14,052/2020 and 14,182/2021. More details are presented in Note 11 – Intangible assets.

To reduce the exposure to short-term market fluctuations, ENGIE Brasil Energia maintains a large part of its energy portfolio contracted in the long term. In the free market, the Company gradually sells the available energy at attractive prices and also to minimize the risk of exposure to spot prices (PLD). Additionally, due to the constant deficit of hydroelectric generation in recent years, the Company chose to leave most of its commercial capacity not contracted in the spot market and, when necessary or attractive, to acquire energy from third parties to replenish its own resources.

g) Category of financial instruments

	Hierarchy	Parent Company		Consolidated	
		12.31.2023	12.31.2022	12.31.2023	12.31.2022
Financial assets					
Fair value through profit or loss					
Financial investments	Level 1	3,242,810	310,227	5,132,273	2,146,145
Derivative financial instruments – fair value hedge	Level 2	12,921	-	12,921	-
Derivative financial instruments – trading	Level 2	-	-	104,642	255,566
Amortized cost					
Cash and bank deposits	N.A.	7,678	10,778	123,494	89,742
Trade accounts receivable	N.A.	521,847	548,027	1,138,953	1,149,267
Restricted deposits	N.A.	38,206	41,618	358,198	270,497
Concession financial asset	N.A.	-	-	3,333,541	3,220,277
Fair value through other comprehensive income					
Derivative financial instruments – cash flow hedge	Level 2	-	-	-	31,981
		3,823,462	**910,650**	**10,204,022**	**7,163,475**
Financial liabilities					
Fair value through profit or loss					
Loans in foreign currency	Level 2	1,484,145	2,074,266	1,484,145	2,074,266
Debentures	Level 2	326,075	-	326,075	85,852
Derivative financial instruments – fair value hedge	Level 2	240,483	188,094	240,483	209,350
Derivative financial instruments – trading	Level 2	-	-	87,012	221,459
Amortized cost					
Suppliers	N.A.	220,041	158,477	1,056,842	689,207
Loans in local currency	N.A.	722,216	222	10,936,087	9,836,248
Redeemable preferred shares	N.A.	-	-	570,988	584,066
Debentures	N.A.	6,309,454	4,183,057	7,359,949	5,360,693
Concessions payable (Use of public asset)	N.A.	5,356,590	5,193,447	5,419,902	5,255,952
Liabilities linked to investment acquisition[1]	N.A.	-	-	133,932	109,050
Reimbursement to distributors[1]	N.A.	-	-	278,977	199,604
Fair value through other comprehensive income					
Derivative financial instruments – cash flow hedge	Level 2	-	-	482,955	75,103
		14,659,004	**11,797,563**	**28,377,347**	**24,700,850**

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

g.1) Fair value measurement

The Company measures some financial instruments and non-financial assets at their fair value, i.e., at the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm's length transaction between market players on the date of measurement.

The fair value is calculated by using assessment techniques appropriate for the circumstances and for which sufficient data is available, in order to minimize the use of non-observable data.

Assets and liabilities whose fair amounts are measured and disclosed in the financial statements are classified according to the fair value hierarchy described below:

- Level 1: Prices quoted (not adjusted) in asset or liability markets identical to those to which the Company may have access on the date of measurement;

- Level 2: Assessment techniques for which the measurement of the fair value is obtained directly or indirectly through information other than the quoted prices (level 1); and

- Level 3: Assessment techniques for which the information used for measuring the fair value is not available in the market (non-observable).

h) 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			
	12.31.2023		12.31.2022	
	Book	Market	Book	Market
Loans and financing in local currency	722,216	742,563	222	223
Loans in foreign currency	1,484,145	1,484,142	2,074,266	2,074,264
Debentures	6,635,529	6,584,808	4,183,057	3,927,180
Concessions payable (Use of Public Asset)	5,356,590	5,222,158	5,193,447	4,760,066
	14,198,480	**14,033,671**	**11,450,992**	**10,761,733**

	Consolidated			
	12.31.2023		12.31.2022	
	Book	Market	Book	Market
Assets				
Concession financial asset	3,333,541	3,395,730	3,220,277	3,188,126
	3,333,541	**3,395,730**	**3,220,277**	**3,188,126**
Liabilities				
Loans and financing in local currency	10,936,087	11,070,005	9,836,248	9,925,470
Loans in foreign currency	1,484,145	1,484,142	2,074,266	2,074,264
Redeemable preferred shares	570,988	589,831	584,066	604,648
Debentures	7,686,024	7,657,968	5,446,545	5,177,200
Concessions payable (Use of Public Asset)	5,419,902	5,285,049	5,255,952	4,818,325
	26,097,146	**26,086,995**	**23,197,077**	**22,599,907**

NOTE 14. DEBT INSTRUMENTS

Accounting practice:

Loans, financing and debentures are initially accounted for at fair value, net of any transaction costs incurred, and subsequently measured at the amortized cost using the effective interest rate method, except loans and debentures to which the Company applied fair value hedge accounting rules, which are subsequently measured at fair value through profit or loss.

Redeemable preferred shares are classified as financial liabilities in accordance with the nature and characteristics of these shares, which determine the payment of priority and cumulative dividends and the scheduled or mandatory redemption of shares at the discretion of their holders. They are initially recognized at fair value, net of costs incurred in issues, and later are measured at amortized cost using the effective interest method.

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

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Loans and financing	2,206,361	2,074,488	12,420,232	11,910,514
Debentures	6,635,529	4,183,057	7,686,024	5,446,545
Redeemable preferred shares	-	-	570,988	584,066
	8,841,890	**6,257,545**	**20,677,244**	**17,941,125**
Current liabilities	1,567,635	830,271	2,549,863	1,652,968
Non-current liabilities	7,274,255	5,427,274	18,127,381	16,288,157
	8,841,890	**6,257,545**	**20,677,244**	**17,941,125**

a) Breakdown

	Parent Company					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
Loans and financing						
BNDES	-	720,298	720,298	-	-	-
BNDES onlendings (Banks)[1]	9	-	9	214	8	222
Charges	1,909	-	1,909	-	-	-
	1,918	**720,298**	**722,216**	**214**	**8**	**222**
Debentures						
ENGIE – 5th issue	91,899	-	91,899	91,892	83,778	175,670
ENGIE – 6th issue	172,794	332,376	505,170	112,331	482,036	594,367
ENGIE – 7th issue	351,667	640,378	992,045	-	945,706	945,706
ENGIE – 9th issue	-	2,058,262	2,058,262	-	1,964,675	1,964,675
ENGIE – 10th issue	18,333	412,121	430,454	9,643	410,022	419,665
ENGIE – 11th issue	-	2,462,868	2,462,868	-	-	-
Charges	92,866	1,965	94,831	82,974	-	82,974
	727,559	**5,907,970**	**6,635,529**	**296,840**	**3,886,217**	**4,183,057**
	729,477	**6,628,268**	**7,357,745**	**297,054**	**3,886,225**	**4,183,279**
Foreign currency – with hedge						
Measured at fair value						
Loans and financing						
BNP Paribas	598,759	-	598,759	518,779	630,360	1,149,139
Scotiabank	-	451,650	451,650	-	473,922	473,922
MUFG[2]	228,795	194,337	423,132	-	436,767	436,767
Charges	10,604	-	10,604	14,438	-	14,438
	838,158	**645,987**	**1,484,145**	**533,217**	**1,541,049**	**2,074,266**
Loans, financing and debentures	**1,567,635**	**7,274,255**	**8,841,890**	**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					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Loans, financing and debentures	**1,567,635**	**7,274,255**	**8,841,890**	**830,271**	**5,427,274**	**6,257,545**
Fair value hedge (swap) effects						
Long position	-	(12,921)	(12,921)	-	-	-
Short position[1]	110,456	130,027	240,483	73,369	114,725	188,094
Loans, financing and debentures, net of hedge effects	**1,678,091**	**7,391,361**	**9,069,452**	**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					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Local currency						
Measured at amortized cost						
Loans and financing						
BNDES	508,691	9,551,812	10,060,503	384,307	8,537,720	8,922,027
BNDES onlendings (Banks)[1]	9	-	9	214	8	222
BASA	36,780	723,372	760,152	38,557	758,378	796,935
BNB	6,001	87,527	93,528	2,427	93,497	95,924
Charges	21,895	-	21,895	21,140	-	21,140
	573,376	**10,362,711**	**10,936,087**	**446,645**	**9,389,603**	**9,836,248**
Debentures						
ENGIE – 5th issue	91,899	-	91,899	91,892	83,778	175,670
ENGIE – 6th issue	172,794	332,376	505,170	112,331	482,036	594,367
ENGIE – 7th issue	351,667	640,378	992,045	-	945,706	945,706
ENGIE – 9th issue	-	2,058,262	2,058,262	-	1,964,675	1,964,675
ENGIE – 10th issue	18,333	412,121	430,454	9,643	410,022	419,665
ENGIE – 11th issue	-	2,462,868	2,462,868	-	-	-
Jaguara – 1st issue	198,109	434,495	632,604	115,800	599,886	715,686
Miranda – 1st issue	115,451	300,061	415,512	64,201	394,484	458,685
Charges	95,245	1,965	97,210	86,239	-	86,239
	1,043,498	**6,642,526**	**7,686,024**	**480,106**	**4,880,587**	**5,360,693**
Redeemable preferred shares	**94,831**	**476,157**	**570,988**	**107,148**	**476,918**	**584,066**
	1,711,705	**17,481,394**	**19,193,099**	**1,033,899**	**14,747,108**	**15,781,007**
Local currency – with hedge						
Measured at fair value						
Loans and financing						
BNP Paribas	598,759	-	598,759	518,779	630,360	1,149,139
HSBC	-	451,650	451,650	-	473,922	473,922
Scotiabank	228,795	194,337	423,132	-	436,767	436,767
MUFG[2]	10,604	-	10,604	14,438	-	14,438
Charges	**838,158**	**645,987**	**1,484,145**	**533,217**	**1,541,049**	**2,074,266**
Debentures	-	-	-	52,721	-	52,721
Jaguara – 1st issue	-	-	-	32,610	-	32,610
Miranda – 1st issue	-	-	-	521	-	521
Charges	-	-	-	**85,852**	-	**85,852**
	838,158	**645,987**	**1,484,145**	**619,069**	**1,541,049**	**2,160,118**
Loans, financing and debentures and redeemable preferred shares	**2,549,863**	**18,127,381**	**20,677,244**	**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					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Loans, financing and debentures and redeemable preferred shares	**2,549,863**	**18,127,381**	**20,677,244**	**1,652,968**	**16,288,157**	**17,941,125**
Fair value hedge (swap) effects						
Long position	-	(12,921)	(12,921)	-	-	-
Short position[1]	110,456	130,027	240,483	94,625	114,725	209,350
Loans, financing and debentures and redeemable preferred shares, net of hedge effects	**2,660,319**	**18,244,487**	**20,904,806**	**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) Breakdown

	Parent Company			Consolidated			
	Loans and financing	Debentures	Total	Loans and financing	Debentures	RPS	Total
Balances at 12.31.2021	**4,874,037**	**4,135,360**	**9,009,397**	**13,597,101**	**6,537,616**	**510,160**	**20,644,877**
Additions	-	-	-	788,790	-	-	**788,790**
Additions due to acquisition of subsidiaries[1]	-	-	-	793,725	-	-	**793,725**
Interest	106,830	221,963	**328,793**	584,834	402,740	73,906	**1,061,480**
Inflation adjustments	1,221	238,170	**239,391**	402,368	366,059	-	**768,427**
Capitalized interest and inflation adjustments	-	-	-	103,834	-	-	**103,834**
Exchange variations	(313,555)	-	**(313,555)**	(313,555)	-	-	**(313,555)**
Fair value adjustment	(110,007)	-	**(110,007)**	(110,007)	(1,464)	-	**(111,471)**
Transfer to liabilities related to NCAHS [2]	-	-	-	(761,411)	(1,027,118)	-	**(1,788,529)**
Payment of principal	(2,364,359)	(200,724)	**(2,565,083)**	(2,680,127)	(449,997)	-	**(3,130,124)**
Repayment of interest	(119,679)	(211,712)	**(331,391)**	(495,038)	(381,291)	-	**(876,329)**
Balances at 12.31.2022	**2,074,488**	**4,183,057**	**6,257,545**	**11,910,514**	**5,446,545**	**584,066**	**17,941,125**
Additions	687,211	2,447,306	**3,134,517**	1,003,230	2,447,306	-	**3,450,536**
Interest	66,442	226,608	**293,050**	379,629	342,712	87,684	**810,025**
Inflation adjustments	8,608	191,652	**200,260**	363,322	281,347	-	**644,669**
Capitalized interest and inflation adjustments	-	-	-	256,971	-	-	**256,971**
Exchange variations	(152,580)	-	**(152,580)**	(152,580)	-	-	**(152,580)**
Fair value adjustment	56,678	12,349	**69,027**	56,678	12,029	-	**68,707**
Sale of subsidiary[1]	-	-	-	9,075	(20,306)	-	**(11,231)**
Payment of principal	(491,184)	(218,071)	**(709,255)**	(941,183)	(500,139)	(2,500)	**(1,443,822)**
Repayment of interest	(43,302)	(207,372)	**(250,674)**	(465,424)	(323,470)	(98,262)	**(887,156)**
Balances at 12.31.2023	**2,206,361**	**6,635,529**	**8,841,890**	**12,420,232**	**7,686,024**	**570,988**	**20,677,244**

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

b.1) Main transactions in 2023

b.1.1) Financing in domestic currency

b.1.1.1) New financing

In December 2023, the Company, through its indirect subsidiary Gavião Real, contracted financing from BASA in the total amount of R$ 57,980. The total amount should be released in February 2024. The funds will be used to finance the construction of transmission line and substation of Gavião Real Project. The main conditions contracted were:

		Payment conditions		
Company	**Interest**	**Maturity**	**Principal and interest**	**Covenants**
Gavião Real	IPCA + 5.7783% (without Fulfilment Bonus) IPCA + 4.9116% (with Fulfilment Bonus)	11.2047	Principal: Monthly, starting 05.2027 Interest: Monthly, as from the release	ICSD[1] ≥ 1.3

(1) Debt service coverage rate: Activity cash generation/ Debt service.

b.1.1.2) Release of financing

In April 2023, a sum of R$ 322,518 (R$ 316,019, net of funding costs) was released to the indirect subsidiaries making up the Santo Agostinho Wind Power Complex, related to the financing from BNDES contracted in 2021. The funds were used to finance 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.

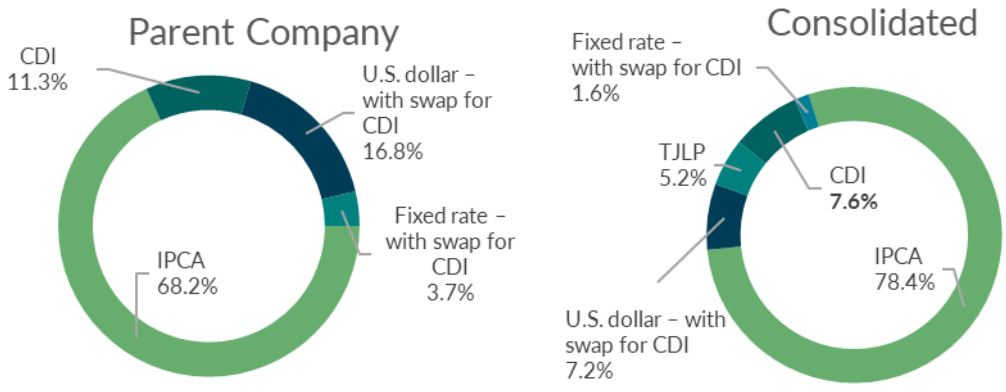
b.1.2) Debentures in domestic currency

b.1.2.1) 11th issue of Company's debentures

On 12.07.2023, the parent company settled its 11th issue of unsecured, non-convertible debentures, in 5 series, pursuant to CVM Resolution 160/2022, in the total amount of R$ 2,500,000 (R$ 2,447,306, net of issue costs). To protect all future cash flows of the series 3, on 12.08.2023, the parent company contracted a swap operation with XP Investimentos.

c) Breakdown of debts by index and currency

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Loans and financing				
Domestic currency				
TJLP	-	-	1,079,364	1,160,515
IPCA	722,207	-	9,856,714	8,675,511
Not indexed (fixed rate)	9	222	9	222
Foreign currency – with hedge				
U.S. dollar – with swap for CDI	1,484,145	2,074,266	1,484,145	2,074,266
	2,206,361	**2,074,488**	**12,420,232**	**11,910,514**
Debentures				
IPCA	5,307,544	4,183,057	6,358,039	5,360,693
CDI	1,001,910	-	1,001,910	-
CDI – with swap for IPCA	-	-	-	85,852
Fixed rate – with swap for CDI	326,075	-	326,075	-
	6,635,529	**4,183,057**	**7,686,024**	**5,446,545**
Redeemable preferred shares				
CDI	-	-	570,988	584,066
	8,841,890	**6,257,545**	**20,677,244**	**17,941,125**



d) Interest rates and foreign currency variation

	2023	2022
TJLP	6.6%	7.2%
CDI	11.7%	13.7%
IPCA	4.6%	5.8%
U.S. dollar	-7.2%	-6.5%

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

	Parent Company				
	Loans and financing	Debentures	Debt instruments	Hedge effects	Debt instruments, net of hedge
2025	188,799	1,115,259	1,304,058	57,624	1,361,682
2026	491,486	876,250	1,367,736	72,403	1,440,139
2027	34,300	858,146	892,446	-	892,446
2028	34,300	1,131,158	1,165,458	(12,921)	1,152,537
2029	34,300	338,736	373,036	-	373,036
2030 to 2034	171,500	1,167,817	1,339,317	-	1,339,317
2035 to 2039	171,500	157,324	328,824	-	328,824
2040 to 2044	171,500	157,827	329,327	-	329,327
2045 to 2046	68,600	105,453	174,053	-	174,053
Total	**1,366,285**	**5,907,970**	**7,274,255**	**117,106**	**7,391,361**

	Consolidated					
	Loans and financing	Debentures	RPS	Debt instruments	Hedge effects	Debt instruments, net of hedge
2025	743,183	1,394,968	2,735	2,140,886	57,624	2,198,510
2026	1,048,823	1,173,425	12,685	2,234,933	72,403	2,307,336
2027	594,713	1,015,818	12,685	1,623,216	-	1,623,216
2028	597,923	1,131,158	30,098	1,759,179	(12,921)	1,746,258
2029	601,271	338,736	42,535	982,542	-	982,542
2030 to 2034	3,050,168	1,167,817	375,419	4,593,404	-	4,593,404
2035 to 2039	2,645,056	157,324	-	2,802,380	-	2,802,380
2040 to 2044	1,615,546	157,827	-	1,773,373	-	1,773,373
2045 to 2046	112,015	105,453	-	217,468	-	217,468
Total	**11,008,698**	**6,642,526**	**476,157**	**18,127,381**	**117,106**	**18,244,487**

f) Main contracted loan conditions

	Amount[1]	Interest	Payment Conditions		Maturity	Balances at 12.31.2023
			Charges	Principal		
Parent Company						
Loans and financing						
Local currency						
BNDES onlendings (Banks) [2]		3.500% p.a.	Monthly	Monthly	01.2024	9
BNDES – Assuruá	-	IPCA + 6.70 p.a.	Monthly	Monthly	12.2046	722,207
Foreign currency (USD)						
BNP Paribas III	-	2.5400% p.a. with swap to CDI + 1.70% p.a.	Semiannually	03,2024	03.2024	602,731
MUFG V	-	1.8914% p.a. until 10.2021 and 2.0057% p.a. until 10.2025, both with swap for CDI + 1.32% p.a.	Semiannually	50% in 10.2024 and 50% in 10.2025	10.2025	425,349
Scotiabank IV	-	2.002% p.a. with swap for CDI + 1.35% p.a.	Semiannually	07.2026	07.2026	456,065
Debentures						
Local currency						
5th issue – Single series	165,000	IPCA + 6.300% p.a.	Annually starting 12.2015	3 annual installments starting 12.2022	12.2024	92,100
6th issue – Series 2	353,400	IPCA + 6.2515% p.a.	Annually starting 07.2017	3 annual installments starting 07.2024	07.2026	519,280
7th issue - Series 1	515,353	IPCA + 5.6579% p.a.	Annually starting 07.2019	2 annual installments starting 07.2024	07.2025	703,076
7th issue - Series 2	231,257	IPCA + 5.9033% p.a.	Annually starting 07.2019	3 annual installments starting 07.2026	07.2028	314,455
9th issue – Series 1	576,095	IPCA + 3.7000% p.a.	Annually starting 07.2021	2 annual installments starting 07.2025	07.2026	754,022
9th issue – Series 2	539,678	IPCA + 3.9000% p.a.	Annually starting 07.2021	3 annual installments starting 07.2027	07.2029	705,612
9th issue – Series 3	378,827	IPCA + 3.6000% p.a.	Semiannually starting 07.2021	2 annual installments starting 07.2025	07.2026	495,610
9th issue – Series 4	105,400	IPCA + 3.7000% p.a.	Semiannually starting 07.2021	3 annual installments starting 07.2027	07.2029	137,686
10th issue – Single series	400,000	IPCA + 5.7158% p.a.	Annually starting 09.2022	Annually starting 09.2023	09.2046	437,462

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Continued

	Amount[1]	Interest	Payment Conditions		Maturity	Balances at 12.31.2023
			Charges	Principal		
Debentures						
Domestic currency						
11th Issue – Series 1	1,085,600	IPCA + 5.9325 % p.a.	Annually starting 11.2024	3 annual installments starting 11.2031	11.2033	1,056,164
11th Issue – Series 2	96,278	IPCA + 6.0691 % p.a.	Annually starting 11.2024	3 annual installments starting 11.2036	11.2038	92,077
11th Issue – Series 3	318,122	10.90% p.a. com swap for CDI + 0.378%	11.2028	11.2028	11.2028	326,075
11th Issue – Series 4	900,000	CDI + 1.0000% p.a.	Semiannually starting 05.2024	2 annual installments starting 11.2027	11.2028	901,766
11th Issue – Series 5	100,000	CDI + 1.1000% p.a.	Semiannually starting 05.2024	2 annual installments starting 11.2029	11.2030	100,144
Subsidiaries						
Loans and financing						
Ferrari						
BNDES Expansion	-	TJLP + 1.7600% p.a. [3]	Monthly starting 02.2017	Monthly starting 02.2017	07.2032	41,139
Assú V						
BNB	-	IPCA + 1.7624% p.a.	Quarterly starting 01.2019; Monthly starting 08,2023	Monthly starting 08.2023	07.2038	84,731
BNB Investment	-	12-month average IPCA + 4.4108% p.a.	Quarterly starting 08.2022; Monthly starting 09.2024	Monthly starting 09.2024	08.2039	9,069
Campo Largo Wind Power Complex						
BNDES	-	TJLP + 2.5200% p.a. [3]	Monthly starting 07.2019	Monthly starting 07.2019	06.2035	366,795
BNDES	-	TJLP + 1.8200% p.a. [3]	Monthly starting 07.2019	Monthly starting 07.2019	06.2035	427,186
Umburanas - Phase I Wind Power Complex						
BNDES	-	IPCA + 3.9074% p.a.	Monthly starting 12.2019	Monthly starting 12.2019	12.2038	1,252,753
Gralha Azul						
BNDES	-	IPCA + 3.8259% p.a.	Monthly starting 10.2023	Monthly starting 10.2023	03.2044	1,940,463

To be continued on the next page

Continued

	Amount[1]	Interest	Payment Conditions		Maturity	Balances at 12.31.2023
			Charges	Principal		
Campo Largo II Wind Power Complex						
BNDES	-	IPCA + 4.2338% p.a.	Monthly starting 09.2021	Monthly starting 09.2021	12.2039	1,366,112
Novo Estado						
BNDES	-	IPCA + 4.6733% p.a.	Monthly starting 11.2022	Monthly starting11.2022	05.2044	2,172,604
BASA	-	IPCA + 1.4452% p.a.	Monthly starting11.2022	Monthly starting11.2022	08.2044	761,534
Santo Agostinho						
BNDES	-	IPCA + 6.1558% p.a.	Monthly starting01.2024	Monthly starting01.2024	11.2045	1,041,015
Floresta						
BNDES	-	TJLP + 2.1500% p.a.	Monthly starting06.2019	Monthly starting 06.2019	10.2036	244,244
Paracatu						
BNDES	-	IPCA + 4.9778% p.a.	Monthly starting 11.2018	Monthly starting 11.2018	10.2038	506,226
Subsidiaries						
Debentures						
Jaguara						
1st Issue - Series 2	634,000	IPCA + 6.4962% p.a.	Semiannually starting 12.2018	Semiannually starting 06.2020	06.2027	634,040
Miranda						
1st Issue - Series 2	386,000	IPCA + 6.4962% p.a.	Semiannually starting 12.2018	Semiannually starting 06.2020	06.2027	416,455
Reedemable Preferred Shares						
Novo Estado						
RPS Itaú	-	CDI + 1.05% p.a.	Semiannually starting 10.2023	Semiannually starting 10.2023	10.2034	570,988

(1) Applicable only to debentures.
(2) Banco Itaú BBA.
(2) The amount corresponding to the TJLP installment that exceeds 6% p.a. is incorporated into the principal.

In 2023 and 2022, the Company did not contract forfaiting operations from financial institutions.

For more information on hedge instruments, see Note 13 – Management of risks and financial instruments.

g) Guarantees

Guarantees are described below, except for foreign currency loans and redeemable preferred shares that do not have any.

g.1) BNDES, BNDES Onlendings (Banks) and BASA

- **Financing of wind projects:** (a) assignment of rights arising from authorization; (b) assignment of credit rights; (c) pledge of total shares representing subsidiaries' capital; (d) pledge of machinery and equipment related to the projects; (e) reserve account in an amount equivalent to three months of debt service; (f) reserve account in an amount equivalent to three months of operating and maintenance contract expenses; and (g) corporate surety of ENGIE Brasil Energia or ECP.

- **Financing of photovoltaic projects:** (a) assignment of rights resulting from authorization; (b) assignment of credit rights; (c) pledge of all the shares representing the subsidiaries' capital stock; (d) pledge of assets and equipment related to the projects; (e) reserve account in amount equivalent to three months of debt service; and (f) reserve account in amount corresponding to three months of contractual expenses of operation and maintenance.

- **Financing of transmission project:** (a) assignment of rights resulting from concession; (b) assignment of credit rights; (c) pledge of total shares representing subsidiaries' capital; (d) reserve account in an amount equivalent to three months (BNDES) and 6 months (BASA) of debt service; and (e) corporate surety of ENGIE Brasil Energia or bank surety.

g.2) Banco do Nordeste do Brasil (BNB)

- **Financing of photovoltaic project:** (a) corporate surety of ECP or bank surety; and (b) reserve account with minimum amount equivalent to 4.09% of the total outstanding balance of the loan.

g.3) Debentures

- **Debentures of the subsidiaries Jaguara and Miranda**: (a) assignment of rights resulting from authorization; (b) assignment of credit rights; (c) pledge of all the shares; (d) corporate surety.

h) Contract commitments (covenants)

Debt	Covenants	Measurement on 12.31.2023
Consolidated		
Loans and financing		
Scotiabank, MUFG and BNP Paribas	(i) EBITDA/financial expenses ≥ 2.0 (ii) Gross debt /EBITDA ≤ 4.5	(i) 4.07[1] (ii) 2.84[1]
BNDES Ferrari Expansion (Obligation of the Intervening Party)	Gross debt /EBITDA ≤ 3.5	2.08
Debentures		
5th, 6th, 7th and 9th Issues	(i) EBITDA/ financial expenses ≥ 2.0 (ii) Gross debt /EBITDA ≤ 4.5	(i) 4.07[1] (ii) 2.84[1]
Subsidiaries		
Loans and financing		
BNDES, BNB e BASA	Debt service coverage ratio (ICSD[1]) ≥ 1.1 or ≥ 1.25 or ≥ 1.3 depending on the subsidiary	No covenant caused nonperformance in the respective agreements.
Debentures		
Jaguara – 1st Issue	Individual: ICSD[2] ≥ 1.10	1.79
Miranda – 1st Issue	Individual: ICSD[2] ≥ 1.10	2.15

(1) Trustees have different calculation methodologies, hence there are two different measurements for ICSD.
(2) Debt service coverage rate: Activity cash generation/ Debt service

The financial covenants established in the loan, financing and debenture agreements are being fulfilled by the Company and its subsidiaries, except the subsidiaries of the Paracatu Photovolyyaic Complex, which have not reached the minimum limits of the debt service coverage ratio established in their financing agreements signed with BNDES, in the fiscal year ended 12.31.2023, due to the climate event that caused damages to the asset. Further details are available in Note 27 – Insurance, item d. However, during 2023, BNDES formally informed that the above non-fulfillment would not lead to early maturity of the debts.

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)

Accounting practice

Correspond to the contractual financial obligations of payments for the grants for consideration of concessions of hydroelectric power plants. These were initially recorded at the present value of concession installments payable over the term of the concession, and subsequently at the amortized cost based on the interest rate used for calculating the present value.

In order to accurately reflect in shareholders' equity the granted concession and the related obligation, amounts corresponding to concessions were recorded in property, plant and equipment with a corresponding entry in liabilities.

a) Breakdown

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Cana Brava Hydroelectric Power Plant	3,217,854	2,915,891	3,217,854	2,915,891
Ponte de Pedra Hydroelectric Power Plant	1,507,553	1,652,540	1,507,553	1,652,540
São Salvador Hydroelectric Power Plant	631,183	625,016	631,181	625,016
Estreito Hydroelectric Power Plant	-	-	63,314	62,505
	5,356,590	**5,193,447**	**5,419,902**	**5,255,952**
Classification in the balance sheet				
Current liabilities	754,774	399,390	762,588	406,871
Non-current liabilities	4,601,816	4,794,057	4,657,314	4,849,081
	5,356,590	**5,193,447**	**5,419,902**	**5,255,952**

The Company has onerous concession agreements with the Federal Government to Use the Public Asset (UBP) to generate electricity in the power plants listed in the table above.

The liability assumed refers to the operating period of the concession, according to the payment flow of each agreement, and these amounts are the UBP totals assumed until the end of each agreement. The features of the businesses and the agreements show the condition and the intention of the parties to execute them in full.

Considering that contractual amounts are stated at future prices, the Company adjusted them to present value based on reference discount rates on the date the obligation assumed, namely: Cana Brava, São Salvador and Estreito – 10% p.a. and Ponte de Pedra – 8.3% p.a.

b) Original contracted amounts

Original amount, adjusted at annual IGP-M (Ponte de Pedra) and IPCA (Cana Brava, Estreito and São Salvador) variation are paid in monthly installments equivalent to 1/12 of respective annual amount, as follows:

	Original value		Restated amount	
Plants and payment years	**Annual Payment**	**Total payment**	**Annual Payment**	**Total payment**
Cana Brava Hydroelectric Power Plant				
Until 09.30.2033	61,280	**597,480**	505,123	**4,964,107**
Ponte de Pedra Hydroelectric Power Plant				
Until 11.30.2034	31,109	**339,611**	204,669	**2,264,965**
São Salvador Hydroelectric Power Plant				
Until 04.30.2037	20,000	**268,333**	83,040	**1,123,815**
Estreito Hydroelectric Power Plant				
Until 04.27.2040	1,967	27,694	8,224	115,505

c) Changes in concessions payable

	Parent Company	Consolidated
Balances at 12.31.2021	**4,758,093**	**4,818,791**
Present value adjustment	457,138	463,113
Inflation adjustments	260,113	263,605
Amortizations	(281,897)	(289,557)
Balances at 12.31.2022	**5,193,447**	**5,255,952**
Present value adjustment	485,066	489,658
Inflation adjustments	104,865	109,239
Amortizations	(426,788)	(434,947)
Balances at 12.31.2023	**5,356,590**	**5,419,902**

d) Maturities of concessions payable disclosed in non-current liabilities

	Parent Company	Consolidated
2025	696,315	703,397
2026	635,667	642,105
2027	580,331	586,184
2028	529,718	535,037
2029	483,685	503,850
2030 to 2034	1,612,981	1,623,622
2035 to 2038	63,119	63,119
Concessions payable	**4,601,816**	**4,657,314**

The payments of concessions payable indexed to IGP-M and IPCA are covered by sale agreements with the same indexes, at amounts higher than the balance of concessions payable.

NOTE 16. BENEFITS TO EMPLOYEES

a) Labor liabilities

Accounting practice:

These correspond to short-term benefits for employees, such as: (i) salaries and social security contributions; (ii) paid annual leave and paid sick leave; (iii) profit-sharing and bonuses; and (iv) non-monetary benefits. These are recorded when services are provided to the Company and correspond to the amount not deducted from short-term employee benefits, which are expected to be paid in exchange for these services.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Provision for profit sharing and bonuses	75,483	87,576	75,508	87,599
Vacation payable	34,761	31,867	36,734	34,600
Provision for voluntary termination expenses	15,822	21,248	15,822	21,248
Payroll	7,701	9,517	8,323	10,362
	133,767	**150,208**	**136,387**	**153,809**

To supplement fixed salary payment, the Company maintains a variable remuneration system, of annual periodicity, comprised of two programs: (i) Profit Sharing Program – applicable to all employees of the Company and linked to results obtained; and (ii) Manager Bonus Program – applicable to all employees classified as managers and linked to the results in their areas and individual performance.

In 2021, the Company offered its employees a Voluntary Termination Plan (PDV), limited to 99 slots. The PDV was open to all employees except those with fixed-term contracts. The targeted and priority employees were retired or employees retiring in the coming years, by 12.15.2024. The termination date was agreed upon between the employee and their manager according to the needs of the functions. The plan was fully recognized in 2021, in the estimated amount of R$34,557, based on the number of vacancies and the compensation of employees eligible to join the plan. Employees who joined the PDV will be entitled to a financial benefit paid as compensation. The terms and conditions of the 2021 PDV remain in force in 2023 and will continue so until the end of the current plan in December 2024.

b) Retirement benefit obligations

Accounting practice:

Actuarial commitments to defined retirement benefit plans are recognized at the present value of the estimated liabilities, net of the amount of assets guaranteeing the plan.

The present value of the commitments is calculated based on an actuarial appraisal elaborated annually by independent actuarial, based on the Projected Unit Credit Method. The method considers each period of employment as a generator of an additional benefit unit, and the units are accumulated to build up the final obligation. Net assets are substantially composed of investments comprising the benefits plan portfolio, which are valued at their fair value.

Changes in the net defined benefit are recognized when incurred as follows: (i) cost of service and net interest, in profit or loss for the year; and (ii) annual remeasurements of retirement benefit obligations, net of the assets of the plans, under “Other comprehensive income”. The Company also maintains defined contribution plans, whose contributions are recognized in profit or loss when incurred.

The Company and its subsidiaries offer complementary pension plans for its employees through PREVIG - Sociedade de Previdência Complementar. The foundation is a nonprofit closed pension entity, sponsored by the Company, as its Founder, and by other ENGIE companies in Brazil. The benefit plans managed by PREVIG are CD and BD, the latter closed for new adhesions.

As a result of the Company's decarbonization strategy, on 09.15.2022, the SPA was signed, which regulates the sale of all the assets and rights of the Pampa Sul Thermoelectric Plant. With the sale, employees and obligations connected to the assets were transferred.

The Company sponsors the BD plan of ELOS, also closed for new adhesions. The participants in this plan are mainly retirees that were entitled to benefits until 12.23.1997, the date of spin-off of Eletrosul, and creation of Gerasul, current ENGIE Brasil Energia, as well as participants that opted for the proportional benefit deferred until that date, who did not migrate to PREVIG.

On 01.19.2024, PREVIC authorized the transfer of management of the BD plan from ELOS to PREVIG and approved the changes proposed to ELOS-ENGIE BD Plan, and the adhesion agreement between ENGIE and PREVIG. This transfer was an initiative of ENGIE, so that it can manage benefit plans in one sole foundation. As from this date, the transfer should be completed within 120 days, as required by law. After the effective transfer, all management activities related to BD plan will be conducted by PREVIG.

The plans managed by the Company have the following main characteristics:

b.1) Defined Benefit Plan (BD)

BD plan uses the financial system for capitalization of retirements, pension plans and aid benefits. The Plan's costs are covered by contributions made by members and sponsor, and the Company's contribution is twice the contribution of its participants. Benefits provided for in the Plan are as follows: (i) retirement per length of work, disability and age supplement; (ii) special retirement and former combatant retirement supplement; (iii) pension supplement; (iv) inmate pension supplement; (v) annual bonus; and (vi) funeral allowance.

b.2) Settled Proportional Supplementary Benefit Plan (BSPS)

The Company and its subsidiaries also maintain a defined contribution plan (CD) at PREVIG, denominated "Prevflex", created in 2005. ENGIE Brasil Energia employees, on the date of creation, could choose to remain in the defined benefit (BD) plan or to transfer to Prevflex (CD).

However, members that comply with some pre-conditions established upon Prevflex creation had the option of maintaining existing reserves in the BD Plan up to that date and, from then on, making direct contributions to the CD Plan. This plan was called "BSPS", and is closed for new membership. However, in case they chose to transfer their reserves directly to the CD Plan, they were entitled to a special contribution, which was accepted by 94% of members.

b.3) Number of participants

	Consolidated					
	ELOS BD		PREVIG BD		PREVIG BSPS	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Active employees	1	1	2	3	2	4
Retired employees	1,262	1,288	338	346	71	72
Pension holders	721	693	88	83	10	9
	1,984	**1,982**	**428**	**432**	**83**	**85**

b.4) Breakdown of obligations with retirement benefits

	Consolidated					
	12.31.2023			12.31.2022		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	29,067	249,372	278,439	28,883	197,641	226,524
Current contributions and service costs	46	-	46	46	-	46
Uncontracted deficit	5,014	116,704	121,718	25,086	21,318	46,404
Recorded actuarial liability	**34,127**	**366,076**	**400,203**	**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:

	Consolidated
	ELOS
2025	29,938
2026	31,657
2027	33,475
2028	35,397
2029	34,810
2030 to 2034	77,954
2035 to 2038	6,141
	249,372

b.5) Statement of retirement benefit obligations, net

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC	Total
12.31.2022					
Present value of obligations	1,254,395	363,909	68,137	2,385	1,688,826
Fair value of assets	(986,067)	(367,043)	(86,192)	-	(1,439,302)
Actuarial Evaluation	**268,328**	**(3,134)**	**(18,055)**	**2,385**	249,524
Surplus of contracted obligations	-	5,395	18,055	-	23,450
Liabilities recorded at 12.31.2022	**268,328**	**2,261**	**-**	**2,385**	**272,974**
12.31.2023					
Present value of obligations	1,347,748	390,433	68,931	2,636	1,809,748
Fair value of assets	(973,485)	(367,205)	(87,038)	-	(1,427,728)
Actuarial Evaluation	**374,263**	**23,228**	**(18,107)**	**2,636**	382,020
Surplus of contracted obligations	-	-	18,183	-	18,183
Liabilities recorded at 12.31.2023	**374,263**	**23,228**	**76**	**2,636**	**400,203**

b.6) Breakdown of plan assets per investment nature, as of 12.31.2023

	Plans		
	ELOS BD	PREVIG BD	PREVIG BSPS
Fixed income	89.8%	98.8%	99.9%
Loans	1.9%	1.2%	-
Real estate	2.8%	-	-
Other	5.5%	-	0.1%
	100.0%	**100.0%**	**100.0%**
Change in assets' market value	10.3%	10.2%	11.0%

Fixed income assets are mainly comprised of Federal Public Securities, substantially, National Treasury Notes (NTN).

b.7) Changes in retirement benefit liabilities

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS	GC	Total
Liabilities recorded at 12.31.2021	**434,359**	**26,586**	**130**	**2,936**	**464,011**
Current contribution and cost of service	228	(851)	850	(686)	(459)
Payment of contracted obligations	(37,283)	(1,992)	(986)	-	(40,261)
Interest on actuarial liabilities/assets, net	42,950	2,520	(6)	272	45,736
Losses (Gains) from remeasuring liabilities, net:					
Adjustment by demographic experience	51,229	10,143	2,021	24	63,417
Changes in financial assumptions	(83,348)	(26,598)	(5,198)	(147)	(115,291)
Return on asset higher than the rate of discount	(104,839)	(12,942)	(765)	-	(118,546)
Changes to the limits of surplus and deficit	-	5,395	3,954	-	9,349
Risk Sharing – Balancing of deficit plan	(34,968)	-	-	-	(34,968)
	(171,926)	**(24,002)**	**12**	**(123)**	**(196,039)**
Transfer to liabilities related to non-current assets held for sale [1]	-	-	-	(14)	(14)
Liabilities recorded at 12.31.2022	**268,328**	**2,261**	**-**	**2,385**	**272,974**
Current contribution and cost of service	245	-	-	(824)	(579)
Payment of contracted obligations	(46,460)	(2,080)	-	-	(48,540)
Interest on actuarial liabilities/assets, net	30,682	90	-	250	31,022
Losses (Gains) from remeasuring liabilities, net:					
Adjustment by demographic experience	17,620	(1,922)	(2,510)	646	13,834
Changes in financial assumptions	76,255	23,366	2,204	179	102,004
Return on asset lower than the rate of discount	30,262	7,519	2,092	-	39,873
Changes to the limits of surplus and deficit	(2,669)	(6,006)	(1,710)	-	(10,385)
	121,468	**22,957**	**76**	**825**	**145,326**
Liabilities recorded at 12.31.2023	**374,263**	**23,228**	**76**	**2,636**	**400,203**

b.8) Net expenses to be recognized as profit or loss over the course of 2024

	Plans			
	ELOS BD	PREVIG BD	GC	Total
Interest on liabilities, net of assets	30,776	1,173	243	32,192
Current cost of service	-	-	155	155
Net expenses	**30,776**	**1,173**	**398**	**32,347**

b.9) Actuarial assumptions adopted

Assumptions	12.31.2023	12.31.2022
Rate of discount and of implicit return (p.a.)		
ELOS BD Plan	9.8%	11.3%
PREVIG BD Plan	9.8%	11.3%
PREVIG BSPS Plan	9.8%	11.3%
GC	9.8%	11.3%
Duration, in years		
ELOS BD Plan	7.75	8.27
PREVIG BD Plan	8.57	9.19
PREVIG BSPS Plan	9.13	9.80
GC	7.79	7.60
Inflation	3.9%	4.9%
Future salary growth (p.a.)	3.9%	4.9%
Benefit growth (p.a.)	3.9%	4.9%
Capacity factor on ELOS BD, PREVIG BSPS and PREVIG BD benefits	98.0%	98.0%
Capacity factor (on wages and ELOS BD, PREVIG BSPS and PREVIG BD benefits)	100.0%	100.0%
Capacity factor (wages and salaries) GC	100.0%	100.0%

Hypothesis	12.31.2023 and 12.31.2022
Mortality Table (assets)	
BD ELOS Plan	AT 2000 Basic (basic, segregated by gender)
BD and BSPS PREVIG Plan and GC	AT-2000 (men, at 10%)
Mortality Table of Disabled	AT-1983 (IAM) Men
Table of Start of Disability	Light Average
Turnover Table	Null
% of active employees married at the time of retirement	
BD and BSPS PREVIG Plan	85
Age of Retirement	First date to comply with all requirements
Age difference between participant and spouse	
BSPS PREVIG Plan	Wives are 4 years younger than husbands
BD PREVIG Plan	Wives are 5 years younger than husbands

The assumption of household composition ("Average Household") is adopted specifically for projections related to active participants, whereas projects related to participants assisted by the plan (retirees and pension holders) consider information in the record base ("Actual Household").

The assumption of household composition was not adopted for the ELOS BD Plan, since all commitments with participants were considered the information in the record base ("Actual Household").

b.10) Sensitivity analysis

	Plans			
	ELOS BD	PREVIG BD	PREVIG BSPS	GC
Effect in the present value of obligations				
Increase of 0.1 p.p. in the discount rate	(9,744)	(3,124)	(603)	(20)
Reduction of 0.1 p.p. in the discount rate	9,877	3,171	612	20

b.11) Confidentiality Bonus benefit

Refers to the payment of remuneration to manager-level employees upon the termination of their employment.

b.12) Defined Contribution Plan (CD)

In addition to the BD and BSPS Plan, PREVIG manages the CD Plan whose benefits are supported by contributions of participants and the sponsoring entity. The Company's contribution corresponds to the same amount of its employees' basic contribution, limited to a limit, in accordance with the plan's regulations. The net worth of the CD Plan on 12.31.2023 amounted to R$ 946,235 (R$ 846,078 at 12.31.2022). In 2023, the Company made contributions to the plan in the amount of R$ 14,038 (R$ 14,716 in 2022).

NOTE 17. PROVISIONS AND JUDICIAL DEPOSITS

Accounting practice:

Provisions are recognized by the Company as a result of a past event in amounts considered sufficient to settle the respective liabilities, when according to the legal counsels and Management, they involve probable risk of future disbursement.

Judicial deposits are initially booked at the amount deposited plus income earned up to the date of the financial statements, which are recognized under Financial Result.

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	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Civil				
Expropriations and administrative easement	51,576	48,643	67,039	62,710
Environmental	17,951	16,482	17,951	16,482
Retirement benefits	2,502	3,240	2,502	3,240
Sundry lawsuits	10,583	11,112	20,346	21,606
	82,612	**79,477**	**107,838**	**104,038**
Tax				
ICMS on electricity sale	108,549	106,097	108,549	106,097
Sundry lawsuits	10,761	4,781	11,465	4,892
	119,310	**110,878**	**120,014**	**110,989**
Labor	**22,801**	**20,836**	**22,910**	**21,804**
Divestment of generation assets	-	-	**257,796**	**299,069**
	224,723	**211,191**	**508,558**	**535,900**
Classification in the balance sheet				
Current liabilities	950	4,106	951	4,144
Non-current liabilities	223,773	207,085	507,607	531,756
	224,723	**211,191**	**508,558**	**535,900**

a.1.1) Expropriations and administrative easements

The Company is defendant in lawsuits filed by individuals and legal persons regarding expropriation processes of areas that are necessary for the formation of the reservoirs of some plants and establishment of administrative services of properties where connection and transmission lines and projects will be constructed.

a.1.2) ICMS tax on interstate sale of electricity

The client, while purchasing electricity from the Company in 2002 for use in its production process at its establishment located in Rio Grande do Sul, understood that ICMS should not be levied on the operation since item "b" of item X of paragraph 2 of article 155 of the Brazilian Constitution and articles 2, paragraph 1, item III, and 3, item III, of Complementary Law 87/1996 applied to the issue and expressed its intention to challenge said tax.

In November 2005, the client and the Company, as the substitute taxpayer, signed a liability and reimbursement agreement by which the client expressly ratified and declared that it was solely responsible for all and any payments, dues and liabilities, including surcharges, penalties or other charges related to the ICMS levied on the interstate purchase of energy by the Company, undertaking to reimburse the Company and indemnified of any amount borne by it.

After the client and the Company consulted the Treasury Department of the State of Rio Grande do Sul, the latter issued an assessment notice constituting the tax liability. After the appropriate appeals were filed at the administrative level, the assessment notice was upheld.

Consequently, in November 2007, a lawsuit was filed to claim the Company's exemption from ICMS on interstate energy transactions with the client. After another lawsuit was filed in October 2007 seeking a preliminary injunction in order to obtain a Certificate of Suspended Tax Liability from the Treasury Department, offering, for this purpose, goods as collateral in an amount sufficient to guarantee the tax liability, and also requesting the non-inclusion of the company in the state's tax defaulter (CADIN/RS) records.

As guarantee for the tax liability referred to in the lawsuit, properties located in the client's production unit in Rio Grande do Sul, including the buildings, improvements, machinery and equipment, were offered as collateral in the action for provisional measure, which were evaluated and accepted by the Court.

Subsequently, in 2012, the State of Rio Grande do Sul filed a tax collection action and the court allowed the conversion of the guarantee specified in the records of the aforementioned provisional measure into attachment. Thus, the tax collection action was suspended until the final judgment of the lawsuit.

After unfavorable decisions in previous courts, the Special Appeal filed at the Superior Court of Justice (STJ) was turned by a single judge. A Special Appeal against a Divergent Decision was filed (1,580,456/RS), which is pending at the court. However, in light of a recent decision by the STJ in 2022, reversal of the decision on the inadmissibility of the appeal became more difficult and hence the lawyers, the Company and the client considered it appropriate to reclassify the risk of the lawsuit to probable, already in 2023.

In light of the liability and reimbursement agreement mentioned above and since the client's properties have been pledged as collateral, the Company believes that in case of a final adverse court decision, the tax liability will be fully borne by the client. Hence, the provision and the right to reimbursement, recorded under "Right to reimbursement of ICMS on electricity sales" were recognized simultaneously and the net amount was presented in the result.

a.1.3) Demobilization of generation assets

Encompass the present value of estimated costs regarding the demobilization of wind and solar generation assets. Further information is available in Note 11 - Property, Plant and Equipment.

a.2)Change in provisions

	Parent Company			
	Civil	Tax	Labor	Total
Balance at 12.31.2021	**75,768**	**4,379**	**20,748**	**100,895**
Additions[1]	2,030	107,264	3,825	113,119
Restatements	9,180	626	2,019	11,825
Reversal due to payment[2]	(2,796)	-	(2,254)	(5,050)
Reversal due to revision	(4,705)	(1,391)	(3,502)	(9,598)
Balance at 12.31.2022	**79,477**	**110,878**	**20,836**	**211,191**
Additions[1]	14,865	6,605	5,356	26,826
Restatements[3]	5,609	3,420	2,142	11,171
Reversal due to payment[2]	(703)	(281)	(1,579)	(2,563)
Reversal due to revision	(16,636)	(1,312)	(3,954)	(21,902)
Balance at 12.31.2023	**82,612**	**119,310**	**22,801**	**224,723**

(1) Additions were recorded according to the nature of the expenses.
(2) The final expense was recorded directly in the result according to the nature of the expense.
(3) The amount of R$ 2,452 refers to ICMS lawsuit on sale of electricity in which the Company has right to reimbursement. Hence, the adjustment was recognized as a corresponding entry in "Right to ICMS reimbursement on sale of electricity" and presented as a net amount in profit or loss.

	Consolidated				
	Civil	Tax	Labor	Expropriation	Total
Balances at 12.31.2021	**108,876**	**4,478**	**21,744**	**257,729**	**392,827**
Additions[1]	7,917	107,271	3,825	25,881	144,894
Restatements	9,662	630	2,030	15,459	27,781
Reversal due to payment[2]	(2,879)	-	(2,294)	-	(5,173)
Reversal due to revision	(19,538)	(1,390)	(3,501)	-	(24,429)
Balances at 12.31.2022	**104,038**	**110,989**	**21,804**	**299,069**	**535,900**
Additions[1]	21,641	7,339	5,582	(52,745)	(18,183)
Restatements	6,634	3,426	2,178	11,472	23,710
Reversal due to payment[2]	(1,774)	(280)	(2,410)	-	(4,464)
Reversal due to revision	(22,701)	(1,460)	(4,244)	-	(28,405)
Balances at 12.31.2023	**107,838**	**120,014**	**22,910**	**257,796**	**508,558**

(1) Additions were recorded according to the nature of the expenses.
(2) The final expense was recorded directly in the result according to the nature of the expense.
(3) The amount of R$ 2,452 refers to ICMS lawsuit on sale of electricity in which the Company has right to reimbursement. Hence, the adjustment was recognized as a corresponding entry in "Right to ICMS reimbursement on sale of electricity" and presented as a net amount in profit or loss.

a.3) Possible and remote risks

The Company is a party to lawsuits that, in the opinion of the legal counsels and its Management, do not represent a probable risk of future disbursement, for which reason the amounts related to those lawsuits are not provisioned for.

a.3.1) Possible risks

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Tax and social security	**1,437,672**	**703,403**	**1,443,141**	**706,060**
PIS/Cofins on fuel reimbursement	695,830	576,650	695,830	576,650
Contingencies linked to subsidiary sold	544,421	-	544,421	-
Extemporaneous PIS/COFINS credits	83,999	-	83,999	-
Voluntary confession	10,513	45,444	10,513	45,444
Other	102,909	81,309	108,378	83,966
Civil	**40,597**	**7,234**	**93,436**	**28,142**
Labor	**6,344**	**11,339**	**6,469**	**20,329**
	1,484,613	**721,976**	**1,543,046**	**754,531**

a.3.1.1) Tax risks

The main tax-related risks evaluated by the Company and its legal counsel as having a possible risk are the following:

- PIS/Cofins on fuel reimbursements

On 12.14.2018, a Notice of Deficiency was issued against the Company for the non-payment of PIS and Cofins taxes should apply to the amounts transferred by Eletrobras as reimbursement of cost assumed by the Company due to the Purchase of fuels, owned by CCC/CDE used in energy generation operations at the Company's thermal power plants between January 2014 and December 2016, based on the principal argument that the funds received from Eletrobras are essentially revenue in order to subsidize costs. Said reimbursements are based on the government's incentive to purchasing fossil fuels used in thermal power plants.

In accordance with Federal Law no. 10,438/02, the federal government created a public fund called CDE to promote competitiveness among plants using coal as fuel, therefore limiting the scope of the erstwhile CCC public fund to isolated systems.

The CDE public fund mentioned in the notice of deficiency is formed as follows: (i) in its bills, the distribution company charges end consumers for the amounts related to electricity consumption, which are subject to PIS and Cofins taxes, and transfers these amounts to the agency responsible for the management of CDE; (ii) generation companies using fossil fuels acquire such fuels and store the physical inventories on behalf of the agency responsible for the management, the owner of these assets; and (iii) the agency responsible for the management reimburses generation companies for the amounts related to the fuel consumed.

Based on the CDE mechanism, on 1.15.2019 the Company filed a Voluntary Appeal to the notice of deficiency through its external advisors, arguing that: (i) the Company is not the owner of the fuels; (ii) the reimbursement does not have characteristics of subsidy for costs, since it is financed by energy end consumers, not the government; and (iii) the reimbursed amount does not increase the Company's revenue, and there is jurisprudence in superior courts determining that PIS and Cofins taxes should only be levied on inflows that effectively increase wealth. As such, the Company understands that the reimbursements addressed in the notice of deficiency are not subject to PIS and Cofins.

On 01.24.2020, the Company was informed of the unfavorable decision on the Appeal. Subsequently, the Company filed a Motion for Clarification against the adverse decision by CARF. On 11.21.2022, the Company filed a special appeal at CSRF, which was rejected on 12.29.2022. Consequently, the company filed on 01.09.2023, an appeal at the CSRF, however, this appeal was also denied, ending the possibilities through administrative means. On 12.19.2023, the Company filed corresponding lawsuit pending on Federal Court.

Lastly, the position of the Company and its lawyers is that the progress of the case at CARF, even if the outcome is unfavorable in the administrative sphere, does not alter the assessment of favorable success, i.e., the Company's opinion is that it has solid arguments to extinguish this improper surcharge of PIS and Cofins in courts, the amount adjusted for inflation on 12.31.2023 was R$ 629,092.

In 2024, the debit was registered as an overdue tax liability, with surcharge of 20% related to legal charges of the Office of the General Counsel for the National Treasury (PGFN).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. A autuação soma o montante, atualizado em 31,12,2023, de R$ 66,738.

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, updated on 12.31.2023, is R$ 286,374. 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, updated on 12.31.2023, is R$ 258,047.

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.

- Untimely PIS/COFINS credits

On 06.23.2023, the Federal Revenue Service of Brazil filed lawsuit against the company on disallowance of offset of PIS/Cofins credits calculated untimely. The Company filed an objection, which is currently pending in lower administrative sphere.

- Voluntary confession

The mechanism called "voluntary confession" allows the payment of overdue taxes without the application of a late payment penalty, provided it is made before any administrative procedure or inspection measure. Once the RFB accepts the payments after the deadline without the corresponding late payment penalty, the Company submits administrative, and when necessary, legal challenges.

a.3.2) Remote risks

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Tax and social security	277,681	334,699	336,175	404,973
Civil	148,105	137,790	150,299	138,273
Labor	48,492	67,158	66,429	90,175
	474,278	**539,647**	**552,903**	**633,421**

b) Judicial deposits

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Tax and social security	28,015	39,606	31,000	42,483
Civil	20,981	20,941	22,260	21,345
Labor	5,660	7,351	5,745	7,607
	54,656	**67,898**	**59,005**	**71,435**

Of the total amount of judicial deposits, R$24,476 (R$24,130 on 12.31.2022) and R$ 25,604 (R$ 24,130 on 12.31.2022) in the parent company and consolidated, respectively, are directly related to contingencies with probable risk, recognized as a provision in the Company's liabilities.

NOTE 18. TAXES AND OTHER REGULATORY LIABILITIES

a) Income tax and social contribution credit

On 12.31.2023, the Company's current assets amounted to R$ 186,570 and R$ 249,839 (R$ 131,251 and R$ 181,438 on 12.31.2022), respectively, in the parent company and consolidated, related to recoverable income tax and social contribution, which is expected to be recovered in 2024. Also, the Company's balance of PIS, Cofins and ICMS tax credits on 12.31.2023 was R$ 329 and R$ 82,509 (R$ 1,066 and R$ 72,183 on 12.31.2022), respectively, in the parent company and consolidated.

The Company has recorded R$ 19,209 and R$ 31,999 under non-current assets (R$ 19,209 and R$ 32,803 in 2022) in the parent company and consolidated, respectively, relating to amounts recognized for updating the Selic rate on the repetition of undue tax payment. On 09.24.2021, the Supreme Court (STF), while judging the merits of case no. 1,063,187, established the thesis of Subject No. 962 in the sense that levying IRPJ and CSLL on the amounts related to the Selic rate received due to the repetition of undue tax payment is unconstitutional. According to the unanimous decision on the merits and in terms of overall repercussion, the Selic is merely compensation for the delayed payment of debt and does not represent an increase in wealth, which is a taxable event for triggering the IRPJ and CSLL taxes.

b) Tax and regulatory liabilities

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Income tax and social contribution payable	23,397	29,030	171,180	143,288
Other tax and regulatory liabilities	76,532	59,513	148,736	120,970
	99,929	**88,543**	**319,916**	**264,258**

b.1) Income tax and social contribution payable

Accounting practice:

These are calculated individually by the entity according to the tax bases and rates in force on the date of presentation of the financial statements and are shown as net amounts in the balance sheet, when the taxes correspond to the same tax authorities and will be paid at the net amount.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Income tax	21,976	27,501	117,301	92,253
Social contribution	1,421	1,529	53,879	51,035
	23,397	**29,030**	**171,180**	**143,288**

b.2) Other tax and regulatory liabilities

Accounting practice:

These are booked at the known amounts plus, whenever applicable, the corresponding interest and inflation adjustment.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
PIS and Cofins	31,020	27,002	54,675	48,820
Royalties	37,978	26,271	46,643	34,238
ICMS	1,565	2,358	28,972	23,428
INSS	2,520	2,356	9,221	7,556
ISSQN	602	487	4,960	4,651
Inspection rate	1,390	1,249	2,684	2,379
Other	4,497	4,122	4,640	4,345
	79,572	**63,845**	**151,795**	**125,417**
(-) Federal and state rates to offset	(3,040)	(4,332)	(3,059)	(4,447)
	76,532	**59,513**	**148,736**	**120,970**

c) Deferred income tax and social contribution

Accounting practice:

Are calculated with the application of the effective rates forecasted for the years in which there is an expectation of realizing or demanding temporary differences - differences between the book value of liabilities and assets and their tax base – or offsetting tax losses, and social contribution tax loss carryforwards, when applicable. These deferred taxes are fully presented in the non-current group, on a net basis, regardless of the expectations of realization and enforceability of the amounts that give rise to them.

Deferred income tax and social contribution are recognized in accordance with the transaction that gave rise to the deferred tax, whether in profit or loss, in comprehensive income or directly in net equity.

Deferred income tax and social contribution assets and liabilities, are presented net, as follows:

c.1) Breakdown

	Parent Company				
	12.31.2023				12.31.2022
Description	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Hydrological risk renegotiation	2,039,265	509,816	183,534	693,350	736,300
Accelerated depreciation	970,091	242,523	87,308	329,831	322,804
Property, plant and equipment deemed cost (fair value)	397,700	99,425	35,793	135,218	156,396
ICMS tax on sale of electricity	108,549	27,137	9,769	36,906	36,073
Unrealized sale at MAE (currently CCEE)	100,308	25,077	9,028	34,105	34,105
Unrealized gains on hedge operations	61,072	15,268	5,496	20,764	35,451
Capitalized financial charges	52,534	13,134	4,728	17,862	18,652
Other	213,223	53,306	19,190	72,496	44,575
		985,686	**354,846**	**1,340,532**	**1,384,356**
Assets:					
Unrealized losses on hedge operations	203,356	50,839	18,302	69,141	51,139
Estimated losses with doubtful accounts	145,421	36,355	13,088	49,443	49,443
Retirement benefits obligations	121,744	30,436	10,957	41,393	15,654
Right to reimbursement of ICMS on electricity sales	108,549	27,137	9,769	36,906	36,073
Tax, civil and labor provisions	108,297	27,074	9,747	36,821	33,055
Fair value adjustment in business combinations	106,679	26,670	9,601	36,271	42,406
Provision for asset impairment	48,894	12,224	4,400	16,624	426,378
Other	110,949	27,737	9,985	37,722	36,065
		238,472	**85,849**	**324,321**	**690,213**
Net total		**747,214**	**268,997**	**1,016,211**	**694,143**

Description	Calculation basis	Consolidated 12.31.2023 IR	CSLL	Total	12.31.2022 Total
Liabilities:					
Revenue from construction of transmission infrastructure	7,636,043	1,909,011	687,244	2,596,255	2,301,763
Interest on concession financial asset	2,662,519	665,630	239,627	905,257	921,029
Hydrological risk renegotiation	2,300,350	575,088	207,032	782,120	788,454
Accelerated depreciation	1,362,943	340,736	122,665	463,401	448,090
Appropriation of financial charges	787,863	196,966	70,908	267,874	213,711
Intangible asset on the bonus paid for grant	512,561	128,140	46,130	174,270	146,011
Property, plant and equipment deemed cost (fair value)	397,700	99,425	35,793	135,218	156,396
Fair value of rights of project acquired	228,174	57,044	20,536	77,580	80,247
ICMS tax on sale of electricity	108,549	27,137	9,769	36,906	36,073
Unrealized sale at MAE (currently CCEE)	100,308	25,077	9,028	34,105	34,105
Unrealized gains on hedge operations	78,708	19,677	7,084	26,761	47,048
Other	236,044	59,011	21,244	80,255	52,320
		4,102,942	**1,477,060**	**5,580,002**	**5,225,247**
Assets:					
Construction costs of transmission infrastructure	6,221,182	1,555,296	559,906	2,115,202	2,197,601
RBO	1,861,581	465,395	167,542	632,937	512,067
Income Tax Loss and Negative Social Contribution Base	1,285,692	321,423	115,712	437,135	316,060
Unrealized losses on hedge operations	203,356	50,839	18,302	69,141	58,475
Estimated losses with doubtful accounts	150,203	37,551	13,518	51,069	51,069
Retirement benefits obligations	121,744	30,436	10,957	41,393	15,654
Fair value adjustment in business combinations	119,685	29,921	10,772	40,693	42,406
Right to reimbursement of ICMS on electricity sales	108,549	27,137	9,769	36,906	36,073
Tax, civil and labor provisions	106,679	26,670	9,601	36,271	36,946
Provision for asset impairment	48,894	12,224	4,400	16,624	426,378
Other	153,840	38,460	13,910	52,370	77,745
		2,595,352	**934,389**	**3,529,741**	**3,770,474**
Net amount		**1,507,590**	**542,671**	**2,050,261**	**1,454,773**
Classification in the balance sheet					
Liabilities		1,534,824	552,474	2,087,298	1,505,352
Assets[1]		(27,234)	(9,803)	(37,037)	(50,579)
Total		**1,507,590**	**542,671**	**2,050,261**	**1,454,773**

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

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

	Parent Company	Consolidated
Balance at 12.31.2021	**728,083**	**1,443,690**
Deferred taxes of acquired company	-	513
Taxes deferred in profit or loss	(92,762)	51,502
Taxes deferred in other comprehensive income	58,822	58,819
Transfer to liabilities related to NCAHS[1]	-	(99,751)
Balances at 12.31.2022	**694,143**	**1,454,773**
Taxes deferred in profit or loss	371,479	642,993
Taxes deferred in other comprehensive income	(49,411)	(49,411)
Sale of subsidiary[1]	-	1,906
Balance at 12.31.2023	**1,016,211**	**2,050,261**

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

c.3) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
2024	90,388	89,147	130,459	191,469
2025	25,249	74,494	139,460	235,125
2026	45,564	83,049	150,323	268,912
2027	78,232	75,946	181,377	253,895
2028	17,261	111,399	157,470	282,193
2029 to 2031	13,538	84,368	157,044	251,090
2032 to 2034	13,824	107,558	155,244	274,458
2035 to 2037	12,322	129,812	157,437	296,593
After 2038	27,943	584,759	2,300,927	3,526,267
	324,321	**1,340,532**	**3,529,741**	**5,580,002**

d) Reconciliation of taxes in profit or loss

	Parent Company					
	2023			2022		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**3,798,447**	**3,798,447**	**3,798,447**	**2,842,601**	**2,842,601**	**2,842,601**
Standard rate	25%	9%	34%	25%	9%	34%
Tax expenses at standard rates	**(949,612)**	**(341,860)**	**(1,291,472)**	**(710,650)**	**(255,834)**	**(966,484)**
Permanent differences						
Equity income	642,991	231,477	874,468	498,493	179,457	677,950
Interest on equity	36,250	13,050	49,300	50,000	18,000	68,000
Selic on repetition of undue tax payment	-	-	-	23,834	1,282	25,116
Tax incentives[1]	8,996	-	8,996	10,838	-	10,838
Other	(7,548)	(2,636)	(10,184)	4,423	635	5,058
	(268,923)	**(99,969)**	**(368,892)**	**(123,062)**	**(56,460)**	**(179,522)**
Breakdown of taxes in the income statement						
Current	4,417	(1,830)	2,587	(191,076)	(81,208)	(272,284)
Deferred	(273,340)	(98,139)	(371,479)	68,014	24,748	92,762
	(268,923)	**(99,969)**	**(368,892)**	**(123,062)**	**(56,460)**	**(179,522)**
Effective rate	**7.1%**	**2.6%**	**9.7%**	**4.3%**	**2.0%**	**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.

	Consolidated					
	2023			2022		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**4,397,300**	**4,397,300**	**4,397,300**	**3,285,294**	**3,285,294**	**3,285,294**
Standard rate	25%	9%	34%	25%	9%	34%
Tax expenses at standard rates	**(1,099,325)**	**(395,757)**	**(1,495,082)**	**(821,324)**	**(295,676)**	**(1,117,000)**
Permanent differences						
Equity income	248,279	89,381	337,660	181,784	65,442	247,226
Tax incentives[1]	89,479	-	89,479	88,593	7,135	95,728
Interest on equity	36,250	13,050	49,300	50,000	18,000	68,000
Variation between the calculation base of taxable and presumptive profit tax regimes	78,937	23,774	102,711	35,986	10,156	46,142
Selic on repetition of undue tax payment	3,710	1,327	5,037	24,038	1,356	25,394
Other	(39,589)	(17,756)	(57,345)	14,931	(1,147)	13,784
	(682,259)	**(285,981)**	**(968,240)**	**(425,992)**	**(194,734)**	**(620,726)**
Breakdown of taxes in the income statement						
Current	(209,148)	(116,099)	(325,247)	(387,932)	(181,292)	(569,224)
Deferred	(473,111)	(169,882)	(642,993)	(38,060)	(13,442)	(51,502)
	(682,259)	**(285,981)**	**(968,240)**	**(425,992)**	**(194,734)**	**(620,726)**
Effective rate	**15.5%**	**6.5%**	**22.0%**	**13.0%**	**5.9%**	**18.9%**

(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

Accounting practice:

Other liabilities are recorded at the known or calculable values with the addition, when applicable, of the corresponding interest and inflation adjustments incurred.

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Derivative financial instruments – hedge[1]	240,483	188,094	723,438	284,453
Reimbursement to distributors	-	-	278,977	199,604
Suppliers[2]	58,336	8,286	227,977	153,809
Liabilities linked to acquisition of assets	-	-	133,932	109,050
Dividendos e JCP não reclamados	31,287	27,667	31,468	27,667
Advances from clients	-	-	6,172	10,653
Other accounts payable	33,967	28,847	129,336	88,342
	364,073	**252,894**	**1,531,300**	**873,578**
Classification in balance sheet				
Current liabilities	171,343	125,516	1,005,382	442,049
Non-current liabilities	192,730	127,378	525,918	431,529
	364,073	**252,894**	**1,531,300**	**873,578**

(1) Further information is available in Note 13 – Risk management and financial instruments; item a.
(2) Further information is available in Note 12 – 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.

The main recognition criteria are shown below:

Company	Auction	Type	Recognition criteria	2023	2022
Trairí, Campo Largo and Umburanas – Phase I Wind Power Complexes	20th New Energy Auction / 22nd New Energy Auction	Availability	**Calculation:** (i) annual reimbursement: 10% flexibility due to variable wind conditions and general factors of energy market. Delivers below 90% of energy contracted are measured annually; and (ii) quadrennial reimbursement: flexibilization in the four-year scenario due to the seasonal nature of winds. As such, each calculation forgiven in the annual reimbursement is considered for the four-year period, as well as in the energy delivered above 100% in each year. **Valuation:** difference measured with the highest between the sale price fixed in the auction and the PLD of the reference period. **Payment:** is made in the year subsequent to measurement through a deduction in sales revenue.	218,368	175,582
Paracatu and Floresta Photovoltaic Power Complexes[1]/ Assú V	8th Reserve Energy Auction	Quantity	**Calculation:** Difference between energy contracted and energy generated. **Valuation:** the price is multiplied by 106% if it is up to 10% below the agreement. If the generation is below 90%, the multiplier is 115%. **Payment:** 12 equal installments directly in the contract accounting for the CCEE.	60,609	24,022
				278,977	**199,604**

1) Further information is available in Note 27 – Insurance, item d).

b) Obligations linked to the acquisition of assets

On 12.31.2023, the Company, through its subsidiaries, held R$ 109,091, R$ 2,884 and R$ 2,157 (R$ 14,632, R$ 126 and R$ 515 from inflation adjustment) related to the acquisition of development rights of Serra do Assuruá Wind Power Project, Santo Agostinho Wind Power Complex, and Assú Sol Photovoltaic Power Complex, respectively. Moreover, the Company paid R$ 10,191 and 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 years ended 12.31.2023 and 12.31.2022.

b) Subscribed and paid-in capital

At 12.31.2023 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 12.31.2023, is R$ 10.37 (R$ 10.37 for each share at 12.31.2022).

The Company's ownership structure at 12.31.2023 and 12.31.2022 was as follows:

	12.31.2023 / 12.31.2022	
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 12.31.2023, 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) Profit reserves

The item Profit reserves is broken down as follows:

	Parent Company / Consolidated	
	12.31.2023	12.31.2022
Legal reserve	980,530	980,530
Tax incentive reserve	282,471	273,736
Retained earnings reserve	2,687,407	1,127,417
	3,950,408	**2,381,683**

c.1) Legal reserve

Of net income for the year, 5% are allocated, before any other destination, to establish the legal reserve, which will not exceed 20% of the Company's capital. Said reserve is intended to ensure capital integrity and may only be used to offset losses or increase capital.

In 2021, the Company reached the limit of 20% of the capital stock and, hence, no amount was allocated to legal reserve in 2023 and 2022.

c.2) Tax incentive reserves

This reserve is established by allocating the portion of net income that is equivalent to tax benefit granted by Amazon Region Development Authority (Sudam) and by the Northeast Development Superintendence (Sudene). This benefit corresponds to a 75% reduction in income tax calculated on earnings from exploration of activities developed by the plants entitled to the benefit – Ponte de Pedra and São Salvador Plants, based on Article 626 of Decree no. 9,580/2018, as shown below:

	12.31.2023	12.31.2022
Exploration profit	**390,450**	**47,943**
Nominal income tax (15%)	58,568	7,191
Additional of income tax	496	4,746
Income tax calculated	**59,064**	**11,937**
Tax incentive (%)	75%	75%
Tax incentive calculated	**44,298**	**8,953**
Tax incentive used[1]	**8,735**	**8,953**

(1) The use of tax incentive is limited to IRPJ due in the fiscal year.

c.3) Retained earnings reserve

This reserve was established based on capital budget and was intended to finance the implementation of new plants, maintenance of production plants and possible acquisition of interest in other companies. On 12.31.2023, the Company Management is proposing to allocate R$ 1,559,990 of profit for 2023 to the retained earnings reserve, and on 12.31.2022, the Management decided against allocating any amount to the retained earnings reserve, and the balance remaining after the constitution of legal and tax incentive reserves was used to propose dividend payments and realize the deemed costs.

d) Asset valuation adjustments

d.1) Deemed cost

As provided for in accounting practices, the Company recognized the adjustment to fair value of property, plant and equipment on the date of first-time adoption of CPCs in 01.01.2009. Contra entry to said adjustment, net of deferred income tax and social contribution, was recognized under caption "Equity evaluation adjustments", in shareholders' equity. Realization of this reserve is recorded as a contra entry to account "Accumulated earnings" to the extent that depreciation or write-off of property, plant and equipment fair value adjustment are recognized in the Company's profit or loss.

d.2) 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, Santo Agostinho and Serra do Assuruá Wind Power Complexes and the Assú Sol Photovoltaic Power 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.

The following table shows the accumulated effects of other comprehensive income:

		Parent Company		Consolidated	
	Note	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Other comprehensive income that in the future:					
- will not be reclassified to profit or loss					
Retirement benefit					
Remeasurement of retirement obligations	16.b	(77,633)	67,693	(77,486)	67,840
Deferred income tax and social contribution	18.c	26,395	(23,016)	26,345	(23,066)
Equity income of the abovementioned effects		97	97	-	-
		(51,141)	**44,774**	**(51,141)**	**44,774**
- will be reclassified to profit or loss					
Cash flow hedges					
Unrealized losses originated in the year	13.a,1	-	-	(375,379)	(43,122)
Equity income of the abovementioned effects		(375,379)	(43,122)	-	-
Unrealized losses originated in the year of joint venture	9	(261,145)	(339,670)	(261,145)	(339,670)
Change in ownership interest in joint venture		(99,230)	(99,230)	(99,230)	(99,230)
		(735,754)	**(482,022)**	**(735,754)**	**(482,022)**
		(786,895)	**(437,248)**	**(786,895)**	**(437,248)**

e) Non-controlling interest

Refers to the equivalent of 5% and 12.34% shareholding held by third parties in the capital of indirect subsidiary Ibitiúva and of indirect subsidiary Maracanã, respectively. Further details are available in Note 11 – Investments, item b.1.1.

f) Basic and diluted earnings per share

The following table shows the result and shares used to calculate the earnings per share.

	Parent Company and Consolidated	
	12.31.2023	12.31.2022
Net income in the year	3,429,555	2,663,079
Number of common shares	815,927,740	815,927,740
Basic and diluted earnings per share – in R$	**4.20326**	**3.26387**

The calculation is made by dividing net income from the year attributed to the common shareholders of the parent company, by the weighted average of common shares available during the year. The Company does not have shares with dilution effects in the fiscal years presented, for which reason there is no difference between the basic and diluted earnings per share.

NOTE 21. DIVIDENDS AND INTEREST ON EQUITY

Accounting practice:

Are recognized as liabilities in the following moments: (i) interim dividends – when approved by the Board of Directors; (ii) minimum mandatory dividends – upon the end of the current fiscal year; (iii) interest on equity – on the date when credit is paid to the shareholders; and (iv) additional dividends as proposed at the end of the year – on approval at an ASM.

a) Calculation

	12.31.2023	12.31.2022
Adjusted dividend calculation basis		
Net income for the year attributable to controlling shareholders	3,429,555	2,663,079
Tax incentive reserve	(8,735)	(8,953)
Realization of deemed cost of property, plant and equipment	39,530	40,048
Time-barred dividends and interest on equity	6,295	11,684
Net income for the year adjusted for dividends and interest on equity purposes	**3,466,645**	**2,705,858**
Proposed dividends / interest on equity		
Interim dividends for the first half of the year	767,200	1,050,698
Interest on equity, net of withholding income tax	123,649	170,579
Minimum mandatory dividends	272,794	-
Additional dividends proposed	721,661	1,455,160
Subtotal	**1,885,304**	**2,676,437**
Withholding income tax on interest on equity	21,351	29,421
Total annual dividends and interest on equity	**1,906,655**	**2,705,858**
Equivalent percentage of adjusted net income	**55%**	**100%**

b) Dividends and interest on equity payable

b.1) Breakdown

	Parent Company		Consolidated	
	12.31.2023	12.31.2022	12.31.2023	12.31.2022
Dividends and interest on equity	411,443	180,617	411,578	181,104
Withholding income tax on interest on equity[1]	21,351	29,421	21,351	29,421
	432,794	**210,038**	**432,929**	**210,525**

(1) The amounts related to withholding income tax on interest on equity are registered as part of "Other accounts payable", in Note 19 – Other liabilities.

b.2) Changes

	Parent Company	Consolidated
Balance at 12.31.2021	**64,965**	**65,271**
Dividends and interest on equity approved	2,439,165	2,440,593
Dividends and interest on equity paid	(2,276,071)	(2,277,318)
Payment of income tax on interest on equity	(8,713)	(8,713)
Transfer of unclaimed dividends and interest on equity	(9,308)	(9,308)
Balance at 12.31.2022	**210,038**	**210,525**
Dividends and interest on equity approved	2,640,154	2,641,629
Dividends and interest on equity paid	(2,377,950)	(2,379,596)
Offset of income tax on interest on equity	(29,421)	(29,421)
Transfer of unclaimed dividends and interest on equity	(10,027)	(10,208)
Balance at 12.31.2023	**432,794**	**432,929**

c) Dividend policy

The dividends policy established in the Company's Bylaws provides for a minimum mandatory dividend of 30% of net income for the year, adjusted pursuant to the terms of the Brazilian Corporation Law, and establishes the intention of paying, at every calendar year, dividends and/or Interest on equity at an amount not lower than the equivalent of 55% of adjusted net income, in half-annual installments.

d) Distributions made and proposal related to net income from fiscal year 2022

d.1) Interim dividends for the first half of the year

At the meeting held on 08.02.2022, the Board of Directors approved the distribution of interim dividends in the amount of R$577,884, corresponding to R$0.7082542240 per share, equivalent to 55% of distributable net income in the 1st half of 2022. The Company's shares were traded ex-interim dividends as of 08.17.2022 and the dividends were paid on 12.12.2022.

Moreover, the Board of Directors meeting held on 11.08.2022 approved the distribution of additional interim dividends based on the quarterly information as on 06.30.2022, in the amount of R$ 472,815, corresponding to R$0.5794807287 per share, equivalent to 45% of adjusted distributable net income in the 1st half of 2022. The Company's shares were traded ex-interim dividends as of 11.22.2022 and the dividends were paid on 12.12.2022.

d.2) Interest on equity

On 12.16.2022, the Board of Directors approved crediting the interest on equity for the period from 01.01.2022 to 12.31.2022 in the gross amount of R$ 200,000, corresponding to R$ 0.2451197455 per share. Credits of the Company's interest on equity were recognized from 12.31.2022 based on the shareholding position on 12.22.2022. The Company's shares were negotiated ex-Interest on equity beginning as of 12.23.2023, and payment was made on 07.26.2023.

d.3) Additional dividends proposed

Also relating to fiscal year 2022, on 04.26.2023 the ASM approved the proposal for payment of additional dividends on distributable net income, in the amount of R$ 1,455,160, corresponding to R$ 1.7834407362 per share. On the same date, the Company recognized the payment obligation in its balance sheet.

The Company's shares were traded ex-dividends as of 05.09.2023 and the dividends were paid on 09.26.2023.

e) Distributions made and proposal for net income for fiscal year 2023

e.1) Interim dividends for the first half of the year

The Board of Directors meeting held on 08.08.2023 approved the distribution of interim dividends based on the quarterly information as on 06.30.2023, in the amount of R$ 767,200, corresponding to R$ 0.94027879765 per share, equivalent to 55% of distributable net income in the 1st half of 2022. The Company's shares were traded ex-interim dividends as of 08.22.2023 and the dividends were paid on 12.27.2023.

e.2) Minimum mandatory dividends

According to the Company's Bylaws, which sets forth the distribution of minimum mandatory dividends of 30% of net income for the fiscal year, the Company calculated minimum mandatory dividend in the amount of R$ 1,039,994, with a portion being already distributed through interim dividends in the amount of R$ 767,200, resulting in a minimum mandatory dividend of R$ 272,794, corresponding to R$ 0.33433602830 per share. This amount was recognized in Company's liabilities at the end of 2023 and the payment date will be defined by the Board of Executive Officers and informed through Notice to Shareholders.

e.3) Interest on equity

At a meeting held on 12.08.2023, the Board of Directors of the Company approved the credit of interest on equity for the period from 01.01.2023 to 12.31.2023, in the gross amount of R$ 145,000, corresponding to R$ 0.17771181551 per share. The credit of Company's interest on equity was recorded in the Company's books on 12.31.2023, for shareholders of record on 12.21.2023. The Company's shares were traded ex-interest on equity as from 12.22.2023, and interest on equity will be paid subsequently, as defined by the Board of Executive Officers and informed through a Notice to Shareholders.

e.4) Proposed additional dividends

The Company submitted to the Board of Directors, for approval in the meeting held on 02.27.2024, the proposal for payment of additional dividends on net income for fiscal year 2023, in the amount of R$ 721,661 (R$ 0.88446720613 per share).

The amount of dividends that is higher than minimum mandatory value established by the law or other legal instrument, and that is not yet approved by Shareholders Meeting, is presented and segregated in shareholders' equity. Thus, these dividends are presented in the shareholders' equity account denominated "Proposed additional dividends" until approval by the ASM.

Hence, considering the 2023 result allocated, the dividends paid will be R$ 1,906,655 (R$ 2.33679384759 per share).

NOTE 22. NET OPERATING REVENUE

Accounting practice:

Revenue is measured based on the consideration established in contracts with customers, at the fair value of consideration received or to be received, less all applicable taxes.

Revenue is recognized in accordance with the following stages: (i) identification of the rights and commitments established in the customer contract; (ii) identification of the contracted performance obligations; (iii) definition of the transaction price; (iv) pricing of the performance obligations; and (v) recognition when (or to the extent that) performance obligations are met. Revenue is only recognized when there is no significant uncertainty regarding its realization.

Revenue is recognized in accordance with the contracts signed, the performance obligation of which is met on a monthly basis, given that the customer simultaneously receives and consumes the benefits supplied by the Company and, consequently, the consideration amount reflects the fair value receivable when the energy is effectively delivered to the customer.

Information regarding the nature and time of compliance with the performance obligations established in contracts with customers is provided below, including significant payment conditions and related revenue recognition policies.

Supply and provision

The Company recognizes revenue from electricity supply and provision at the fair value of consideration, through the delivery of electricity during a certain period. The energy volume delivered to the buyer is determined on a monthly basis. The control of electricity is obtained when the Company transfers electricity to the client. The bills are issued on a monthly basis and usually paid within 30 days from their issue date.

Revenue is recognized based on the sold energy, with prices established in the supply and provision contracts. The Company can sell the energy produced in two environments: (i) the ACL, where electricity is traded based on free negotiation of prices and conditions between the parties, through bilateral contracts; and (ii) the ACR, where electricity is sold to distributors.

Trading operations

Energy trading operations take place in the active market, and for the purposes of accounting measurement, comply with the definition of financial instruments at fair value.

The Company recognizes revenue upon delivery of energy to the customer, at the fair value of the consideration. Unrealized net gains from the mark-to-market (difference between contracted and market prices) of outstanding net contracted operations on the date of the financial statements are also recognized as revenue.

Transactions in the short-term market

The Company recognizes revenue at the fair value of consideration receivable at the time when the short-term market transactions occur. Energy price in these transactions is linked to the PLD.

Service revenue

For energy sold in the ACR, HEPs Jaguara and Miranda receive, as part of the RAG, the portion related to the GAG, which is allocated for remunerating Plant operation and maintenance services and aims to shutdowns. The Company recognizes revenue at the fair value of the consideration to be received every month, to the extent that the performance obligation to keep the Plant in operation is met.

Revenue from the installation of infrastructure to provide electricity transmission services under the concession agreement is recognized as expenses are incurred, adding the estimated margin for each project. Revenues from operation and maintenance services are recognized when the services are actually provided by the Company.

Revenue from construction of transmission infrastructure

Revenue from construction of transmission infrastructure is recognized in accordance with ICPC 01 (R1) - Service Concession Arrangements (IFRIC 12) and CPC 47, to the extent that all performance obligations are met over time. This revenue corresponds to construction costs plus residual gross margin to cover construction management costs. This construction spending is recognized at cost.

Margin is estimated by considering the projected budget of construction costs and its possible efficiencies, considering the regulatory deadline for delivering the works. Any revenue arising from the early termination of the Transmission System is recognized in the year's result from the effective commercial advancement authorized by Aneel.

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

	Parent Company		Consolidated	
	2023	2022	2023	2022
Gross operating income				
Electricity distributors	2,829,567	2,670,178	4,500,616	4,589,402
Free consumers	356,641	401,447	3,513,710	3,772,026
Electricity traders	1,855,271	1,737,889	921,004	954,305
Trading operations	-	-	483,254	752,195
Transactions in the short-term market	120,474	162,412	425,708	388,080
Services rendered	76,799	82,750	197,462	192,917
Other revenues	7,149	7,302	116,716	101,688
	5,245,901	**5,061,978**	**10,158,470**	**10,750,613**
Deductions from operating income				
PIS and Cofins	(461,196)	(445,396)	(876,674)	(934,996)
Research and development	(36,978)	(34,658)	(54,717)	(52,433)
ICMS	(11,269)	(7,994)	(11,347)	(8,483)
ISSQN	(3,839)	(4,138)	(3,839)	(4,163)
	(513,282)	**(492,186)**	**(946,577)**	**(1,000,075)**
Other				
Remuneration from contract asset	-	-	831,388	755,119
Interest on concession financial asset	-	-	467,748	485,490
Transmission infrastructure construction revenue	-	-	236,755	914,384
Unrealized gains on trading operations	-	-	-	1,074
	-	-	**1,535,891**	**2,156,067**
Net operating revenue	**4,732,619**	**4,569,792**	**10,747,784**	**11,906,605**

NOTE 23. DETAIL OF OPERATING EXPENSES BY NATURE

a) Operating costs

	Parent Company		Consolidated	
	2023	2022	2023	2022
Energy purchases[1]	498,563	493,191	1,927,007	2,368,882
Depreciation and amortization	379,458	389,126	881,946	953,346
Charges for the use of and connection to the power grid	439,954	411,204	668,063	625,137
Third party materials and services	80,794	73,571	413,918	434,127
Personnel	184,779	165,888	248,561	235,594
Transmission infrastructure construction cost	-	-	228,289	1,120,351
Transactions in the short-term energy market[1]	80,020	45,766	200,695	166,753
Royalties	139,081	124,568	168,604	154,069
Insurance	35,272	33,132	88,007	90,841
Fuels	-	-	66,032	115,457
Hydrological risk renegotiation[2]	-	-	(114,508)	-
Other	17,624	48,414	64,031	52,855
	1,855,545	**1,784,860**	**4,840,645**	**6,317,412**
Classification in profit or loss				
Operating costs	1,823,312	1,749,217	4,808,337	6,281,769
Cost of services rendered	32,233	35,643	32,308	35,643
	1,855,545	**1,784,860**	**4,840,645**	**6,317,412**

(1) Further information is available in item a.1 below.
(2) Further information is available in Note 11 – Intangible assets, item b.1.

a.1) Energy purchases

	Parent Company		Consolidated	
	2023	2022	2023	2022
Energy purchases				
Energy purchase for portfolio management	498,563	493,191	1,492,928	1,699,654
Trading operations	-	-	417,602	665,853
Unrealized losses on trading operations	-	-	16,477	3,375
	498,563	**493,191**	**1,927,007**	**2,368,882**
Transactions in the short-term energy market				
Purchases in the short-term market	80,020	45,766	200,174	166,498
Trading operations	-	-	521	255
	80,020	**45,766**	**200,695**	**166,753**

b) Selling, general and administrative expenses

	Parent Company				Consolidated			
	Selling		General and administrative		Selling		General and administrative	
	2023	2022	2023	2022	2023	2022	2023	2022
Personnel and management	15,693	15,218	157,235	152,156	15,693	15,218	157,708	152,715
Third party materials and services	8,759	1,757	137,096	122,290	11,282	3,618	142,983	123,980
Depreciation and amortization	80	72	41,819	35,957	104	96	42,209	36,358
Recording (reversal) of operating provision, net	-	-	2,746	(764)	(6,190)	-	3,044	298
Contributions and donations	3,015	-	1,959	1,660	6,867	3,907	2,628	2,772
Advertising	28,680	1,706	2,094	2,518	28,728	1,706	2,104	2,518
Insurance	5	10	1,378	960	5	10	1,424	984
Other	1,348	1,861	19,935	16,608	1,432	2,476	21,991	19,528
	57,580	**20,624**	**364,262**	**331,385**	**57,921**	**27,031**	**374,091**	**339,153**

NOTE 24. FINANCIAL RESULT

	Parent Company		Consolidated	
	2023	2022	2023	2022
Financial income				
Income from marketable securities	136,689	197,024	351,913	478,962
Income from restricted deposits	4,396	4,242	39,664	38,745
Interest and Inflation adjustment on:				
Accounts receivable	24,369	16,283	34,460	32,781
Sale of subsidiary	11,610	12,132	11,610	12,132
Judicial deposits	3,920	5,184	4,157	5,310
Other financial income	4,107	13,110	7,176	17,261
	185,091	**247,975**	**448,980**	**585,191**
Financial expenses				
Interest and Inflation adjustment on:				
Debt instruments	493,310	568,184	1,454,694	1,829,907
Fair value hedge on debt instruments	218,229	369,107	218,571	371,544
Retirement benefit obligations	31,022	45,734	31,022	45,736
Provisions	8,719	11,825	21,258	27,781
Other	6,437	13,567	48,239	33,473
Exchange variation on:				
Debt instruments	(152,580)	(313,555)	(152,580)	(313,555)
Hedge on debt instruments	152,580	313,555	152,580	313,555
Fair value adjustment	2,116	2,454	3,442	(3,157)
Other financial expenses	12,686	8,751	35,855	68,479
	772,519	**1,019,622**	**1,813,081**	**2,373,763**
Expenses with concessions payable (Use of Public Asset)	**589,931**	**717,251**	**598,897**	**726,718**
Financial expenses, net	**1,177,359**	**1,488,898**	**1,962,998**	**2,515,290**

NOTE 25. TRANSACTIONS WITH RELATED PARTIES

Accounting practice:

Transactions for the purchase and sale of energy, services and issue and purchase of financial instruments are carried out under conditions and durations agreed between the parties and registered according to contractual terms and conditions, which are restated at their contractual charges.

a) Amounts recognized in balance sheet accounts

a.1) Parent Company

	ASSETS			LIABILITIES		
	Accounts receivable		Dividends	Supplier		IOE /
	Energy	Services and other		dividends	Other	dividends
12.31.2023						
EBC	115,278	43	-	6,904	-	-
Jaguara	224	292	103,125	12,529	-	-
ECP and subsidiaries	-	19,103	579,968	-	-	-
ENGIE Participações	-	1,952	-	-	190	669,207
CEE	-	834	131,700	-	-	-
Itasa	-	788	2,047	25,756	-	-
ETP II and subsidiaries	-	767	23,458	-	-	-
Miranda	-	240	85,160	7,326	-	-
Lages	-	53	-	-	1,389	-
EBV	-	14	-	-	-	-
TAG	-	3	325,000	-	-	-
Outras	24	12,636	591	3,554	739	-
Total	**115,526**	**36,725**	**1,251,049**	**56,069**	**2,318**	**669,207**
12.31.2022						
EBC	134,443	41	-	3,532	-	-
Pampa Sul	2,687	2,500	-	-	12	-
Jaguara	750	1,037	20,165	12,765	-	-
Miranda	500	1,401	12,840	7,077	-	-
ECP and subsidiaries	-	10,588	17,340	-	-	-
CEE	-	802	233,117	-	-	-
ETP II and subsidiaries	-	487	16,400	-	-	-
Lages	-	467	-	-	1,389	-
ENGIE Participações	-	176	-	-	1,439	116,811
Itasa	-	-	-	26,172	-	-
Other	6,501	12,609	10,000	3,430	330	-
Total	**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
12.31.2023		
Engie Brasil Participações	1,952	190
Engie Soluções	164	456
TAG	3	-
Solairedirect Investment	-	19,800
Geramamoré Participações	-	3,754
Energia Sustentável	-	1,947
Tractebel Engineering	-	154
Outras	9	-
Total	**2,128**	**26,301**
12.31.2022		
Cofely	4,645	-
Engie Serviços	595	1
Engie Soluções	338	6
Engie Gerenciamento	336	-
Energia Sustentável	-	1,841
Engie Facilities	-	212
Tractebel Engineering	-	119
Other	265	-
Total	**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
2023					
EBC	1,620,920	-	525	64,500	-
ECV	62,718	-	174	20,626	-
CEE	21,164	10,926	525	-	-
Jaguara	10,461	-	516	141,786	-
Miranda	7,019	-	516	82,276	-
Pampa Sul[1]	7,000	-	188	-	-
Lages	5,556	-	132	-	-
ENGIE Trading	22	-	525	16,771	-
Itasa	-	30,718	-	186,390	-
Outras	876	16,345	9,459	21,270	2,534
Total	**1,735,736**	**57,989**	**12,560**	**533,619**	**2,534**
2022					
EBC	1,537,949	-	496	45,648	-
ECV	33,434	-	165	17,644	-
Pampa Sul	30,168	-	4,518	-	-
CEE	14,741	10,257	496	-	-
Jaguara	13,568	-	479	139,342	-
Miranda	6,307	-	479	77,362	-
ENGIE Trading	5,752	-	496	31,395	-
Itasa	-	30,018	-	182,481	-
Outras	190	15,344	8,475	17,319	5,357
Total	**1,642,109**	**55,619**	**15,604**	**511,191**	**5,357**

(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

	Cost	Cost and Expenses
	Energy purchase	Third-party services
2023		
Energia Sustentável	18,322	-
Geramamoré Participações	11,471	22,719
Tractebel Engineering	-	3,452
Engie (China) Energy Technology	-	28
Total	**29,793**	**26,199**
2022		
Energia Sustentável	17,320	-
Engie Facilities	-	5,533
Tractebel Engineering	-	3,499
Engie Serviços	-	1,326
Other	-	16
Total	**17,320**	**10,374**

c) Future commitments

c.1) Purchase and sale of electricity

Seller	Buyer	Maturity	Annual adjustment index	Adjustment base date	Future commitment Base 12.31.2023
CECL	ECV	2036 and 2039	IPCA	January and September	11,809,529
ECV	EBC	2025, 2036 and 2039	IPCA	January, March and September	10,393,094
CESA	ECV	2045	IPCA	June, August and October	9,059,632
CEUR	ECV	2036	IPCA	January	2,441,517
CETR	EBC	2032 and 2037	IPCA	January and December	1,261,960
Jaguara	ENGIE	2028	IPCA	January	788,821
Itasa	ENGIE	2030	Δ dólar + Inflação EUA	October	661,047
EBC	CEE	2041	IPCA	October	463,622
Miranda	ENGIE	2028	IPCA	January	457,263
EBC	Jirau Energia	2038	IPCA	September	360,968
ENGIE Trading	EBC	2023 to 2026	-[1]	-[1]	358,340
Itasa	ENGIE	2030	IGP-M	January	348,430
CEUR	EBC	2038	IPCA	January and December	239,754
Jirau Energia	ENGIE	2042	IPCA	September	191,943
CECL	EBC	2038	IPCA	January and December	134,796
EBC	ENGIE Trading	2022 to 2026	IPCA	Diverse[2]	112,983
EBC	CETR	2037	IPCA	January and February	108,615
EBC	CECL	2038	IPCA	January	65,667
Jirau Energia	EBC	2032	IPCA	September	30,067
EBC	ECV	2025	IPCA	January	25,705
EBC	CEUR	2038	IPCA	January	20,801
ENGIE Trading	ENGIE	2023 and 2025	IPCA	July, May, August and October	11,409
CECL[3]	CECL[3]	2038	IPCA	December	9,668
Jirau Energia	ENGIE Trading	2024	IPCA	September	2,403
ENGIE Trading	Jirau Energia	2024	IPCA	September	2,054
EBC	ENGIE	2025	IGP-M	February	633
ENGIE Trading	ECV	2023 and 2024	IPCA	December	478
Engie Brasil Energia	ENGIE Trading	2025	IPCA	October	278
EBC	Assú V	2025	IPCA	Janeiro	263

(1) 12-month supply agreement.
(2) January, March, April, June, August, September, October and November.
(3) CLWP Eólica Parque III S.A. is a seller in agreements signed with CLWP Eólica Parque V S.A. and CLWP Eólica Parque VI S.A., all belonging to the Campo Largo Wind Power Complex.

In accordance with the Company's commercial policy, sales to free consumers are carried out preferably through direct subsidiaries EBC and ECV.

c.2) Operation and maintenance

The Company conducts operation and maintenance activities at its subsidiaries' plants whenever they do not outsource these services. The negotiated prices are based on the Company's costs with personnel directly involved in the execution of these activities.

Related party	Maturity	Annual adjustment index	Future commitment Base 12.31.2023
Itasa	16,10,2030	IGP-M	256,109
Ceste	01,05,2025	INPC (80%) and IPCA (20%)	71,118

c.3) Administrative and financial services

ENGIE Brasil Energia provides those services necessary to the administrative and financial activities of the direct and indirect subsidiaries. The contracted values are defined based on the last billing of subsidiaries and annually adjusted at INPC. The amount annually contracted from its subsidiaries is R$ 10,820 (R$ 14,723 at 12.31.2022).

d) Guarantees

The Company intermediates financial and debenture agreements entered into by its direct and indirect subsidiaries. The main guarantees are the following:

Bank	Type of guarantee	Amount of debt at 12.31.2023
BNDES and BASA	Pledge of all the shares held by the Company's direct and indirect subsidiary (ENGIE Brasil Energias Complementares Participações Ltda) issued by the following companies: CLWP Brasil Participações (Holding company of CLWP I, CLWP II, CLWP III, CLWP IV, CLWP V, CLWP VI, CLWP VII, CLWP XV, CLWP XVI, CLWP XVIII and CLWP XXI), CLWP Brasil II Participações (Holding company of CLWP VIII, CLWP IX, CLWP X, CLWP XI, CLWP XII, CLWP XIII, CLWP XIV, CLWP XVII, CLWP XIX, CLWP XX and CLWP XXII), Umburanas Participações (Holding company of Umburanas 1, Umburanas 2, Umburanas 3, Umburanas 5, Umburanas 6, Umburanas 8, Umburanas 9, Umburanas 10, Umburanas 11, Umburanas 13, Umburanas 15, Umburanas 16, Umburanas 18, Umburanas 17, Umburanas 19, Umburanas 21, Umburanas 23 and Umburanas 25), Santo Agostinho Participações (Holding company of Santo Agostinho 1, Santo Agostinho 2, Santo Agostinho 3, Santo Agostinho 4, Santo Agostinho 5, Santo Agostinho 6, Santo Agostinho 13, Santo Agostinho 14, Santo Agostinho 17, Santo Agostinho 18, Santo Agostinho 21, Santo Agostinho 25, Santo Agostinho 26 and Santo Agostinho 27) and Solairedirect Holding Brasil (Holding company of Engie Solar Floresta Geração Centralizada Holding (Holding company of Floresta I, Floresta II and Floresta III) and Engie Solar Paracatu Geração Centralizada Holding (Holding company of Paracatu I, Paracatu II, Paracatu III and Paracatu IV)).	5,204,331
BNDES and BASA	Pledge of all the shares held by the Company's subsidiary (Novo Estado Participações S.A.) issued by Novo Estado Transmissora.	2,934,138
BNDES	Pledge of all the shares held by the Company's subsidiary (Gralha Azul Participações S.A.) issued by Gralha Azul.	1,940,463
Debentures	Pledge of all the shares held by the Company issued by Pampa Sul, Jaguara e Miranda.	1,050,495

In addition to share pledge, the Company is guarantor of obligations assumed in the financing agreements until the financial completion of operations contracted by the abovementioned companies, with the inclusion of Ferrari.

Moreover, the Company assigned credit rights of the Energy Trading Agreements in the Regulated Market (CCEAR) entered into in the Aneel Generation Auction 002/2006, within the scope of financing for the Campo Largo Wind Power Complex.

e) Sureties and guarantees

e.1) Construction of projects

The Company is guarantor to the construction of the Gralha Azul, Gavião Real and Asa Branca projects. On 12.31.2023, these guarantees totaled R$ 242,483. Following are the scheduled maturities of guarantees: R$ 100,850 in 2025, R$ 8,259 in 2026 and R$ 133,374 in 2029.

e.2) Energy purchase

The Company is the guarantor of and jointly liable for energy purchase transactions of certain subsidiaries, in the amount of R$ 228,500 at 12.31.2023. The guarantees' maturities are scheduled as follows: R$ 81,282 in 2024, R$ 17,253 in 2025, R$ 4,419 in 2026, R$ 2,634 in 2027, R$ 1,389 in 2028, R$ 25,869 in 2029, R$ 64,386 in 2031, R$ 4,510 in 2032, R$ 10,035 in 2036 and 16,723 in 2038.

e.3) Charges for the use of and connection to the power grid and O&M

The Company is guarantor of the issue of guarantees related to the electricity network and connection charges (CUST, CCT and CUSD) and O&M contracts, totaling R$ 106,020. The amount of R$ 82,057 will mature in 2024 and the amount of R$ 23,963 is conditioned on the termination of the agreement, which is indefinite.

e.4) Loans

The Company has contracted bank guarantees for obligations in the financing agreements related to the construction of the Assú V Photovoltaic Plant and the Novo Estado project. On 12.31.2023, the amount of guarantees was R$ 883,864, of which R$ 154,236 will mature in 2024 and R$ 729,628 in 2025.

Also, the Company and other parent companies of the joint venture TAG have a corporate guarantee for the debt amounts. This guarantee has a maximum limit, which is sufficient to cover six months of debt service.

f) Remuneration of key management personnel

Remuneration related to 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, was approved at ASMs held on 04.26.2023 and on 4.28.2022, respectively. The amounts recognized in the years were:

	2023	2022
Fixed compensation	17,314	14,511
Variable compensation	5,827	9,289
Payroll charges	4,955	5,156
Other	2,381	2,029
	30,477	**30,985**

The Management does not receive share-based compensation from ENGIE Brasil Energia. Moreover, Company's key management personnel does not hold control of related parties of the entity and do not conduct relevant transactions related thereto.

NOTE 26. INFORMATION BY SEGMENT

A business segment is an identifiable component of the Company aimed at providing an individual product or service or a group of related products or services, and which is subject to risks and benefits that can be differentiated from other business segments. The Company's operating segments reflect its management and organizational structure and monitoring of results, summarized as follows:

- Generation: it is the Company's core business and includes generation and sale of the electricity in the portfolio.
- Transmission: the Company has primary responsibility for the construction and installation of infrastructure related to the transmission concession of Gralha Azul, Novo Estado, Gavião Real and Asa Branca Transmission Systems, and is exposed to the risks and benefits of this construction. This segment has started operating partially and the construction work has not been completed yet.

- Trading: this segment delivers results through variation in energy prices, within previously established risk limits. The activities of this segment are conducted by ENGIE Trading and EBC.
- Solar panels: manufacture, wholesale and retail sale, and operation and maintenance of solar panels conducted by EGSD, subsidiary sold on 02.21.2022.
- Gas transportation: The Company also operates in the gas markets through its joint venture TAG.

The amounts reported by each business segment result from the combination of subsidiaries, allocation of transactions by segment, and business units defined within each segment, as well as the annulment of transactions between segments.

The Company is presenting information by segment, in alignment with the internal report provided to the principal operational decision-making body - the Board of Executive Officers. Based on the internal report, the Board of Executive Officers evaluates the performance of various segments and decides on the allocation of resources to each business segment identified.

The financial result and income tax of the Company are not allocated by segment, since Management manages the Company's cash flow at the corporate level. The Board of Executive Officers is responsible for managing operations and does not use balance sheet by segments to take decisions and analyze the results of each segment. For this reason, the balance sheet is not presented by segment.

The Company reviews regularly information related to the joint venture TAG, based on its proportional share in revenue, profits, assets and liabilities, to take decisions regarding the resources to be allocated to the segment and to evaluate its performance. However, as required by CPC 19 (R2), the Company's interest in the joint venture is recorded in the individual and consolidated financial statements using the equity method of accounting.

The information by segment refers to 2023 and 2022 and is presented in a consolidated manner in the tables below:

	2023				
	Electric energy			Gas	
	Generation	Transmission	Trading	transportation	Consolidated
NET OPERATING INCOME	**9,173,229**	**1,135,224**	**439,331**	**-**	**10,747,784**
Operating costs	(4,095,951)	(310,093)	(434,601)	-	(4,840,645)
GROSS PROFIT	**5,077,278**	**825,131**	**4,730**	**-**	**5,907,139**
Operating income (expenses)					
Selling, general and administrative expenses	(408,056)	(19,560)	(4,396)	-	(432,012)
Reversal of impairment, net	1,198,494	-	-	-	1,198,494
Sale of subsidiary	(1,287,320)	-	-	-	(1,287,320)
Other operating income (expenses), net	40,289	(59,408)	(1)	-	(19,120)
	(456,593)	**(78,968)**	**(4,397)**	**-**	**(539,958)**
Equity income	-	-	-	993,117	**993,117**
PROFIT BEFORE FINANCIAL AND TAX RESULTS	**4,620,685**	**746,163**	**333**	**993,117**	**6,360,298**

	2022					
	Electric energy			Solar	Gas	
	Generation	Transmission	Trading	panels[1]	transportation	Consolidated
NET OPERATING INCOME	**9,511,950**	**1,702,886**	**684,815**	**6,954**	**-**	**11,906,605**
Operating costs	(4,504,494)	(1,140,405)	(669,483)	(3,030)	-	(6,317,412)
GROSS PROFIT	**5,007,456**	**562,481**	**15,332**	**3,924**	**-**	**5,589,193**
Operating income (expenses)						
Selling, general and administrative expenses	(345,672)	(12,979)	(5,172)	(2,361)	-	(366,184)
Impairment, net	(184,439)	-	-	118,361	-	(66,078)
Sale of subsidiary	9,912	-	-	(94,430)	-	(84,518)
Other operating (expenses) income, net	(20,486)	21,521	-	-	-	1,035
	(540,685)	**8,542**	**(5,172)**	**21,570**	**-**	**(515,745)**
Equity income	**-**	**-**	**-**	**-**	**727,136**	**727,136**
PROFIT BEFORE FINANCIAL AND TAX RESULTS	**4,466,771**	**571,023**	**10,160**	**25,494**	**727,136**	**5,800,584**

(1) On 2.21.2022, 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 27. 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 5.31.2024 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 Wind Power Complex and Serra do Assuruá Wind Power Complex, 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.

d) Insurance indemnification

On 04.02.2023, a weather event occurred in the four farms of the Paracatu Complex due to strong wind in the region, causing damages to the asset. After previous studies, the insurance company issued a preliminary report recognizing the loss and confirming the coverage according to the policy in effect on that date. With the confirmation of the loss, the coverage of material damages and loss of profit and the favorable opinion on the partial prepayment of indemnification granted by the insurance company, the Company concluded that the event is right and became receivable, realizing the recognition in profit or loss. In December 2023, the Company recognized the indemnification of insurance until the limit of expenses for the period to reflect the effects of transactions. Hence, the company recognized in 2023 the amount of R$ 131,328, related to material damages and loss of profit, which is broken down as follows:

	12.31.2023
Net operating revenue	20,540
Operating costs	7,125
Other operating income, net	45,061
Other operating expenses, net	58,602
	131,328

NOTE 28. LONG-TERM COMMITMENTS

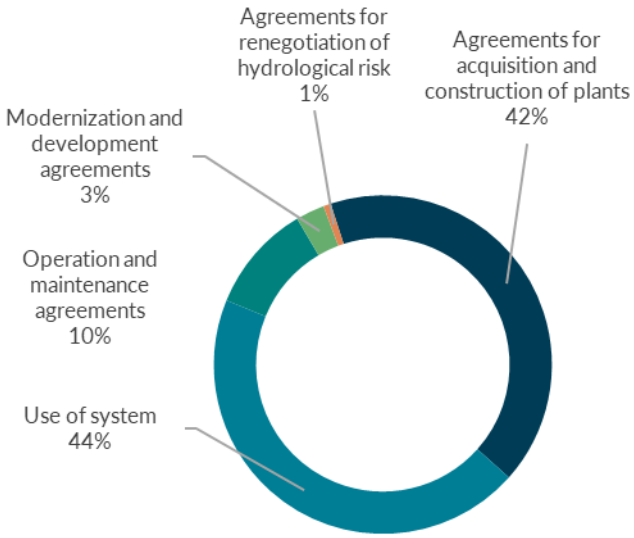
The Company has the following long-term commitments that are considered relevant, broken down by type of commitment:

	Parent Company						
	2024	2025	2026	2027	2028	2029 em diante	Total
Use of system							
CUST	448,101	448,101	448,101	448,101	379,644	737,048	2,909,096
Contracts for connection	12,327	12,327	12,327	12,327	11,678	47,277	108,263
	460,428	**460,428**	**460,428**	**460,428**	**391,322**	**784,325**	**3,017,359**
Agreements for renegotiation of hydrological risk							
Hydrological risk renegotiation	6,980	8,376	4,886	-	-	86,504	106,746
Modernization and development agreements							
Modernization of Salto Osório HPP	51,917	7,020	-	-	-	-	58,937
Operation and maintenance agreements							
O&M contracts	842	589	-	-	-	-	1,431
Balances at 12.31.2023	**520,167**	**476,413**	**465,314**	**460,428**	**391,322**	**870,829**	**3,184,473**

	Consolidated						
	2024	2025	2026	2027	2028	2029 em diante	Total
Use of system							
CUST	744,306	744,306	744,306	983,536	591,415	3,864,623	7,672,492
CUSD	46,937	47,088	47,088	47,088	47,088	756,914	992,203
Contracts for connection	12,609	12,609	12,609	12,609	11,960	50,161	112,557
	803,852	**804,003**	**804,003**	**1,043,233**	**650,463**	**4,671,698**	**8,777,252**
Agreements for acquisition and construction of plants							
Serra do Assuruá Wind Power Complex	3,055,388	1,154,051	-	-	-	-	4,209,439
Transmission System – Asa Branca	589,620	1,427,414	142,900	-	-	-	2,159,934
Assú Sol Photovoltaic Complex	1,218,842	272,679	-	-	-	-	1,491,521
Santo Agostinho Wind Power Complex	290,053	-	-	-	-	-	290,053
Transmission System – Gavião Real	36,933	-	-	-	-	-	36,933
	5,190,836	**2,854,144**	**142,900**	**-**	**-**	**-**	**8,187,880**
Operation and maintenance agreements							
O&M contracts	273,265	265,464	244,312	225,872	205,352	819,478	2,033,743
Modernization and development agreements							
Modernization of Jaguara HPP	86,914	123,606	91,830	91,545	53,045	11,571	458,511
Modernization of Salto Osório HPP	51,917	7,020	-	-	-	-	58,937
Transmission System – Novo Estado	12,826	-	-	-	-	-	12,826
Modernization of Miranda HPP	8,979	1,279	1,136	-	-	-	11,394
	160,636	**131,905**	**92,966**	**91,545**	**53,045**	**11,571**	**541,668**
Agreements for renegotiation of hydrological risk							
Hydrological risk renegotiation	6,980	8,376	4,886	-	-	120,343	140,585
Balances at 12.31.2023	**6,435,569**	**4,063,892**	**1,289,067**	**1,360,650**	**908,860**	**5,623,090**	**19,681,128**

(1) Further details are available in item “a.2” below.

The types of long-term commitments, in consolidation and percentage amounts, are the following:



a) Use of system

a.1) CUST

For the use of the transmission system and basic network, the Company and its subsidiaries CEE, Itasa, Jaguara, the Trairí Wind Power Complex, the Campo Largo Wind Power Complex, the Campo Largo Wind Power Complex I, the Santo Agostinho Wind Power Complex and the Floresta Photovoltaic Complex maintain contracts with ONS. Contracts are valid up to the termination of power plants concessions or authorizations.

a.2) CUSD

For plants that are not directly connected to the basic network, contracts for the use of the distribution system are maintained with electricity distributors of the regions where these plants are installed. Contracts are normally valid up to the Company's power plants concessions or authorizations termination dates.

a.3) Contracts for connection

The Company and its subsidiaries CEE, Trairí Wind Power Complex, Paracatu Photovoltaic Complex and Assú V have contracts for connection with transmission companies. The contracts are valid up to termination of the concessions and authorization of the Company's power plants linked to these contracts.

b) Agreements for acquisition and construction of plants

b.1) Serra do Assuruá Wind Power Complex

On 09.30.2022, the Company signed agreements for the supply of wind turbines for the construction of the Serra do Assuruá Wind Power Complex in the state of Bahia, with installed capacity of 846 MW. The operational startup of the plant is scheduled for the second half of 2024.

b.2) Transmission System – Asa Branca

The Company signed agreement with suppliers to provide aluminium cables for transmission lines, metallic structures, ballasts, circuit breakers, connection bays and works for contruction of transmission lines of the Asa Branca Transmission System, located in the states of Bahia, Minas Gerais and Espírito Santo, with approximately 1,006 km length.

b.3) Assú Sol Photovoltaic Complex

The Company signed an agreement with suppliers of photovoltaic modules for construction of the Assú Sol Photovoltaic Power Complex in the state of Rio Grande do Norte, with installed capacity of 752 MW. The operational startup of the plant is scheduled for the second half of 2025.

b.4) Santo Agostinho Wind Power Complex

The Company signed an agreement with suppliers of wind turbines for construction of the Santo Agostinho Wind Power Complex in the state of Rio Grande do Norte, with installed capacity of 434 MW. During 2023, the Company received authorization from Aneel to start commercial operations of generating units of the Santo Agostinho Wind Power Complex. Further information is available in Note 1 – Operations, item e).

b.5) Transmission System – Gavião Real

The Company, through its indirect subsidiary Gavião Real, has construction agreements for expansion of a complementary substation to the Novo Estado project, and a section of approximately 1 km of a distribution line.

c) Operation and maintenance agreements

The Company, its subsidiaries CEE, Floresta, Paracatu, Ferrari, Jaguara, Miranda and the Trairí, Campo Largo, Campo Largo II, Umburanas – Phase I and Itasa wind power complexes have operation and maintenance agreements with third parties.

d) Modernization and development agreements

d.1) Modernization of Jaguara HPP

The Company has agreements to modernize the generating system of the generating unit 01 to 04 of UHJA and common systems. The modernization should be concluded by the first half of 2029. This modernization, combined with the modernization of turbine scheduled for the coming years, will enable the Plant to ramp up capacity.

d.2) Modernization of Salto Osório

The Company maintains contracts with suppliers for the modernization of the Salto Osório Hydroelectric Power Plant. The Agreement was signed on 11.20.2017 and will result in an increase in the physical guarantee of the Plant by 13.9 average MW.

d.3) Transmission System – Novo Estado

The Company, through its indirect subsidiary Novo Estado, has development agreements for the Novo Estado Transmission System, located in the states of Pará and Tocantins, with transmission lines spanning approximately 1,800 km.

d.4) Modernization of Miranda HPP

On 04.29.2021, the Company signed an agreement for modernizing the digital supervision and control system, common systems and the protection and oscillography system for the three generation units and common systems of the Plant.

e) Agreements for renegotiation of hydrological risk

In December 2015, the Company joined the renegotiation of hydrological risk of plants whose energy was sold in regulated market. This renegotiation was made through the transfer of hydrological risk to the consumer, with the payment of risk premium by the Company.

Based on the risk level defined, GSF for 2015 was recalculated, which resulted in an overpayment that is being offset by risk premiums due by the Company, calculated at present value. After said compensation, the Company will start making the payment.

Bilateral contracts for purchase and sale of electricity

According to data on physical guarantee and prevailing purchase and sale contracts, the Company's energy balance shows that current capacity has the following contracting levels for the next six years:

	Average MW					
	2024	2025	2026	2027	2028	2029
Own funds	4,130	4,556	4,734	4,734	4,734	4,734
Purchases	974	500	430	334	329	234
Total availability	5,104	5,056	5,164	5,068	5,063	4,968
Contracted availability	4,527	4,196	4,005	3,288	2,788	2,190
Distributors	*29.7%*	*30.6%*	*30.9%*	*36.4%*	*41.9%*	*50.1%*
Traders	*29.9%*	*32.5%*	*32.8%*	*33.9%*	*36.8%*	*39.4%*
Free clients	*40.4%*	*36.9%*	*36.3%*	*29.7%*	*21.3%*	*10.5%*
Contracted %	**88.7%**	**83.0%**	**77.6%**	**64.9%**	**55.1%**	**44.1%**

NOTE 29. ADDITIONAL CASH FLOW INFORMATION

The following complementary cash low transactions were as follows:

	Parent Company		Consolidated	
	2023	2022	2023	2022
Dividends from subsidiaries and joint ventures	3,115,148	1,585,661	1,365,000	503,750
Interim dividends, IOE and additional dividends credited and minimum mandatory dividends	2,640,154	2,439,165	2,641,629	2,440,593
Time-barred dividends and IoE[1]	6,295	11,684	6,295	11,684
Dividends and interest on equity not claimed	10,027	9,308	10,208	9,308
ICMS on sale of electricity	2,452	106,097	2,452	106,097
Obligations linked to the acquisition of assets	-	-	-	101,983
Remeasurement of obligations with retirement benefits	145,326	(196,047)	145,326	(196,039)
Income tax and social contribution credit	99,049	2,515	59,104	(47,459)
Suppliers of property, plant and equipment and intangible assets[2]	(2,189)	(25,747)	293,753	(7,298)
Write-off of investment due to sale of subsidiary	109,863	(71,393)	-	-
Net assets of subsidiary transferred to NCAHS	-	-	-	260,691
Net assets of subsidiaries acquired	-	-	-	499,414
Recording of capital reserve	19,800	156,743	19,800	156,743
Provision for cost of sale of subsidiary[3]	2,805	-	2,805	-
Provisions for expropriations in construction of transmission lines	-	-	213	1,093

(1) Time-barred dividends that reverted to the Company's Shareholders Equity.
(2) The amount of R$ 293,753 in 2023 in the consolidated is composed of: (i) the R$ 296,853 increase related to suppliers of property, plant and equipment and intangible assets shown in Note 12 – Suppliers; and (ii) the R$ 3,100 decrease related to variation in supplier of property, plant and equipment of subsidiary.
(3) Amounts provisioned under "Suppliers".

NOTE 30. SUBSEQUENT EVENTS

a) Proposed additional dividends

At a meeting held on 02.27.2024, the Company's Board of Directors submitted to ASM the proposal for payment of additional dividends on adjusted income from the fiscal year ended 12.31.2023, in the amount of R$ 721,661, or R$ 0.88446720613 per share. The proposal shall be ratified by the ASM, which will also set the dividend payment terms.

b) Sale of TAG shares

On 01.10.2024, after all conditions precedent were met, the sale of 15% of ownership interest held by the Company in TAG was completed, with the transfer of shares and full payment of price, pursuant to the share sale agreement and other covenants executed on 12.28.2023, between the Company, as seller, TAG, as consenting intervening party, and Caisse de Dépôt et Placement du Québec, through its wholly owned subsidiary CDP Groupe Infrastructure Inc., as buyer.

The Company remains a shareholder of TAG, with shares corresponding to 17.5% of TAG's total capital stock, while ENGIE Group remains holding 50% of TAG's total capital stock, both companies bound by TAG's shareholders agreement. Accordingly, the current control group was maintained.

COMMENTS ON BUSINESS PROJECTIONS

Identification of projections

a) Purpose of projection

Investments in equity interest, maintenance, construction of new transmission systems, 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 projections

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. Year of 2022

Investments made in 2022:

Description \ Projection period	Actual 2022
Financed with debt	814
Financed with own capital	2,336
Total	**3,150**

In 2022, the Company invested R$ 3,150 million, as follows: (i) R$ 2,057 million was invested in the construction of new projects, of which: R$ 718 million in Novo Estado Transmission System, R$ 694 million in Santo Agostinho Wind Power Complex, R$ 516 million in Serra do Assuruá Wind Power Complex and R$ 129 million in Gralha Azul Transmission System; (ii) R$ 861 million was invested to acquire ownership interest, of which: R$ 656 million in the Floresta and Paracatu Photovoltaic Complexes, R$ 182 million in the Serra do Assuruá Wind Power Plant and R$ 23 million in the Assú Sol Photovoltaic Complex; R$ 186 million was allocated to maintenance and renovation projects of the generation facilities; and (iii) R$ 46 million was allocated to the modernization of Salto Osório Hydroelectric Power Plant.

Summary of changes between estimated and actual investments in 2022:

The variations between the estimated investments for 2022 disclosed at the end of 2021 and the investments made in the year, in the amount of R$ 667 million, are mainly due to (i) the acquisition of Floresta and Paracatu Photovoltaic Complexes; (ii) the acquisition and construction of Serra do Assuruá Wind Power Complex; and (iii) the postponement of financial schedule of Santo Agostinho Wind Power Complex.

Estimates for the years 2023, 2024 and 2025, valid for the fourth quarter of 2022:

Description \ Projection period	2023	2024	2025
Financed with debt	6,409	2,140	124
Financed with own capital	(1,186)	4,206	210
Total	**5,223**	**6,346**	**334**

Summary of changes in estimates for 2023 and 2024:

The changes in estimates for 2023 and 2024, in the amount of R$ 10,578 million, were mainly due to the combination of the following events: (i) construction of Serra do Assuruá Wind Power Complex, Assú Sol Photovoltaic Complex and Gavião Real Transmission System, projects approved by the Company during 2022; (ii) postponement and increase in estimated costs with Santo Agostinho Wind Power Complex, Novo Estado Transmission System and modernization of Salto Osório Hydroelectric Power Plant; (iii) decrease in estimated costs with the maintenance of generation facilities.

d.1. Year of 2023

Investments made in 2023:

Description \ Projection period	Actual 2023
Financed with debt	3,642
Financed with own capital	(1,788)
Contribution from non-controlling shareholders	1,000
Total	**2,854**

Summary of changes between estimated and actual investments in 2023:

The changes in relation to estimates disclosed for 2023 at the end of 2022 and the investments made this year, in the amount of R$ 2,368 million, were mainly due to: (i) postponement of the financial schedule for the implementation of the following projects: Santo Agostinho Wind Power Complex, Serra do Assuruá Wind Power Complex, Assu Sol Photovoltaic Complex and modernizations of Salto Osório, Jaguara and Miranda Hydrological Power Plants.

Estimates for 2024, 2025 and 2026:

Description \ Projection period	2024	2025	2026
Financed with debt	3,601	935	500
Financed with own capital	5,992	2,544	258
Total	**9,593**	**3,479**	**758**

Analysis of material changes:

Changes in relation to the previous reporting period were largely due to the change in the financial timetable of the implementation of projects of Serra do Assuruá Wind Power Complex, Assu Sol Photovoltaic Complex and modernizations of Salto Osório, Jaguara and Miranda Hydroelectric Power Plants, as well as the acquisition of Juazeiro, São Pedro, Sol do Futuro, Sertão Solar and Lar do Sol Photovoltaic Complexes, whose completion of transaction is conditioned to meeting certain conditions precedent, in addition to amounts related to the implementation of the Asa Branca Transmission System and the amount estimated for the recovery of Paracatu Photovoltaic Complex.

Updated projections mainly refer to:

• 2024: the completion of the Santo Agostinho Wind Power Complex, the implementation of projects of Serra do Assuruá Wind Power Complex and Assu Sol Photovoltaic Complex, the modernization and maintenance of generation facility at the Jaguara, Miranda and Salto Osório Hydroelectric Power Plants, and the installation of Asa Branca Transmission System;

• 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 Jaguara Hydroelectric Power Plant; and

• 2026: the implementation of the Asa Branca Transmission System and the modernization and maintenance of the Jaguara Hydroelectric Power Plant.

Investments made in 2023:

Investments by ENGIE Brasil Energia in 2023 amounted to R$ 2,854 million, as follows: (i) R$ 2,595 million for the construction of new projects, of which: R$ 1,067 million in the Santo Agostinho Wind Power Complex, R$ 1,051 million in the Serra do Assuruá Wind Power Complex, R$ 239 million in the Assu Sol Photovoltaic Complex, R$ 176 million in the Novo Estado Transmission System, R$ 47 million in the Gavião Real Transmission System, R$ 8 million in the Asa Branca Transmission System and R$ 7 million in the Gralha Azul Transmission System; (ii) R$ 143 million for maintenance and renovation projects of generation facilities; (iii) R$ 88 million for modernization of Salto Osório, Miranda and Jaguara Hydroelectric Power Plants; and (iv) R$ 28 million for acquisition of ownership interest, as follows: R$ 20 million to increase interest in Machadinho Consortium and R$ 8 million in the Assu Sol Photovoltaic Complex.

OTHER RELEVANT INFORMATION

Balance sheet and income statement adjusted for regulatory effects

HPP Concession Quotas – Adjustments related to Jaguara and Miranda regulated by the Provisional Presidential Decree 579/2012 (signed into Federal Law 12,783/2013). Further information is available in Note 6 – Concession financial asset.

Transmission Companies – Adjustments related to transmission companies Gralha Azul, Novo Estado, Gavião Real and Asa Branca related to the concession agreements for the provision of public energy transmission system. Further information is available in Note 7 – Contract asset.

ASSETS

	Note	12.31.2023 Statutory	12.31.2023 HPP Concessions Quotas	12.31.2023 Transmission companies	12.31.2023 Adjusted	12.31.2022 Statutory	12.31.2022 HPP Concessions Quotas	12.31.2022 Transmission companies	12.31.2022 Adjusted
CURRENT ASSETS									
Cash and cash equivalents		5,255,767	-	-	5,255,767	2,235,887	-	-	2,235,887
Trade accounts receivable	(ii)	1,132,836	33,153	-	1,165,989	1,143,117	32,136	-	1,175,253
Income tax and social contribution credits		249,839	-	-	249,839	181,438	-	-	181,438
Dividends receivable		325,000	-	-	325,000	-	-	-	-
Derivative financial instruments - trading		74,532	-	-	74,532	209,928	-	-	209,928
Restricted deposits		36,177	-	-	36,177	34,527	-	-	34,527
Concession financial asset	(ii)	377,543	(377,543)	-	-	363,802	(363,802)	-	-
Contract asset	(i)	615,096	-	(615,096)	-	558,179	-	(558,179)	-
Other current assets		842,084	-	-	842,084	318,872	-	-	318,872
		8,908,874	**(344,390)**	**(615,096)**	**7,949,388**	**5,045,750**	**(331,666)**	**(558,179)**	**4,155,905**
Non-current assets held for sale		4,577	-	-	4,577	2,332,778	-	-	2,332,778
		8,913,451	**(344,390)**	**(615,096)**	**7,953,965**	**7,378,528**	**(331,666)**	**(558,179)**	**6,488,683**
NON-CURRENT ASSETS									
Long-term assets									
Derivative financial instruments - hedge		12,921	-	-	12,921	31,981	-	-	31,981
Derivative financial instruments - trading		30,110	-	-	30,110	45,638	-	-	45,638
Restricted deposits		322,021	-	-	322,021	235,970	-	-	235,970
Judicial deposits		59,005	-	-	59,005	71,435	-	-	71,435
Concession financial asset	(ii)	2,955,998	(2,955,998)	-	-	2,856,475	(2,856,475)	-	-
Contract asset	(i)	6,214,341	-	(6,214,341)	-	5,895,776	-	(5,895,776)	-
Other non-current assets[1]	(iii)	348,381	-	-	348,381	332,623	2,820	20,367	355,810
		9,942,777	**(2,955,998)**	**(6,214,341)**	**772,438**	**9,469,898**	**(2,853,655)**	**(5,875,409)**	**740,834**
Investments		**2,713,065**	**-**	**-**	**2,713,065**	**3,006,423**	**-**	**-**	**3,006,423**
Property, plant and equipment	(i)	**16,563,397**	**112,271**	**6,231,372**	**22,907,040**	**14,196,959**	**95,642**	**6,154,800**	**20,447,401**
Intangible assets	(ii)	**4,091,783**	**1,986,971**	**165,941**	**6,244,695**	**4,134,944**	**2,070,171**	**160,836**	**6,365,951**
		33,311,022	**(856,756)**	**182,972**	**32,637,238**	**30,808,224**	**(687,842)**	**440,227**	**30,560,609**
TOTAL		**42,224,473**	**(1,201,146)**	**(432,124)**	**40,591,203**	**38,186,752**	**(1,019,508)**	**(117,952)**	**37,049,292**

(1) Refers to adjustments in deferred income tax assets.

LIABILITIES AND EQUITY

	Note	12.31.2023				12.31.2022			
		Statutory	HPP Concessions Quotas	Transmission companies	Adjusted	Statutory	HPP Concessions Quotas	Transmission companies	Adjusted
CURRENT LIABILITIES									
Suppliers		828,865	-	-	828,865	535,398	-	-	535,398
Dividends and interest on equity		411,578	-	-	411,578	181,104	-	-	181,104
Debt instruments		2,549,863	-	-	2,549,863	1,652,968	-	-	1,652,968
Concessions payable (Use of Public Asset)		762,588	-	-	762,588	406,871	-	-	406,871
Tax and regulatory liabilities		319,916	-	-	319,916	264,258	-	-	264,258
Labor obligations		136,387	-	-	136,387	153,809	-	-	153,809
Derivative financial instruments - trading		64,008	-	-	64,008	189,932	-	-	189,932
Provisions		951	-	-	951	4,144	-	-	4,144
Retirement benefits obligations		34,127	-	-	34,127	54,015	-	-	54,015
Other current liabilities		1,005,382	-	-	1,005,382	442,049	-	-	442,049
		6,113,665	**-**	**-**	**6,113,665**	**3,884,548**	**-**	**-**	**3,884,548**
Liabilities related to non-current assets held for sale		-	-	-	-	2,005,671	-	-	2,005,671
		6,113,665	**-**	**-**	**6,113,665**	**5,890,219**	**-**	**-**	**5,890,219**
NON-CURRENT LIABILITIES									
Debt instruments		18,127,381	-	-	18,127,381	16,288,157	-	-	16,288,157
Derivative financial instruments - trading		23,004	-	-	23,004	31,527	-	-	31,527
Concessions payable (Use of Public Asset)		4,657,314	-	-	4,657,314	4,849,081	-	-	4,849,081
Provisions		507,607	-	-	507,607	531,756	-	-	531,756
Retirement benefits obligations		366,076	-	-	366,076	218,959	-	-	218,959
Deferred income tax and social contribution	(iii)	2,087,298	(408,391)	(155,312)	1,523,595	1,505,352	(344,771)	(100,307)	1,060,274
Other non-current liabilities		525,918	-	-	525,918	431,529	-	-	431,529
		26,294,598	**(408,391)**	**(155,312)**	**25,730,895**	**23,856,361**	**(344,771)**	**(100,307)**	**23,411,283**
EQUITY		**9,816,210**	**(792,755)**	**(276,812)**	**8,746,643**	**8,440,172**	**(674,737)**	**(17,645)**	**7,747,790**
TOTAL		**42,224,473**	**(1,201,146)**	**(432,124)**	**40,591,203**	**38,186,752**	**(1,019,508)**	**(117,952)**	**37,049,292**

		INCOME STATEMENT							
		2023				2022			
	Note	Statutory	HPP Concessions Quotas	Transmission companies	Adjusted	Statutory	HPP Concessions Quotas	Transmission companies	Adjusted
Net operating revenue		10,747,784	(31,198)	(430,473)	10,286,113	11,906,605	(76,735)	(1,347,577)	10,482,293
Operating costs		(4,840,645)	(147,621)	104,673	(4,883,593)	(6,317,412)	(113,407)	1,024,224	(5,406,595)
GROSS PROFIT	(i)/(ii)	**5,907,139**	**(178,819)**	**(325,800)**	**5,402,520**	**5,589,193**	**(190,142)**	**(323,353)**	**5,075,698**
Operating expenses, net		(539,958)	-	-	(539,958)	(515,745)	-	-	(515,745)
Equity income		993,117	-	-	993,117	727,136	-	-	727,136
INCOME BEFORE FINANCIAL RESULT AND TAXES		**6,360,298**	**(178,819)**	**(325,800)**	**5,855,679**	**5,800,584**	**(190,142)**	**(323,353)**	**5,287,089**
Financial result	(i)	(1,962,998)	-	33,464	(1,929,534)	(2,515,290)	-	309,979	(2,205,311)
INCOME BEFORE INCOME TAXES		**4,397,300**	**(178,819)**	**(292,336)**	**3,926,145**	**3,285,294**	**(190,142)**	**(13,374)**	**3,081,778**
Income tax and social contribution	(iii)	(968,240)	60,799	98,512	(808,929)	(620,726)	64,649	78,966	(477,111)
NET INCOME FOR THE YEAR		**3,429,060**	**(118,020)**	**(193,824)**	**3,117,216**	**2,664,568**	**(125,493)**	**65,592**	**2,604,667**
NET INCOME ATTRIBUTABLE TO:									
Shareholders of ENGIE Brasil Energia		3,429,555	(118,020)	(193,824)	3,117,711	2,663,079	(125,493)	65,592	2,603,178
Non-controlling shareholders		(495)	-	-	(495)	1,489	-	-	1,489
		3,429,060	**(118,020)**	**(193,824)**	**3,117,216**	**2,664,568**	**(125,493)**	**65,592**	**2,604,667**

(i) Contract asset, property, plant and equipment, revenue and cost of implementation of infrastructure and remuneration of contract asset

In corporate accounting, the portion corresponding to construction costs, plus a gross residual margin that covers the costs of construction management, is recognized as a contract asset, with a corresponding revenue from the implementation of infrastructure. Expenses with construction of the transmission line are recognized directly in the profit or loss from the year under the "Cost of implementation of infrastructure" line. On the other hand, for regulatory purposes, these costs are recognized under property, plant and equipment and there is no recognition of revenue from implementation of infrastructure.

In corporate accounting, the portion corresponding to construction RAP is recognized under contract asset as a corresponding entry to revenue from the implementation of infrastructure. In regulatory accounting, this amount is recognized as revenue from electricity transmission operations. In addition, both in regulatory and corporate accounting, O&M revenue is recognized as a corresponding entry to profit or loss, not generating differences between the accounting methods.

Moreover, the interest related to the financing from BNDES is capitalized in regulatory accounting, due to the construction of the transmission system that started in 2020.

Lastly, the effects mentioned above result in differences in PIS and Cofins calculation.

(iii) Concession financial asset and intangible assets

In corporate accounting, the portion of bonus for the grant that gives unconditional right to receive a cash flow without market and hydrological risks was recognized as a concession financial asset. The difference between the total bonus amount for the grant and the amount allocated as concession financial asset was recognized under intangible assets. The portion recognized in concession financial asset is remunerated at the internal rate of return and adjusted by the IPCA and these effects are presented in "Remuneration from concession financial asset." The realization of this concession financial asset is done through RBO receipts. Other items making up the RAG are recognized in specific lines in profit or loss, as follows: (i) GAG – recognized in "GAG revenue – O&M;" (ii) connection charges, charges for use of transmission or distribution systems, portion of adjustment for unavailability and other charges – recognized as recovery of related costs. Intangible assets are amortized on a straight-line basis over the duration of the concession agreement.

For regulatory purposes, the total amount of bonus for the grant was recognized under intangible assets, which is also amortized on a straight-line basis over the duration of the concession agreement. In addition, revenues billed monthly to distribution companies, related to RAG, are recognized under "Supply of electricity".

The effects mentioned above result in differences in PIS and Cofins calculation.

(iii) Deferred income tax and social contribution

The effects of differences shown above generate deferred income and social contribution taxes in the corporate statements. For regulatory purposes, these effects are not considered, as mentioned in the previous item.

STATEMENT OF COMPANY'S EXECUTIVE OFFICERS

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Financial Statements (parent company and consolidated) and, also agrees with the opinion of the independent auditors of the Company, Ernst & Young Auditores Independentes S/S Ltda., as presented in the Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Eduardo Takamori Guiyotoku
Chief Financial and Investor Relations Officer

Gabriel Mann dos Santos
Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari
Chief New Business Officer

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, February 27, 2024.

BOARD OF DIRECTORS

Maurício Stolle Bähr
Chairman

Paulo Jorge Tavares Almirante
Vice-Chairman

Dirk Achiel Marc Beeuwsaert
Director

Karin Koogan Breitman
Director

Pierre Jean Bernard Guiollot
Director

Simone Cristina de Paola Barbieri
Director

Paulo de Resende Salgado
Director

Manoel Eduardo Lima Lopes
Director

Adir Flávio Sviderskei
Director

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Chief Implementation Officer

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Romary dos Anjos Silva
Accounting Department Manager
Accounting - CRC SC 036047/O-2

Building a better working world

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Independent auditor's report on individual and consolidated financial statements

To the shareholders and Management of:
ENGIE Brasil Energia S.A.
Florianópolis / SC

Opinion

We have audited the individual and consolidated financial statements of Engie Brasil Energia S.A ("the "Company"), identified as individual and consolidated, respectively, which comprise the statements of financial position as of December 31, 2022, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position, individual and consolidated, of Engie Brasil Energia S.A. as of December 31, 2023, its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements, and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition and costs with energy purchase

In the year ended December 31, 2023, the Company had operating revenues from energy supply in the amount of R$ 5,061,978 thousand (parent) and R$ 10,750,613 thousand (consolidated), as disclosed in note 22, in which includes R$ 578,583 (parent) and R$ 2,127,702 (consolidated) related to revenues in the short-term market transactions. Additionally, the Company recognized energy purchase costs in the amount of R$578,583 in the parent company and R$2,127,702 in the consolidated, as disclosed in note 23 (a.1).

Revenues are mainly from the supply of electricity to free consumers, electricity distributors, generators, and traders. The recognition of energy revenues and purchase costs is carried out when the control of the goods or services is transferred to the client for a value that reflects the compensation to which the Company expects to be entitled in exchange for these goods or services. Revenue is an important indicator of the performance of the Company and its Administration, which can create an incentive to recognize revenue before the fulfilment of the performance obligation, or postponement of cost recognition, especially in the period preceding the end of the year. Additionally, the revenue process also includes the measurement of revenue not billed to the customer, related to the supply of electricity, calculated on an estimated basis, until December 31, 2023, using certain assumptions arising from energy purchase and sale contracts.

The monitoring of this subject was considered significant for our audit, considering the risks that a revenue or cost will be recognized in a period different from that in which the transfer of risks and benefits to the client occurred and consequent fulfilment of the performance obligation, in addition to the volume and specificity in the measurement of the revenue and cost cut-off at the end of each reporting period.

How our audit addressed this matter

Our audit procedures included, but are not limited to:

(i) Evaluation of the adequacy of accounting policies adopted by the Company, and understanding of internal controls related to the recognition of revenues and costs of supply of electricity;
(ii) Evaluation of the reasonableness of the accounting estimates of energy revenue and cost, recognized at the end of the year;
(iii) Analysis of a sample of contracts, to conference the data used in the measurement of the estimate;
(iv) Evaluation of the subsequent liquidation report issued by the Electric Energy Trading Chamber-CCEE, with the purpose of corroborating the volume of energy purchased and sold by the Company;
(v) Testing of receipt and subsequent payment of invoices, by sampling; and

(vi) Assessment of the adequacy of disclosures made by the Company on revenues and costs, included in notes 22 and 23 (a.1) to individual and consolidated financial statements.

Based on the result of the audit procedures carried out on the recognition of revenues and costs, which is consistent with the Company's assessment, we consider that the criteria and assumptions used are acceptable, as well as the respective disclosures, in the context of the individual and consolidated financial statements taken as a whole.

Provision for civil, tax and labor risks

As of December 31, 2023, the Company has provisions for civil, fiscal and labour risks in the amount of R$ 224,723 thousand in the parent company and R$ 250,762 thousand in the consolidated company. Also, the Company has civil, fiscal and labour proceedings considered with a prognosis of possible and remote loss in the amounts of R$ 1,484,613 and R$ 474,278 thousand, respectively, in the parent company, and R$ 1,513,856 thousand and R$ 552,902 thousand in the consolidated company, for which no provisions were recorded, as disclosed in note 17.

This matter was considered relevant to our audit, since, in determining the amounts to be accounted for to face these risks, as well as the amounts of possible and remote risks disclosed in the individual and consolidated financial statements, the Company, advised by its legal advisors, applies judgment that requires the use of technical and historical knowledge, the analysis of jurisprudence and the individualised analysis of the cases.

How our audit addressed this matter

Our audit procedures included, among other:

(i) Testing of the integrity and accuracy of the database used by the Company to develop estimates on the prognosis of losing cases;
(ii) Independent confirmation with external legal advisors and patrons of the proceedings regarding the classification of the risk of loss, the procedural phase and the amount involved;
(iii) Challenge to the assumptions and judgments used by the Company in the development of these estimates, considering the involvement of experts in the evaluation of lawsuits; and
(iv) Evaluation of the adequacy of disclosures made by the Company on the provisions of disputes and processes considered with a possible and probable prognosis, according to note 17 to the individual and consolidated financial statements.

Based on the result of the audit procedures carried out on the Provision for civil, tax and labor risks, which is consistent with the Company's assessment, we consider that the criteria and assumptions used are acceptable, as well as the respective disclosures, in the context of the individual and consolidated financial statements taken together.

Shareholder Agreement for Investments

As described in explanatory note 9, the Company's Board of Directors approved, on May 4, 2023, the investment agreement between the subsidiary Maracanã Geração de Energia e Participações S.A. ("Maracanã") and Itaú Unibanco S.A. ("Itaú" or "Preferred Shareholder") with the intervention and consent of the subsidiary Engie Brasil Energia Complementares Participações Ltda. ("ECP"), to regulate the general terms and conditions of the investment, by Itaú, through the subscription of preferred shares ("PN") of the share capital in the amount of R$1 billion.

After the investment agreement signed on June 7, 2023, Itaú became the holder of all the preferred shares, representing 12.34% of Maracanã's total share capital and ECP, in turn, became the holder of all the ordinary shares representing 87.66% of Maracanã's share capital.

The Company analyzed the substance of the operation based on the investment agreement mentioned above and concluded that (i) control over Maracanã continues to be held by the Company, and (ii) the Company has no contractual obligation to deliver cash or other financial assets to Itaú and exchange financial assets and liabilities with Itaú under conditions potentially unfavorable to the Company.

The monitoring of this matter was considered significant for our audit, given the judgment exercised by the Company in the accounting treatment of this transaction as an equity instrument, the measurement of the fair value of the purchase option using unobservable data and the processes that support its recognition as well as their respective internal controls.

How our audit addressed this matter

Our audit procedures included, among others:

(i) reading of the contracts and investment agreements that supported the transaction, including the respective approvals by the Company's governance bodies;
(ii) analysis and discussion of the documentation of the Company's accounting policies that support the recognition of the transaction as an equity instrument;
(iii) involvement of experts to analyze the projections and assumptions that support the measurement of the fair value of the repurchase option; and
(iv) evaluation of the adequacy of the disclosures made by the Company regarding the transaction and other impacts on the individual and consolidated financial statements.

Based on the results of the audit procedures carried out on the shareholders' agreement for investment, which is consistent with the Company's assessment, we consider that the criteria and assumptions used are acceptable, as are the respective disclosures, in the context of the financial statements taken as a whole.

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Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2023, prepared under the responsibility of Company management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and whether their form and content comply with the criteria defined in accounting pronouncement NBC TG 09 – Statements of Value Added. In our opinion, these statements of value added were accordingly prepared, in all material respects, in accordance with the criteria defined in above mentioned accounting pronouncement and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

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Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including any significant deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Blumenau (SC), February 27, 2024.

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

Adilvo França Junior
Accountant CRC - 1BA021419/O

CAPITAL BUDGET

In thousands of reais

(In thousands of Reais)

Source of funds	2024	2025	2026	Total
Retained earnings for 2023 (Art. 196 of the Brazilian Corporate Law)	1,559,990	-	-	1,559,990
Debt and internal cash generation	4,913,084	3,884,630	758,390	9,556,104
Total sources	**6,473,074**	**3,884,630**	**758,390**	**11,116,094**
Use of funds				
Asa Branca Transmission System	513,415	1,876,399	552,611	2,942,425
Gavião Real Transmission System	17,964	-	-	17,964
Serra do Assuruá Wind Power Complex	3,506,022	1,075,671	-	4,581,693
Assu Sol Wind Power Complex	2,073,725	695,444	-	2,769,169
Santo Agostinho Wind Power Complex	15,579	-	-	15,579
Salto Osório Hydroelectric Power Plant modernization	59,042	3,397	-	62,439
Jaguara Hydroelectric Power Plant modernization	96,623	142,785	129,701	369,109
Miranda Hydroelectric Power Plant modernization	2,466	1,012	-	3,478
Power plant maintenance	188,238	89,922	76,078	354,238
Total use	**6,473,074**	**3,884,630**	**758,390**	**11,116,094**

Statutory Audit Committee Annual Report Summary
ENGIE Brasil Energia S/A – Financial Year 2023

1. Presentation

The Statutory Audit Committee ("SAC") was created as an integral part of ENGIE's corporate governance, in compliance with the amendment to Engie's Bylaws (33rd AGE - item 1.1), which adapted ENGIE to the New Market Regulations B3 rules establishment regarding the Statutory Audit Committee (Article 22).

The SAC was constituted at the Company's Directors Board Meeting number 193, held on December 6, 2019, at which its Internal Regulations were approved, and at the Company's Directors Board Meeting number 202, on May 14, 2020, at which the SAC members were appointed.

The SAC is a permanent statutory body, directly linked to the ENGIE Brasil Energia S/A ("ENGIE") Directors Board and is governed by the rules set forth in Brazilian law and provisions contained in its Internal Regulations. The Directors Board reports the issues discussed at its meetings, as well as its manifestations, to ENGIE's Directors Board, in accordance with the minutes of the meetings filed at the Company.

The ENGIE's Executive Officers Board members are invited to participate in the SAC meetings that involve topics related to them or matters submitted by them for consideration by the SAC and indicate managers participation for matters to be addressed. The managers appointed by ENGIE are also invited to participate in all SAC meetings.

Considering the CVM Provisions Instruction 509/11, at the meeting held on 02/08/22, the SAC recommended to the Directors Board the hiring of the Ernst & Young (EY), External Audit firm for the External Audit services for 2022 to 2024 fiscal years, which was approved by the Directors Board, which was responsible for the examination and issuance of the independent auditors' report on the financial statements and for the issuance of special reports on the ENGIE Conglomerate quarterly reviews (QRs) in the report period.

The SAC is currently composed of ENGIE's Directors Board, Economist Paulo de Resende Salgado, SAC Coordinator, and Accountant Manoel Eduardo Lima Lopes, and Lawyer Carla Carvalho de Carvalho, all of whom meet the independence criteria established by the current legislation and by the Brazilian Institute of Corporate Governance (IBGC) criteria.

2. Activities in the Year 2023 summary

From January 1, 2023 to December 31, 2023, the SAC held thirty-seven (37) meetings, of which twelve (12) were face-to-face meetings at the Company's headquarters, involving the Executive Officers, Internal Auditors and Independent Auditors of the ENGIE Conglomerate, as well as the following Business Units Managers: Governance, Risks & Controls (GRC), Accounting Management (GCO), Legal Affairs (AJU), Tax Governance (GTR), Information Technology and Digitalization (TID), Investor Relations (RCI), Social Responsibility Management (GRS), Environmental Management (GMA), New Renewable Business Development (DNR) and Financial Management (GFI). Also in 2023, the SAC also held 4 (four) meetings with the Directors Board to inform regarding the activities development, and the content addressed was recorded in the meeting minutes of the Board.

The main activities carried out in fiscal year 2023:

1. Auditors' independence policies discussion and evaluation, covering the following matters: (i) the ENGIE Conglomerate quarterly financial statements audit work planning and execution for the 2023 fiscal yea0072; (ii) to know the natures and extents of the main audit procedures selected and the materiality concepts adopted; (iii) the audit risk analyses carried out by them; (iv) the audit examinations conclusions, having taken note of the independent auditors' report on the financial statements examinations for the year ended 31 December 2023, satisfied with the information and clarifications provided. Information was also obtained to ensure the auditors independence and the absence of interest conflicts in other work engagements than audit.

2. Monitoring the process of preparing financial statements and quarterly financial statements (QR), through meetings with managers and independent auditors, addressing the main accounting practices adopted, the accounting estimates made, as well as the equity and financial situations presentations, financial results, cash flow statement and value-added statement and the explanatory notes to the financial statements.

3. Annual Internal Audit Plan supervision, its execution, reports issued, findings and recommendations knowledge, as well as the action plans implemented by the Management.

4. Internal Controls Program and the Risk Framework monitoring.

5. Follow-up of events developed by the corporate Tax area.

6. Follow-up of lawsuits and administrative proceedings involving ongoing assets and liabilities.

7. ENGIE Conglomerate's ethical reporting channel monitoring.

8. 2022 Sustainability Report discussion and evaluation.

9. Accounting Management area (GCO) structure, activities, attributions, and main processes.

10. Governance: Company Policies; Governance Presentation, Risk & Control area (GRC): Coordination of International Organization for Standardization system (SIG); Presentation of Policies approved by the Executive Board.

11. Internal Audit area and Audit Manager assessment.

12. Finally, it is important to note that the SAC monitored, practically in real time, the audit work held for the evaluation of Ethical Incident ID 517.

Rio de Janeiro, February 27, 2024.

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Paulo de Resende Salgado
Coordinator of the Statutory Audit Committee

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Carla Carvalho de Carvalho
Member of the Statutory Audit Committee

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Manoel Eduardo Lima Lopes
Member of the Statutory Audit Committee

OPINION OF THE STATUTORY AUDIT COMMITTEE – CAE
ENGIE Brasil Energia S/A

In accordance with the legislation in force, the members of the CAE, in the exercise of their legal duties and responsibilities, as provided for in the rules of the CVM, the Novo Mercado Regulation and the Internal Regulations of the Committee, proceeded to analyze the individual and consolidated financial statements, accompanied by the report of the independent auditors and the management report for the year ended December 31, 2023 and considering the information provided by the Management of the The Company and EY professionals unanimously recommend its approval by the Board of Directors and its forwarding to the Annual General Meeting (AGM) for deliberation by shareholders.

This Opinion, after being read and found to be compliant, will be signed by the members of the Statutory Audit Committee, through *DocuSign*.

Rio de Janeiro, February 27, 2024.

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Paulo de Resende Salgado
Coordinator of the Statutory Audit Committee

_____
Carla Carvalho de Carvalho
Member of the Statutory Audit Committee

_____
Manoel Eduardo Lima Lopes
Member of the Statutory Audit Committee

ENGIE Brasil Energia S.A.
CNPJ 02.474.103\0001-19 – NIRE 4230002438-4
Publicly Held Company – CVM Register 1732-9

FISCAL COUNCIL OPINION

The undersigned members of the Fiscal Council of ENGIE Brasil Energia S.A., in compliance with legal and statutory provisions, examined the Annual Management Report and the Financial Statements consisting of the balance sheet as of December 31, 2023 and the statements of income, comprehensive income, changes in shareholders' equity, cash flows, and value added for the fiscal year ended that date, the respective notes to the financial statements, as well as the following proposal for the allocation of net income from the year: a) Tax Incentive Reserve – R$ 8,734,328.98; b) Distribution of Dividends and Interest on Equity in the total amount of R$ 1,906,654,922.91, corresponding to R$ 2.33679384759 per share, broken down as follows: (i) Interim Dividends for the first half of the year, announced at the 246th Board meeting held on 08.08.2023, in the amount of R$ 767,199,554.34 (R$ 0.94027879765 per share); (ii) Minimum mandatory dividends – R$ 272,794,039.97 (R$ 0.33433602830 per share); (iii) Interest on Equity approved at the 252nd Board meeting held on 12.08.2023, in the gross amount of R$ 145,000,000.00 (0.17771181551 per share); and (iii) Additional Dividends – R$ 721,661,328.60 (R$ 0.88446720613 per share); c) Retained Earnings Reserve – R$ 1,559,990,391.47. The purpose of said earnings retention is to subside, pursuant to article 196 of Federal Law 6,404/76, the Capital Budget for the fiscal years 2024, 2025, and 2026, which considers the Investment Program in the amounts of R$ 6,473,072,164.98, R$ 3,884,630,099.09 and R$ 758,390,031.79 respectively, allocated to direct investment in maintenance of production complexes and investment in new projects. There was no allocation of profit to legal reserve, since the Company had already reached in 2021 the limit of 20% of capital stock, pursuant to article 193 of Federal Law 6,404/76. Based on the examinations made and considering the unqualified report of independent auditors, Ernst & Young Auditores Independentes S.S. Ltda., issued on February 27, 2024, as well as the information and clarifications received from management's representatives during the year, the members of the Fiscal Council expressly believe that the documents analyzed, including the capital budget, as well as the proposal for the allocation of net income from the year discussed and voted on by the Board of Directors on February 27, 2024 meet the conditions to be approved by the shareholders at the next Annual Shareholders Meeting of the Company.

Florianópolis/SC, February 27, 2024.

Waltamir Barreiros
Chairman of Fiscal Council

Carlos Guerreiro Pinto
Member of Fiscal Council

Anderson Paiva Martins
Member of Fiscal Council