

EGIE
B3 LISTED NM

# EARNINGS RELEASE 3Q23

**For Immediate Release**

Additional information:


**Eduardo Sattamini**
*Chief Executive Officer*

**Eduardo Takamori**
*Chief Financial and Investor Relations Officer*

**Rafael Bósio**
*IR Manager*
rafael.bosio@engie.com
Tel.: +55 (48) 3221-7246

*ri.BREnergia@engie.com*


**Video conference**

**On Nov 7, 2023 at 11:00 a.m. (BRT), 9:00 a.m. (EST) in Portuguese with simultaneous translation into English)**

Click here to access the transmission.

Visit our Website
*www.engie.com.br/investidores*

IBOVESPA B3
IGC-NM B3
ITAG B3
ISE B3
IDIVERSA B3
IEE B3
ICO2 B3

Florianópolis, Brazil, November 6, 2023. ENGIE Brasil Energia S.A. ("ENGIE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the Third Quarter and nine months period ending on September 30, 2023 (3Q23, 9M23). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated. Rounding effects may cause differences in percentage changes, when comparing the comments on Economic-Financial Performance, presented in R$ million, with the Income Statement (Appendix III), presented in R$ thousand.



Usina Hidrelétrica Jaguara

# ENGIE Brasil Energia increases the diversification of its portfolio with the acquisition of five solar generation plants.

**Adjusted Net Income and Ebitda report growth of 30.9% and 23.5%, respectively compared to 3Q22.**




## Highlights

**Adjusted net income** was **R$ 928 million** in the 3Q23, 30.9% (R$ 219 million) higher than posted in the 3Q22.

The Company posted **adjusted Ebitda**[2] of **R$ 1,768 million** in the 3Q23, an increase of 23.5% (R$ 336 million) compared to the 3Q22. The **adjusted Ebitda margin** was **70.3%** in the 3Q23, a growth of 18.2 p.p. compared with the 3Q22.

**Net operating revenue** reached **R$ 2,514 million** in the 3Q23, 8.5% (R$ 233 million) lower than recorded in the 3Q22.

The **average price of the energy sales agreements**, net of taxes on revenues and trading operations, was **R$ 223.97/MWh** in the 3Q23, 0.2% lower than registered in the 3Q22.

Excluding trading operations, the **energy sales volume** in the 3Q23 was 8,574 GWh (**3,883 average MW**), 9.4% lower than sold in the 3Q22.

During 3Q23, one generator unit at the Santo Agostinho Wind Complex, state of Rio Grande do Norte **went into commercial operations**. At the end of the period, 12 out of the project's total of 70 wind generators were commercially operational.

Formalized the closing of the acquisition by ENGIE Brasil Energia and remaining members of the consortium, of CEEE-G's stake in the **Machadinho consortium, increasing 5.3 average MW of commercial capacity to the Company's portfolio.**

# Summary of Financial and Operational Indicators

| Consolidated (in R$ million) | 3Q23 | 3Q22 | Chg. | 9M23 | 9M22 | Chg. |
|---|---|---|---|---|---|---|
| Net Operating Revenue (NOR) | 2,514 | 2,747 | -8.5% | 8,037 | 8,805 | -8.7% |
| Results from Operations (EBIT) | 1,475 | 1,216 | 21.3% | 4,790 | 4,314 | 11.0% |
| Ebitda [1] | 1,707 | 1,469 | 16.2% | 5,480 | 5,076 | 8.0% |
| Adjusted Ebitda [2] | 1,768 | 1,432 | 23.5% | 5,629 | 5,205 | 8.1% |
| Non-recurrent effects adjusted Ebitda [3] | 1,729 | 1,661 | 4.1% | 5,529 | 5,038 | 9.7% |
| Ebitda / NOR - (%) [1] | 67.9 | 53.5 | 14.4 p.p. | 68.2 | 57.6 | 10.6 p.p. |
| Adjusted Ebitda / NOR - (%) [2] | 70.3 | 52.1 | 18.2 p.p. | 70.0 | 59.1 | 10.9 p.p. |
| Net Income | 867 | 734 | 18.1% | 2,482 | 1,774 | 39.9% |
| Adjusted Net Income | 928 | 709 | 30.9% | 2,615 | 1,860 | 40.6% |
| Adjusted Return on Equity (ROE) [4] | 37.0 | 33.2 | 3.8 p.p. | 37.0 | 33.2 | 3.8 p.p. |
| Adjusted Return on Invested Capital (ROIC) [5] | 21.0 | 22.0 | -1.0 p.p. | 21.0 | 22.0 | -1.0 p.p. |
| Net Debt [6] | 15,335 | 14,980 | 2.4% | 15,335 | 14,980 | 2.4% |
| Gross Power Production (avg MW) [7] | 5,597 | 6,111 | -8.4% | 4,408 | 4,653 | -5.3% |
| Energy Sold (avg MW) [8] | 3,883 | 4,285 | -9.4% | 4,138 | 4,288 | -3.5% |
| Average Net Sales Price (R$/MWh) [9] | 223.97 | 224.41 | -0.2% | 225.49 | 223.76 | 0.8% |
| Number of Employees - Total | 1,137 | 1,253 | -9.3% | 1,137 | 1,253 | -9.3% |
| EBE Employees | 1,116 | 1,185 | -5.8% | 1,116 | 1,185 | -5.8% |
| Employees on Under Construction Plants | 21 | 68 | -69.1% | 21 | 68 | -69.1% |

*1 Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.*
*2 Adjusted Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization + impairment + non-recurrent.*
*3 Adjusted EBITDA, less the effects of IFRS in the transmission segment.*
*4 ROE: adjusted net equity for the past 4 quarters /shareholders' equity.*
*5 ROIC: effective tax rate x adjusted EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).*
*6 Adjusted amount, net of gains from hedge operations.*
*7 Total gross electricity output from the plants operated by ENGIE Brasil Energia.*
*8 Disregarding sales for quota regime (Jaguara and Miranda HPPs).*
*9 Net of taxes and trading operations.*

# Subsequent Events

Eleven more wind turbines at the Santo Agostinho Wind Complex were authorized for **commercial operations** and seven for **testing** by November 6, 2023.

Agreement signed for the **acquisition of photovoltaic complexes** in the states of Bahia, Minas Gerais and Ceará, with a total installed capacity of 545 MWac (661 MWp) at an approximate total value of R$ 3.2 billion. The output from the assets is almost fully contracted over the long-term with 66% of the commercial capacity allocated to the regulated environment and the remainder 34% to the free market.



Umburanas Wind Complex

## Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections, and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward-looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward-looking statements contained in this release.

# Message from Management

We ended the third quarter 2023 in the certainty that we are on the right track! We continued our journey of growth in renewables, putting into practice our purpose of "acting to accelerate the transition towards a carbon neutral society through the reduced consumption of energy and more sustainable solutions".

At Gentio do Ouro, 600 kilometers from Salvador (BA), work has begun on the implementation of the Serra do Assuruá Wind Complex. Comprising 24 wind farms with 188 wind turbines, to be implemented in a single phase, the project is already underway with the execution of earthmoving activities and the surfacing of access roads as well as the concreting and backfilling of wind turbine tower foundations. Meanwhile, general work on the Santo Agostinho Wind Complex in the state of Rio Grande do Norte, is already 87.5% complete. Nineteen of the 70 wind turbines comprising the project are in commercial operations and a further 22 authorized for operations on a test basis. These two wind projects combined will have an installed capacity of 1,280 MW.

We also reported progress with the implementation of the Assú Sol Photovoltaic Complex. The main agreements for the supply of the panels, inverters and trackers have already been signed with a start made on connection work as well as the photovoltaic plants themselves. Situated in the municipality of Assú (RN), the project will have an installed capacity of approximately 752 MW and commercial capacity estimated at 229 average MW.

Turning to the energy transmission segment, Gavião Real Transmissora de Energia's basic substation and sectioning projects were concluded together with earthmoving and foundations for the 230kV equipment. The project, for which the Company made a successful bid at the Aneel 01/20220 Transmission Auction, has as its aim to meet the requirements of the energy distribution network in the state of Pará.

In accordance with our growth strategy, on September 27 we also signed the concession agreement for the Asa Branca project. The result of a successful bid at the Aneel 01/2023 Transmission Auction, the project will traverse the states of Bahia, Minas Gerais, and Espírito Santo over around 1,000 kilometers with four single-circuit 500 kV transmission lines. In the same month, ENGIE Brasil Energia and other consortium members also finalized the acquisition of CEEE-G's stake in the Machadinho Hydro Power Plant Consortium, increasing 5.3 average MW of commercial capacity to the Company's portfolio.

In 3Q23, ENGIE Brasil Energia reported net operating revenues of R$ 2.5 billion, 8.5% lower than in 3Q22, driven principally by the sale of the Pampa Sul subsidiary and the decrease in construction revenue from transmission assets. Adjusted Ebitda recorded an increase of 23,5%, reaching R$ 1.8 billion in 3Q23, with an increase of 18.2 p.p. in adjusted Ebitda margin to 70.3%. This indicator was positively boosted by the transmission segment with an enhanced remuneration from contractual assets and a stronger result from the equity stake in the jointly controlled Transportadora Associada de Gás (TAG). However, these factors were attenuated by reductions in a combination of volume and average selling price as well as transactions conducted across the short-term market. Adjusted net income posted an increase of 30.9% in relation to the same quarter 2022, reporting R$ 928 million in 3Q23, in the light of the factors related above as well as a combination of a reduction in net financial expenses with a higher Income Tax and Social Contribution take.



Usina Hidrelétrica Jaguara

The consistence of our **strategy**, resilience of the business model, efficacy of the Company's **management of risks**, long-term vision and robustness guaranteed by the **diversification of our portfolio**, permits us to study and capture good projects.

The consistence of our strategy, resilience of the business model, efficacy of the Company's management of risks, long-term vision and robustness guaranteed by the diversification of our portfolio, permits us to study and capture good projects. And it is with satisfaction that we can highlight an event subsequent to the end of the quarter: the acquisition of five working photovoltaic plants in the states of Bahia, Ceará, and Minhas Gerais. The combined installed capacity of these projects is 545 MWac (661 MWp), and are highly contracted for long-term delivery, with 66% of the commercial capacity allocated to the regulated contracting environment and 34% in the free contracting environment.

As a means of contributing to the mitigation of climate change as well as driving the sustainability agenda and creating sustainable business opportunities, the Trairi Wind Complex, situated in the state of Ceará, has successfully concluded its first carbon credits issue backed by four wind farms in the municipality. Over a seven-year period (2013 to 2020), a total of 1,238,487 carbon credits has been generated. Each carbon credit corresponds to a ton of carbon dioxide ($CO_2$) which has ceased to be released into the environment. This volume is enough to offset one year's $CO_2$ emissions, equivalent to 23 thousand automobiles traveling 30 kilometers per day or 5 years' emissions, equivalent to the annual energy consumption for the state of Ceará.

Our ESG practices are frequently recognized by society and the market. In 3Q23, the Company was elected for inclusion in Latin America's first diversity stock index – the B3 IDIVERSA index - focused on the pillars of gender and race. ENGIE was also listed in the Época NEGÓCIOS 360° Yearbook (2nd in the Energy Sector and 27th in the general ranking among 410 companies) and cited as one of the most environmentally sustainable companies in JP Morgan´s ESG Guide (Environmental - Brazilian Utilities). Additionally, ENGIE was recognized in the ALAS20 Brasil, Company Leader in Investor Relations category.

More than to act to accelerate the energy transition, our commitment is to ensure that this movement also contributes to the improvement in people's quality of life in a fair and truly sustainable society.

**Good reading!**



**Eduardo Antonio Gori Sattamini**
*Chief Executive Officer*



**Eduardo Takamori Guiyotoku**
*Chief Financial and Investor Relations Officer*

# Breakdown of Assets

## Energy Generation Assets

At the end of the 3Q23, ENGIE Brasil Energia had **8,194.0 MW of installed capacity** and operates a generating complex with 9,903.8 MW, comprised of 76 plants (11 hydro and 65 complementary energy source plants — biomass, SHP, wind powered and solar), 72 of which are wholly-owned by the Company and four (the Itá, Machadinho and Estreito Hydro Power Plants and the biomass-fired Ibitiúva Bioenergética co-generation plant) jointly-owned through consortia with other companies.

### Generating Complex as of September 30, 2023

| Power Plants | Source | Location | Installed Capacity (MW) | | Concession/ Authorization expiration date * | Assured energy (aMW) Company's Share |
|---|---|---|---|---|---|---|
| | | | Total | Company's Share | | |
| Itá | Hydro | Uruguai River (SC and RS) | 1,450.0 | 1,126.9 | Dec/32 | 528.7 |
| Salto Santiago | Hydro | Iguaçu River (PR) | 1,420.0 | 1,420.0 | Nov/30 | 702.2 |
| Machadinho | Hydro | Uruguai River (SC and RS) | 1,140.0 | 414.8 | Oct/35 | 143.3 |
| Estreito | Hydro | Tocantins River (TO/MA) | 1,087.0 | 435.6 | Feb/47 | 244.1 |
| Salto Osório | Hydro | Iguaçu River (PR) | 1,090.8 | 1,090.8 | Apr/31 | 477.5 |
| Cana Brava | Hydro | Tocantins River (GO) | 450.0 | 450.0 | Dec/35 | 247.8 |
| Jaguara | Hydro | Grande River (MG) | 424.0 | 424.0 | Jun/48 | 324.0 |
| Miranda | Hydro | Araguari River (MG) | 408.0 | 408.0 | Jun/48 | 188.3 |
| São Salvador | Hydro | Tocantins River (TO) | 243.2 | 243.2 | Jun/40 | 140.8 |
| Passo Fundo | Hydro | Passo Fundo River (RS) | 226.0 | 226.0 | Apr/31 | 107.5 |
| Ponte de Pedra | Hydro | Correntes River (MT) | 176.1 | 176.1 | Mar/37 | 127.6 |
| **Total - Hydro** | | | **8,115.1** | **6,415.4** | | **3,231.8** |
| Santo Agostinho Complex - Phase I[1] | Wind Farm | Lages and Pedro Avelino (RN) | 74.4 | 74.4 | May/56 | 38.5 |
| Campo Largo II Complex[2] | Wind Farm | Umburanas (BA) | 361.2 | 361.2 | Dec/54 | 192.5 |
| Umburanas Complex - Phase I[3] | Wind Farm | Umburanas (BA) | 360.0 | 360.0 | Aug/49 | 213.3 |
| Campo Largo I Complex[4] | Wind Farm | Umburanas (BA) | 326.7 | 326.7 | May/51 | 159.6 |
| Trairi Complex[5] | Wind Farm | Trairi (CE) | 212.6 | 212.6 | Sep/41 | 88.3 |
| Paracatu[6] | Solar | Paracatu (MG) | 132.0 | 132.0 | Jun/51 | 34.0 |
| Floresta[7] | Solar | Areia Branca (RN) | 86.0 | 86.0 | Jun/51 | 25.1 |
| Ferrari | Biomass | Pirassununga (SP) | 80.5 | 80.5 | Jun/42 | 25.6 |
| Ibitiúva Bioenergética | Biomass | Pitangueiras (SP) | 33.0 | 22.9 | Apr/30 | 7.1 |
| Assú V | Solar | Assú (RN) | 34.0 | 34.0 | Jun/51 | 9.2 |
| Lages | Biomass | Lages (SC) | 28.0 | 28.0 | Oct/32 | 12.7 |
| Rondonópolis | SHP | Ribeirão Ponte de Pedra (MT) | 26.6 | 26.6 | Dec/32 | 14.0 |
| José Gelazio da Rocha | SHP | Ribeirão Ponte de Pedra (MT) | 24.4 | 24.4 | Dec/32 | 11.9 |
| Nova Aurora | Solar | Tubarão (SC) | 3.0 | 3.0 | not applicable[8] | 0.3 |
| Tubarão | Wind Farm | Tubarão (SC) | 2.1 | 2.1 | not applicable[8] | 0.3 |
| Tubarão 2 | Wind Farm | Tubarão (SC) | 4.2 | 4.2 | not applicable[8] | 0.0 |
| **Total - Complementary** | | | **1,788.7** | **1,778.6** | | **832.4** |
| **Total** | | | **9,903.8** | **8,194.0** | | **4,064.2** |

** It does consider the extension of certain power plants concessions, resulting from adherence to the renegotiation of the hydrological risk referred to in Laws 14.052/2020 and 14.182/2021.*
*1 Complex composed of 14 wind power plants, 1 of which in full commercial operation.*
*2 Complex comprised of 11 wind power plants.*
*3 Complex comprised of 18 wind power plants.*
*4 Complex comprised of 11 wind power plants.*
*5 Complex comprised of 8 wind power plants.*
*6 Complex composed of 4 photovoltaic power plants.*
*7 Complex composed of 3 photovoltaic power plants.*
*8 For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.*

## Energy Transmission Assets

### Transmission assets under operation as of September 30, 2023

| Transmission line | Location | Size | Own Substations | Property | Concession expiration |
|---|---|---|---|---|---|
| Gralha Azul | State of Paraná | 909 km | 5 | 100% | Mar/48 |
| Novo Estado | States of Pará and Tocantins | 1,800 km | 1 | 100% | Mar/48 |
| **Total** | | **2,709 km** | | | |

# Gas Transportation Asset

## Transportadora Associada de Gás S.A. – TAG.

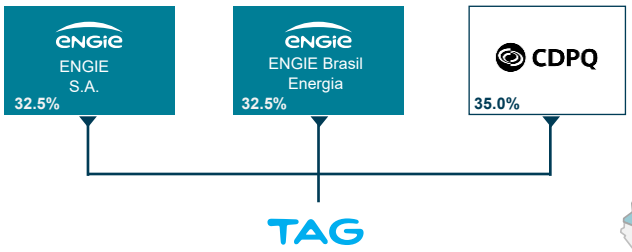
The largest natural gas transportation operation in Brazil, TAG has an infrastructure of 4,500 km of high-pressure gas pipelines extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian 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's mesh has 11 compression stations, six of which own and five contracted (and slated for acquisition by October 2023). The operation of the assets is executed from the Control and Supervision Center (CSC) in the company's offices in the city of Rio de Janeiro.

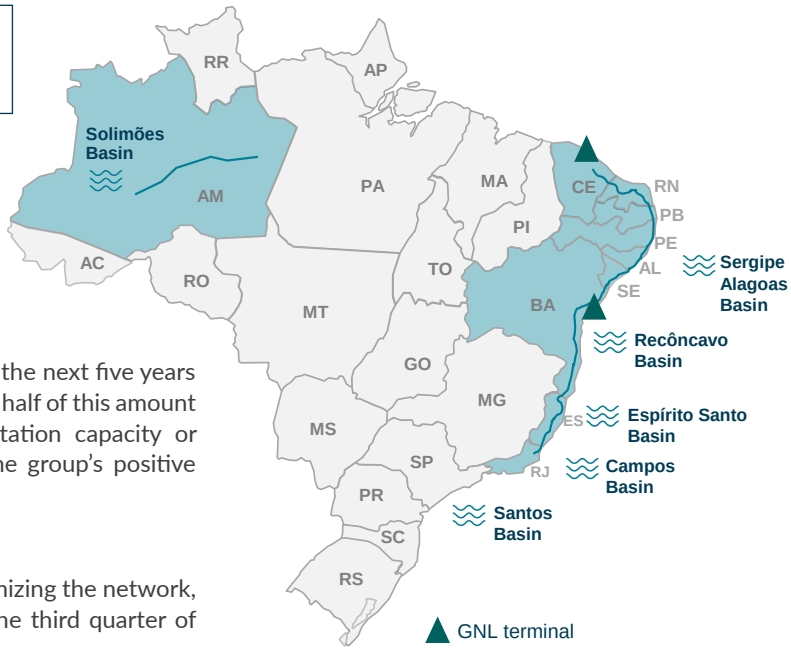
**The company is fully contracted** with Petróleo Brasileiro S.A. (Petrobras), the weighted average term of current agreements is approximately seven years, regulated by the National Petroleum Agency (ANP).

In addition, the company has been working on developing solutions for expanding access for new agents to the natural gas transportation system in the context of sector de-verticalization and the liberalization of the Brazilian gas market. With the signature of the Flexibility Reduction Agreement of the use of TAG's pipeline network by Petrobras, the company start to allow new agents to access TAG's transportation system since December 2021. **TAG has signed 64 extraordinary agreements** until the end of the 3Q23 with 21 carriers (components of 14 distinct economic groups), representing a total volume of 15 million $m^3$ of transportation capacity in entry and exit agreements maturing December 31, 2023. Furthermore, the company continues to launch new offers of capacity for contracts with maturities of between one month and a year and during the course of 2023, should offer long-term contracts.

### Corporate Structure




### TAG Gas Pipelines Location




TAG has a series of projects in hand to be executed over the next five years and surpassing R$ 3 billion in investments. Approximately half 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.
- **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 approved Sergipe's application as a Priority Project.
- **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 fourth quarter of 2023. 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, with an installed capacity of 20 million $m^3$/day, an incremental volume of 3 million $m^3$/day, with an investment of approximately R$ 730 million.
- **Connection of the Porto do Açú Regasification Terminal to the Cabiúnas-Vitória Gas Pipeline**, 45 km long and 18 million $m^3$/day of transportation capacity, is expected to start operations in the first half of 2026. The preliminary agreement for the design was approved at the end of 2022.

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

### Contracts with Petrobras breakdown

| Contrac/Section | Extension (km) | Contract Maturity[1] | Volumes Contracted (MM $m^3$/day) | % Projected of Net Operating Revenue[2] | Readjustment index |
|---|---|---|---|---|---|
| Gasene | 1,400 | Nov/33 | 30.3 | 40.0% | 46% basket IGP*; 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/23 | 0.7 | 0.3% | IGP-M |
| **Total** | **4,500.0** | | **74.3** | **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 Start of billing on 01/01/2022.*
** 1/3 IGP-M, 1/3 IPA-DI; 1/3 IGP-DI.*

# Expansion

## Jirau Energia.

Energia Sustentável do Brasil S.A. ("ESBR" or "Jirau Energia") is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia. Since November 2016, Jirau HPP has 50 generating units in operation, representing a total **installed capacity of 3,750 MW**.

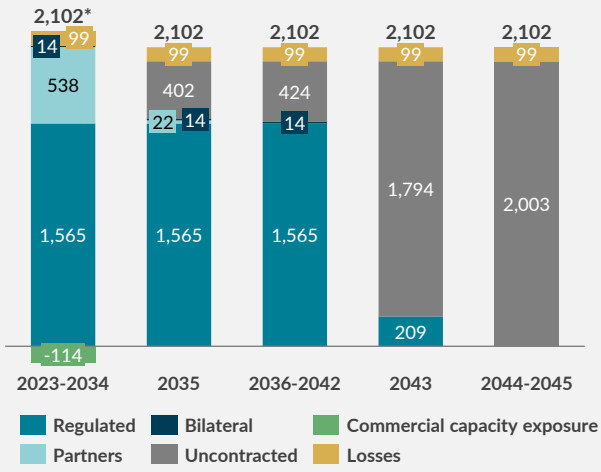



ENGIE Brasil Participações Ltda. (ENGIE Brasil Energia's parent company) is awaiting more favorable conditions for resume the economic-financial study for the preparation of a proposal for the transfer to ENGIE Brasil Energia of ENGIE Brasil Participações' stakes of 40% in Energia Sustentável do Brasil S.A. – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda.

The Jirau Hydropower Plant was recognized by the Hydropower Sustainability Council, testifying he sustainability of hydropower projects located in the Amazon region. The plant is the first hydropower plant in Brazil and the second in the world to receive this level of certification.

**Jirau Energia PPA's Portfolio**

*Average MW*




* Includes the revision of the Physical Guarantee, according to the Ordinance 709 of the Ministry of Mines and Energy, of 11/30/2022.

**In 3Q23, the Jirau Energia generated 604.6 average MW**, 22.1% higher than the 495.2 average MW for 3Q22, **while the National Electrical System Operator Uptime Ratio (FID) was 100%** (data subject to final Electric Energy Trade Board (CCEE) booking).

## Asa Branca Transmission System - Bahia, Minas Gerais and Espírito Santo

The Company won **Block 5** in the Transmission Auction 01/2023, promoted by Aneel, offering a 42.8% discount on the maximum RAP, the second lowest discount in the auction. Named as Asa Branca, at a **length of around 1,000 kilometers** in the states of Bahia, Minas Gerais and Espírito Santo the project provides for the implementation of four 500 kV single-circuit transmission lines. The concession period for the public transmission service, including licensing, construction, operation and maintenance of the transmission facilities, will be 30 years from the date of execution of the concession contract, which occurred on September 27, 2023 and negotiations have been finalized regarding the contracting of services, equipment and materials, in addition to advances in environmental licensing to comply with the business plan established by the Company. The maximum construction period is 66 months, with the possibility of significant anticipation.

| Block | Location | Contracted RAP (R$ million)[1] | Estimated Aneel Capex (R$ million)[1] |
|---|---|---|---|
| 5 | Bahia (BA), Minas Gerais (MG) and Espírito Santo (ES) | 249.3 | 2,667.0 |
| **Total** | | **249.3** | **2,667.0** |

*1 Value as of December 2022.*

# *Transmission Project under Implementation*

## Gavião Real Transmission System - Pará.

On June 30, 2022 the Company placed the winning bid for Block 7, later named as Gavião Real Transmission System, of the Aneel Transmission Auction 01/2022. 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. Located in the state of Pará, the operation **is to be integrated into the Novo Estado Transmission System, capturing synergies between projects**. The agreement for the transmission public service concession including licensing, construction and operation and maintenance of the installations is for a period of 30 years as from the signature date of the concession agreement, occurred on September 30, 2022.

The cutoff date by which time the transmission line must be in operation, is March 30, 2026, although ENGIE visualizes anticipating this term by at least 24 months, in addition to a capex reduction forecasted by Aneel.



Construction site earthworks

**In 3Q23, the basic substation and sectioning projects together with earthmoving and the 230 kV equipment foundations where concluded.**

In the third quarter 2023, the basic substation and sectioning projects were concluded while progress was recorded for the executive projects and the execution of activities in the 138kV and 230kV sectors. With the conclusion of earthmoving and the 230kV equipment foundations, work was started on the execution of 138kV foundations and mechanical assembly.

In addition, the first equipment has been delivered at the worksite, notably the Number 1 Transformer. The remaining equipment is in the final stages of manufacture and inspection.

The energization of the project is forecast for the first quarter of 2024.

| Block | Location | Contracted RAP (R$ million)[1] | Estimated Capex (R$ million)[2] |
|---|---|---|---|
| 7 | Pará (PA) | 7.1 | 80.9 |
| **Total** | | **7.1** | **80.9** |

*1 Value as of June 2023.*
*2 Value as of June 2023, considering optimization against Aneel's capex reference (R$ 110.0 million in Jun/22).*

## *Wind Projects under Implementation*

| Power plants | Source | Location | Installed Capacity (MW) | | Assured energy (aMW) Company's Share |
|---|---|---|---|---|---|
| | | | Total | Company's Share | |
| Santo Agostinho Complex - Phase I | Wind Farm | Lajes and Pedro Avelino (RN) | 434.0 | 434.0 | 221.1 |
| Serra do Assuruá Complex | Wind Farm | Gentio do Ouro (BA) | 846.0 | 846.0 | 412.0 |
| **Total** | | | **1,280.0** | **1,280.0** | **633.1** |

### Santo Agostinho Wind Complex – Phase I – Rio Grande do Norte.

With a **total installed capacity of 434 MW**, which will be reached with the implementation of 70 Siemens Gamesa wind turbines at 6.2 MW, 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.



Wind turbines assembly

**In 3Q23, general progress of work reached 87,5% with 12 generating units under commercial operations.**

At the end of 3Q23, **general progress at the site reached 87.5%** completion with all ancillary work (access roads, networks and substation) and pre-assembly (which includes the first two sections of the towers and the installation of switchgears) already 100% concluded as well as 45 wind turbines with all the main components assembled. In relation to the wind turbines – supplied by Siemens Gamesa, all 70 towers have already been received at the site together with nacelles, hubs, drivetrains and switchgears, only 21 blade sets remaining for delivery – of which seven are imported and already manufactured and delivered to the port of Suape, while the remaining 14 sets continue to be manufactured in Brazil.

By the end of 3Q23, the project had 12 Generator Units (GUs) in commercial operations and a further 19 authorized for operations on a trial basis. Until November 6, 2023, a further 11 GUs went into commercial operations and seven on a test basis. Five commercial operations GUs with 6.2 MW each and blades manufactured by the same supplier of the blades found subject to breakage in the 2Q23, totaling 31 MW, have been suspended (four were in commercial operation and one was on a test basis). Resumption of operations of these GUs will occur following the conclusion of an investigation into the root cause of failure and the necessary corrections made by the supplier. As of November 6, 2023, the project had 19 UGs in commercial operation and 22 in testing. **The full conclusion of the implementation of the project is scheduled for the fourth quarter of 2023**.

### Serra do Assuruá Wind Complex – Bahia.

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) and Itaú Unibanco.



Foundation concreting

**Ongoing earthmoving and surfacing of the roads and a start made on a concreting and backfilling of the foundations of the wind turbines.**

At the end of 3Q23, earthmoving and access road surfacing was in progress and the concreting and backfilling of tower foundations begun, allowing a start to be made on the assembly of the wind turbines in 1Q24 in accordance with planned schedule. In addition to the excavation and installation of the power line towers, work was begun on the stringing of the conductor cables for the medium voltage networks. The execution of the foundations for the collector substation is advancing and brush clearance preparatory to the installation of the transmission line nearing completion with excavation and concreting of the foundations progressing. Work has also begun on the manufacture of the wind turbine towers.

The **forecast for gradual entry into commercial operations is set for the second half of 2024** with conclusion of implementation in the second half of 2025.

## *Photovoltaic Project under Implementation*

| Power plants | Source | Location | Installed Capacity (MW) | | Assured energy (aMW) Company's Share |
|---|---|---|---|---|---|
| | | | Total | Company's Share | |
| Assú Sol Photovoltaic Plant | Solar | Assú (RN) | 752.0 | 752.0 | 228.7 |
| **Total** | | | **752.0** | **752.0** | **228.7** |

### Assú Sol Photovoltaic Complex – Rio Grande do Norte.

The project is located in the municipality of Assú (RN) and is to have an **installed capacity of approximately 752 MW** and an estimated commercial capacity of 229 average MW. 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. **At an investment worth approximately R$ 3.3 billion** (as of Jan/23), 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.

The Company has finalized the key agreements for the supply of panels, inverters and trackers, and the onsite delivery of components began in October 2023. The contracts have also been signed for the implementation of connection construction work (collector substation, transmission line and connection bay for the Açú 3 Substation), activities for which began in June 2023. Finally, implementation work on the photovoltaic plants began in July 2023 and involving engineering activities, installation of the work site and brush clearance in addition to testing, drilling, and studies essential for the preparation of the project.

## *Projects under Development*

| Power plants | Source | Location | Installed Capacity (MW) | |
|---|---|---|---|---|
| | | | Total | Company's Share |
| Santo Agostinho Solar Complex | Solar | Lajes and Pedro Avelino (RN) | 509.0 | 509.0 |
| Campo Largo Solar Complex | Solar | Umburanas e Sento Sé (BA) | 400.0 | 400.0 |
| Santo Agostinho Wind Complex - Phase II | Wind Farm | Lajes and Pedro Avelino (RN) | 279.0 | 279.0 |
| Umburanas Wind Complex - Phase II | Wind Farm | Umburanas (BA) | 250.0 | 250.0 |
| Campo Largo III Wind Complex | Wind Farm | Umburanas e Sento Sé (BA) | 250.0 | 250.0 |
| Alvorada Solar Complex | Solar | Bom Jesus da Lapa (BA) | 90.0 | 90.0 |
| **Total** | | | **1,778.0** | **1,778.0** |

### Santo Agostinho Wind Complex – Phase II – Rio Grande do Norte.

Located next to the first phase, will capture synergies that will assist in the development and viability, such as: accommodation, external access, substation, transmission line and others. In December 2021, the Instituto de Desenvolvimento Sustentável e Meio Ambiente, the environmental protection agency for the state of Rio Grande do Norte, granted an environmental installation license for the project – its **total installed capacity being 279 MW** – optimizing the wind resources and new technologies available in the market.

### Umburanas Wind Complex – Phase II – Bahia.

The environmental licensing for the Second Phase is already regularized although this is to be updated during advanced development (pre-build) to reflect the new technologies available in the market and to ensure optimum use of the region's wind resources. In due course, the project is to be developed by the Company adjacent to the Campo Largo and Umburanas – Phase I Wind Complex, in this way capturing synergies during the installation and operational stages such as the substation, site accommodation, accesses, teams and others. The project has all the necessary documentation for participation in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. The currently **installed capacity planned for the project is approximately 250 MW**, taking advantage of the best wind resources in the region.

### Campo Largo Wind Complex – Phase III – Bahia.

The Company intends to add about **250 MW of installed capacity** to the Campo Largo Wind Complex with the development of its third phase. This project already has all the necessary documentation for participating in energy auctions, although this not obviating the potential viability of the project for the sale of energy to corporate clients in the free market. In March 2021, the Institute for the Environment and Water Resources (Inema), the environmental protection agency for the state of Bahia, issued a Preliminary Environmental license for the project which is located adjacent to Phases I and II of the Campo Largo Wind Complex, the relative synergies being important for ensuring the viability of Phase III.

### Santo Agostinho Photovoltaic Complex – Rio Grande do Norte.

Located in the vicinity of the Santo Agostinho Wind Complex (RN), this solar energy complex has 12 photovoltaic farms, totaling a **potential installed capacity of up to 509 MW**. The project is at the development phase, qualifying it for participation in both free and regulated markets.

### Campo Largo Photovoltaic Complex – Bahia.

Situated in the same area as the Campo Largo Wind Complex (Bahia State), the photovoltaic project is to have 12 photovoltaic solar energy plants, these totaling a **potential installation capacity of up to 400 MW**. The projects are at a development phase and are qualified to participate in opportunities in both free and regulated markets.

### Alvorada Photovoltaic Complex – Bahia.

ENGIE Brasil Energia has acquired a site in the state of Bahia, – a region with potential for generating solar energy – for the development of three projects comprising the Alvorada Photovoltaic Complex. The projects, which will have a **total installed capacity of up to 90 MW**. The projects are at the development phase and qualify to participate in opportunities in both the free and regulated markets.

Besides the abovementioned projects, the Company is also examining opportunities in areas with high photovoltaic potential, as well as partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

# Operating Development

## Energy Generating Park Uptime

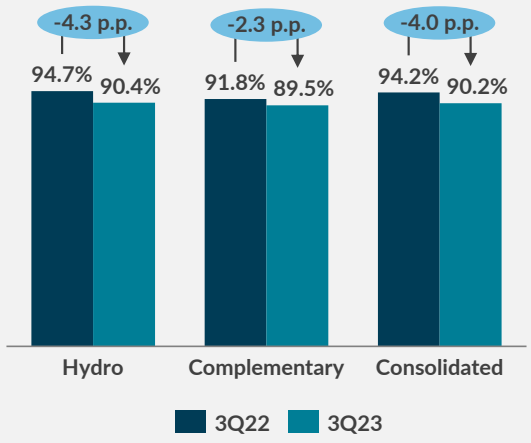
The plants operated by ENGIE Brasil Energia reported uptime working of **90.2% in 3Q23, if all scheduled and forced shutdowns are taken into account**: 90.4% for the hydroelectric plants and 89.5% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics. The Pampa Sul Thermoelectric Plant was excluded from generating uptime in 3Q22 due to the sale of the asset in May 2023.

Uptime at the **hydroelectric plants** in 3T23 was 4.3 p.p. lower compared with 3Q22, largely a reflection of partial modernization work un generating units proceeding at the Jaguara, Miranda, Salto Osório, São Salvador and Salto Santiago hydropower plants and already incorporated in Company planning.

The **complementary plants** showed a decrease of 2.3 p.p. in uptime working in 3Q23 compared with the same quarter in 2022, mainly due to a reduction in uptime at the Umburanas and Campo Largo wind complexes, in turn reflecting the conducting of essential corrective maintenance of the wind turbines.

**Uptime Operating**

*Considering scheduled shutdowns*




* For comparative purposes we do not present availability of UTE Pampa sold in May 2023.

## Energy Transmission Lines Uptime

Engie Brasil Energia reported a high degree of operational performance for its Gralha Azul and Novo Estado transmission line in the third quarter of 2023, with a **total uptime index of 99.94%.** Transmission assets went into commercial operations gradually during the course of 2021 and 2022 with implementation concluded in February 2023, when all remaining transmission lines and substations entered service.



Ferrari Thermoelectric Plant (biomass)

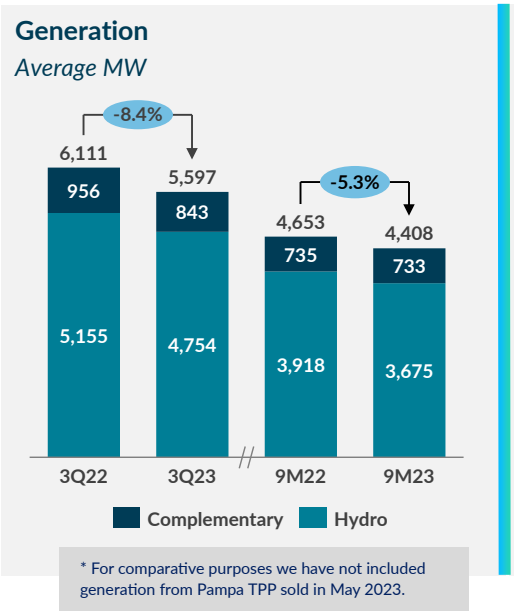
# Energy Production

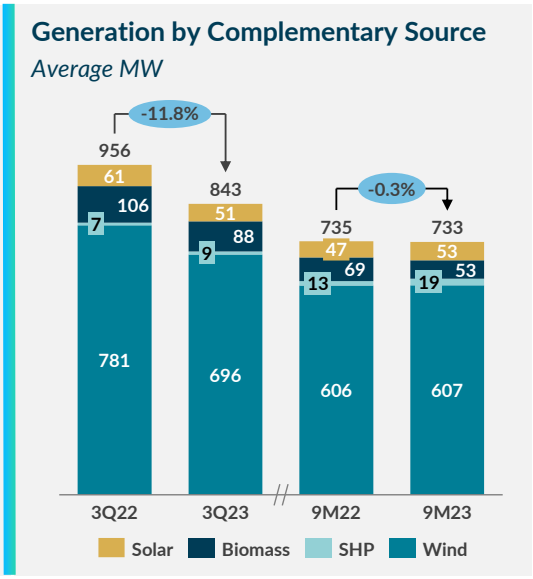
**Electricity output from plants operated by ENGIE Brasil Energia** was 12,357 GWh (5,597 average MW) in 3Q23, result **8.4% lower** than production for the 3Q22. For comparative purposes, generation from the Pampa Sul Thermoelectric Plant was excluded in 3Q22, given the plant's disposal in May 2023.

Total output breaks down as follows: hydroelectric plants 10,495 GWh (4,754 average MW) and the complementary source units 1,862 GWh (843 average MW). These results point, respectively, decreases of 7.8% and 11.8% in the hydroelectric and complementary energy source in relation to the 3Q22.

The decrease of 7.8% in total generation **from the hydropower plants** in 3Q23 compared with 3Q22, occurred basically due to effect on the reservoirs backing plants operated by ENGIE Brasil of the delay in seasonal rainfall in the south of the country compared with the same period in 2022. In 2023, heavier rainfall in the southern region began in October.

At **complementary plants,** the reduced generation is due mainly to lower power output from the Campo Largo and Umburanas wind complexes, in turn essentially due to lower wind speeds in the period, the impact from reduced availability at the wind complexes and constrained-off operation restrictions (reduction in generation demanded by the National Interconnected System Operator (ONS) with respect to programming, due to transmission network limitations or operational reserve requirements).



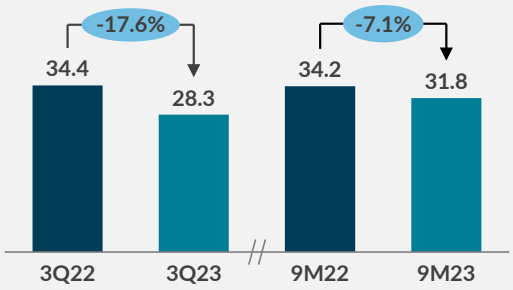

Finally, with the decrease in electric energy production in 3Q23, **it is worth emphasizing that the amount of hydro generation does not necessarily affect the Company's economic and financial performance**. This is due to the application of the Energy Reallocation Mechanism (MRE), where the inherent hydrological risks of hydropower generation are shared proportionally among MRE participants.

## Gas Transportation

**In 3Q23, TAG transported an average volume of gas of 28.3 million m³/day** (34.4 million m³/day in the 3Q22). Extraordinary agreement volume was 15 million m³/day, representing approximately 17% of TAG's total contracted volume, and 24% if only the integrated network (excluding GTA Urucu-Manaus, where Petrobras remains sole carrier) is considered. Until the end of the 3Q23, 64 transportation agreements were signed with 21 carriers.

**Average volume of gas transported**

*MM m³/day*



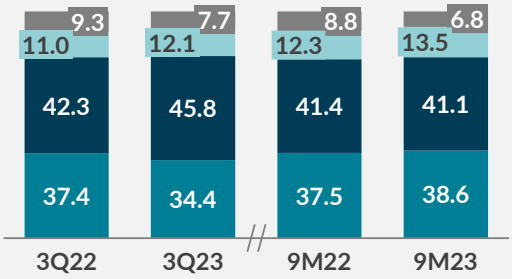



Transportadora Associada de Gás - TAG

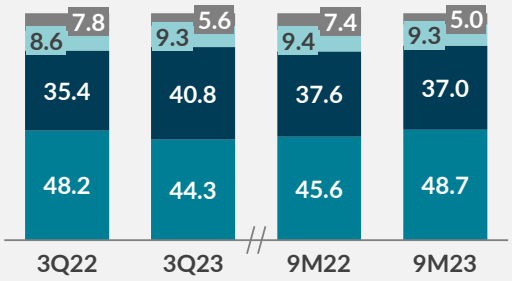
## Electric Energy Sales Portfolio

In 3Q23, the participation of free consumers in the Company's portfolio (excluding the CCEE and other revenues) reached 45.8% of total physical sales and 40.8% of Net Operating Revenue (NOR), of the generation segment, increases of 3.5 p.p. and 5.4 p.p., respectively, in relation to the same period in 2022. The increase in total revenue participation is mainly due to the monetary update of current contracts.

**Breakdown of customers by physical sales (%)**




**Breakdown of customers in contracted sales comprising NOR of the generation segment (%)**




Trading Operations | Trading Companies | Free Customers | Distribution Companies

# Commercialization Strategy of Electric Energy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigating the risk of exposure to spot prices (Price for Settlement of Differences — PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity. ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as of **September 30, 2023** is as follows:

## Energy Balance

| | (in average MW) | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | **Auction Gross** Price (R$/MWh) | Reference Date | **Gross** Price Adjusted (R$/MWh) | **Net** Price of PIS/COFINS/P&D (R$/MWh) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Own Resources | 4,060 | 4,113 | 4,540 | 4,718 | 4,718 | 4,718 | | | | |
| + | Purchases for Resale | 1,339 | 926 | 500 | 430 | 334 | 329 | | | | |
| = | **Total Resources (A)** | 5,399 | 5,039 | 5,040 | 5,148 | 5,052 | 5,047 | | | | |
| | Government Auction Sales[1] | 1,879 | 1,752 | 1,739 | 1,729 | 1,720 | 1,710 | | | | |
| | 2005-NE-2010-30 | 200 | 200 | 200 | 200 | 200 | 200 | 115.1 | Dec-05 | 300.1 | 269.6 |
| | 2006-NE-2009-30 | 493 | 493 | 493 | 493 | 493 | 493 | 128.4 | Jun-06 | 329.6 | 296.1 |
| | 2006-NE-2011-30 | 148 | 148 | 148 | 148 | 148 | 148 | 135.0 | Nov-06 | 343.8 | 308.9 |
| | 2007-NE-2012-30 | 256 | 256 | 256 | 256 | 256 | 256 | 126.6 | Oct-07 | 309.0 | 277.6 |
| | Proinfa | 19 | 19 | 19 | 19 | 10 | - | 147.8 | Jun-04 | 442.5 | 426.4 |
| | 1st Reserve Energy Auction | 14 | 14 | 2 | - | - | - | 158.1 | Aug-08 | 363.6 | 350.3 |
| | Auction Mix (New Energy / Reserve) | 14 | 9 | 8 | - | - | - | - | - | 362.3 | 349.1 |
| | 2014-NE-2019-25 | 122 | - | - | - | - | - | 183.5 | Mar-14 | 294.9 | 264.9 |
| | 2014-NE-2019-25 | 10 | 10 | 10 | 10 | 10 | 10 | 206.2 | Nov-14 | 331.3 | 319.2 |
| | 2014-NE-2019-20 | 82 | 82 | 82 | 82 | 82 | 82 | 139.3 | Nov-14 | 223.9 | 203.2 |
| | 2015-NE-2018-20 | 46 | 46 | 46 | 46 | 46 | 46 | 188.5 | Aug-15 | 280.7 | 254.7 |
| | 8th Reserve Energy Auction (Assú V/Floresta/Paracatu) | 68 | 68 | 68 | 68 | 68 | 68 | 296.7 | Nov-15 | 427.3 | 387.7 |
| | 2017-EN-2019-20 | 48 | 48 | 48 | 48 | 48 | 48 | 136.4 | Nov-14 | 224.3 | 203.6 |
| | Government Auction - Quotas regime | | | | | | | | | | |
| | 2018 - Quotas (UHJA) - 2018-30 | 227 | 227 | 227 | 227 | 227 | 227 | - | Jul-17 | 197.1 | 188.0 |
| | 2018 - Quotas (UHMI) - 2018-30 | 132 | 132 | 132 | 132 | 132 | 132 | - | Jul-17 | 228.9 | 218.3 |
| + | Bilateral Sales | 3,161 | 2,673 | 2,395 | 2,180 | 1,381 | 744 | | | | |
| = | **Total Sales (B)** | 5,040 | 4,425 | 4,134 | 3,909 | 3,101 | 2,454 | | | | |
| - | **Structural GSF Hedge (0.80)** | 359 | 521 | 521 | 521 | 521 | 521 | | | | |
| | **Balance (A - B)** | - | 93 | 385 | 718 | 1,430 | 2,072 | | | | |
| | Sales average **net** price (R$/MWh) [2, 3]: | 212.2 | 221.6 | 213.2 | | | | | | | |
| | Purchases average **net** price (R$/MWh) [4]: | 171.4 | 160.0 | 137.1 | | | | | | | |

*1 XXXX-YY-WWW-ZZ, where:*
*XXXX ➔ year of auction*
*YY ➔ EE = existing energy or NE = new energy*
*WWWW ➔ year of delivery start*
*ZZ ➔ supply contract duration (in years)*
*2 Sales price, including trading operations, is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.*
*3 Disconsidering sales for quota regime (Jaguara and Miranda HPPs).*
*4 Purchase net prices, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.*

*Notes:*
*- The balance refers to the settlement point (net of losses of internal consumption of the plant).*
*- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.*
*- Includes the revision of the Physical Guarantees, according to the Ordinance 709 of the Ministry of Mines and Energy, of 11/30/2022.*

# Economic-Financial Performance

## Results by segment – 3Q23 X 3Q22 (in R$ million)

| | Electric Energy | | | | |
|---|---|---|---|---|---|
| | Generation[1] | Transmission | *Trading* | Gas transportation | Consolidated |
| **3Q23** | | | | | |
| Net operating revenue | 2,161 | 239 | 114 | - | 2,514 |
| Operational costs | (1,048) | (34) | (113) | - | (1,195) |
| **Gross income** | **1,113** | **205** | **1** | **-** | **1,319** |
| Selling, general and administrative expenses | (97) | (4) | (1) | - | (102) |
| Other operating revenues (expenses), net | (1) | - | - | - | (1) |
| Impairment | (61) | - | - | - | (61) |
| Equity income | - | - | - | 320 | 320 |
| **Income before financial results and taxes** | **954** | **201** | **-** | **320** | **1,475** |
| **3Q22** | | | | | |
| Net operating revenue | 2,355 | 213 | 179 | - | 2,747 |
| Operational costs | (1,163) | (322) | (174) | - | (1,659) |
| **Gross income** | **1,192** | **(109)** | **5** | **-** | **1,088** |
| Selling, general and administrative expenses | (83) | (6) | (1) | - | (90) |
| Other operating revenues (expenses), net | (22) | 1 | - | - | (21) |
| Impairment reversal | 27 | - | - | - | 27 |
| Disposal of subsidiary | 10 | - | - | - | 10 |
| Equity income | - | - | - | 202 | 202 |
| **Income before financial results and taxes** | **1,124** | **(114)** | **4** | **202** | **1,216** |
| **Change** | | | | | |
| Net operating revenue | (194) | 26 | (65) | - | (233) |
| Operational costs | 115 | 288 | 61 | - | 464 |
| **Gross income** | **(79)** | **314** | **(4)** | **-** | **231** |
| Selling, general and administrative expenses | (14) | 2 | - | - | (12) |
| Other operating revenues (expenses), net | 21 | (1) | - | - | 20 |
| Impairment, net | (88) | - | - | - | (88) |
| Disposal of subsidiary | (10) | - | - | - | (10) |
| Equity income | - | - | - | 118 | 118 |
| **Income before financial results and taxes** | **(170)** | **315** | **(4)** | **118** | **259** |

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

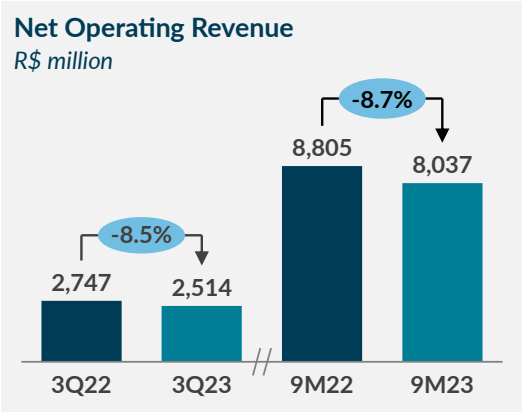
The Company's financial result is not allocated by segment since Management administers the cash flow on a consolidated and corporate basis.

# Net Operating Revenue

## Operating revenue by segment – 3Q23 X 3Q22 (in R$ million)

| | Electric Energy | | | |
|---|---|---|---|---|
| | Generation | Transmission | Trading | Consolidated |
| **3Q23** | | | | |
| Distribution companies | 901 | - | - | 901 |
| Free consumers | 831 | - | - | 831 |
| Remuneration of concession assets | 105 | 213 | - | 318 |
| Trading companies | 189 | - | - | 189 |
| Energy trading operations | - | - | 114 | 114 |
| Transactions in the short-term market | 86 | - | - | 86 |
| Services rendered revenue | 37 | 20 | - | 57 |
| Construction revenue | - | 6 | - | 6 |
| Other revenues | 12 | - | - | 12 |
| **Net operating revenue** | **2,161** | **239** | **114** | **2,514** |
| **3Q22** | | | | |
| Distribution companies | 1,109 | - | - | 1,109 |
| Free consumers | 815 | - | - | 815 |
| Remuneration of concession assets | 46 | 18 | - | 64 |
| Trading companies | 199 | - | - | 199 |
| Energy trading operations | - | - | 179 | 179 |
| Transactions in the short-term market | 125 | - | 1 | 126 |
| Services rendered revenue | 36 | 13 | - | 49 |
| Construction revenue | - | 182 | - | 182 |
| Unrealized gains on trading operations | - | - | (1) | (1) |
| Other revenues | 25 | - | - | 25 |
| **Net operating revenue** | **2,355** | **213** | **179** | **2,747** |
| **Change** | | | | |
| Distribution companies | (208) | - | - | (208) |
| Free consumers | 16 | - | - | 16 |
| Remuneration of concession assets | 59 | 195 | - | 254 |
| Trading companies | (10) | - | - | (10) |
| Energy trading operations | - | - | (65) | (65) |
| Transactions in the short-term market | (39) | - | (1) | (40) |
| Services rendered revenue | 1 | 7 | - | 8 |
| Construction revenue | - | (176) | - | (176) |
| Unrealized gains on trading operations | - | - | 1 | 1 |
| Other revenues | (13) | - | - | (13) |
| **Net operating revenue** | **(194)** | **26** | **(65)** | **(233)** |

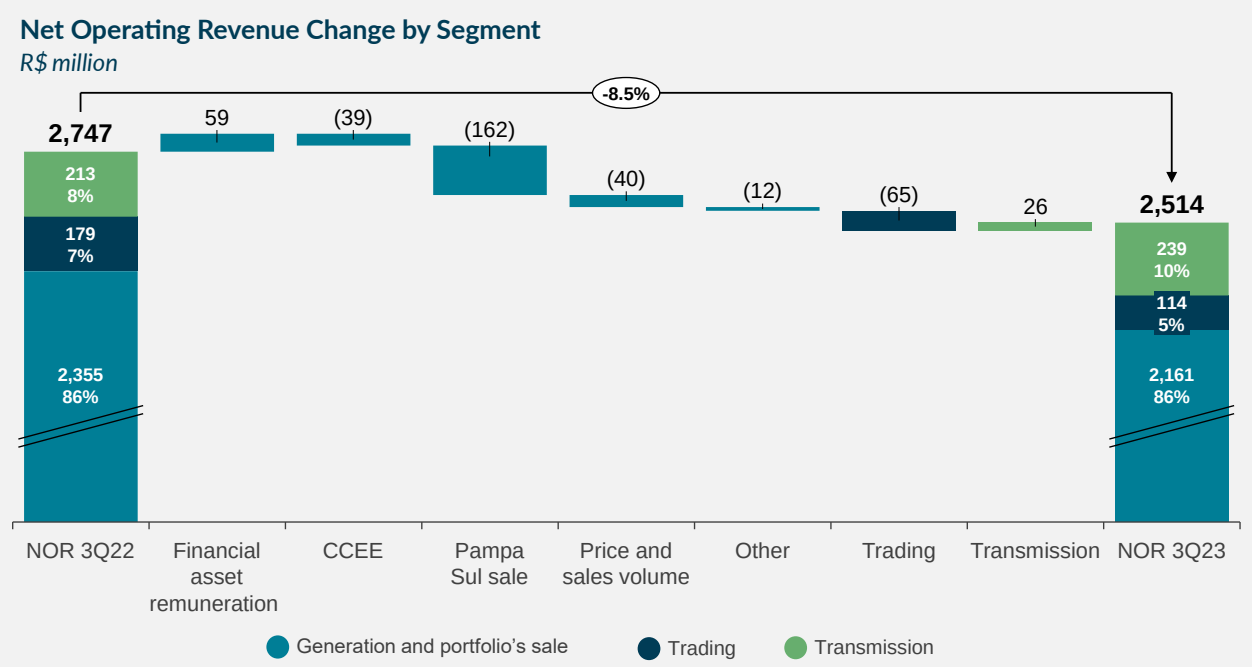
**In 3Q23, net operating revenue fell 8.5%** (R$ 233 million) when compared with 3Q22, from R$ 2,747 million to **R$ 2,514 million** reflecting the following main factors:




**Generation and sale of energy from the portfolio:** a decrease of R$ 194 million (8.2%), driven by a combination of the following factors: (i) R$ 202 million reduction in revenue from energy sales agreements in the regulated and free market environments, in turn reflecting sales volume and net average selling prices; (ii) growth of R$ 59 million in remuneration from concession financial assets corresponding to the portion of the payment for the grant of the Jaguara and Miranda hydropower plants concessions with respect to energy allocated to the regulated contracting environment (ACR), reflecting the increase in inflation between the analyzed periods; and (iii) a decrease of R$ 39 million in transactions undertaken in the short-term market, largely those conducted across the Electric Energy Trade Board (CCEE), more details for which are described in the item "Details of Short-Term Operations".

**Trading**: decrease of R$ 65 million (36.3%) arising mainly from the decrease in revenue from operations executed. More details are described below under a specific heading.

**Transmission:** increase of R$ 26 million (12.2%) in the transmission segment. More details are described below under a specific heading.




## Comments on Variation in Net Operating Revenue

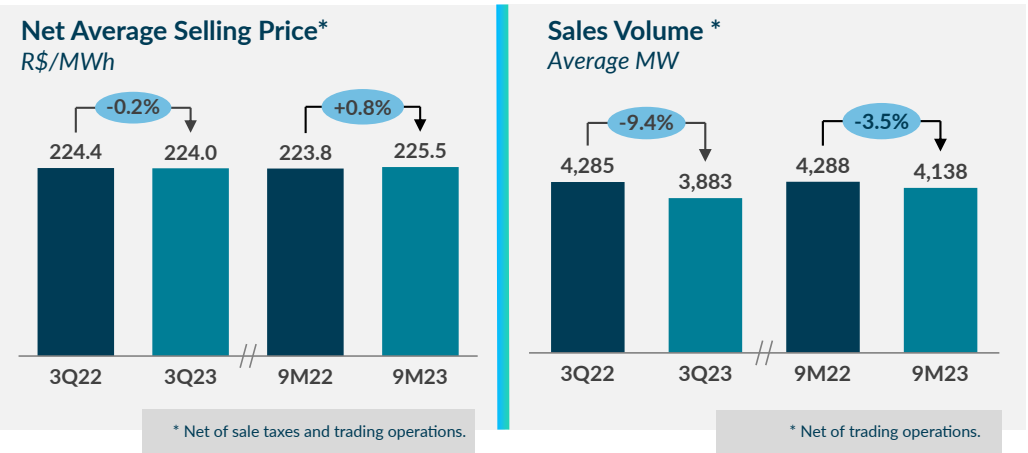
### *Generation and Sales of Energy from the Portfolio*

- **Net Average Selling Price and Sales Volume**

**The average selling price of energy**, net of charges on revenue and trading operations, reached **R$ 223.97/MWh in 3Q23, 0.2% lower** than 3Q22, when prices were R$ 224.41/MWh. The lower price was essentially due to the sale of the Pampa Sul subsidiary, which was operating with average energy sales prices above the average for the remainder of the Company's portfolio, partially attenuated by monetary restatement of existing agreements. If the effects of the sale of Pampa Sul are not considering, the average selling price in 3Q23 would have increased by 0.6% compared to 3Q22.

**Sales volume** for agreements, net of trading operations, fell from 9,461 GWh (4,285 average MW) in 3Q22 to **8,574 GWh (3,883 average MW) in 3Q23**, a decrease of 887 GWh (402 average MW), or 9.4%, between the compared quarters. The reduction in energy sales volume was the result of decreased sales to the distributors, in turn due to the disposal of the Pampa Sul subsidiary and lower purchase volume and therefore reduced availability of volumes for sale.

Lower average sales prices and volume combined resulted in a reduction of R$ 202 million between quarters in the Company's net operating revenue. Of this total, R$ 162 million refers to the sale of the Pampa Sul subsidiary, which occurred in 2Q23.




- **Revenue from Sale of Electric Energy**

  - Distribution Companies:

**Revenue from sales to distributors posted R$ 901 million in 3Q23, R$ 208 million (18.8%) lower** than the R$ 1,109 million recorded in 3Q22. The variation reflected the following: (i) R$ 203 million — a decrease of 715 GWh (325 average MW) in volumes sold; and (ii) R$ 5 million — a decrease of 0.5% in the net average selling price.

The reduction in sales volume between compared periods is mainly a consequence of the divestment of the Pampa Sul subsidiary which had a commercial capacity of 323.5 average MW.

The year-on-year reduction in the net average selling price, was driven largely by: (i) the sale of the Pampa Sul subsidiary, which operated at sales prices above the average for the remainder of the Company's portfolio; (ii) the growth between the quarters of scheduled reimbursements pursuant to the regulated environment agreements; and partially attenuated (iii) by monetary restatement of selling prices between quarters.

  - Free Consumers:

**Revenue from sales to free consumers increased R$ 16 million (2.0%)** between the quarters analyzed from R$ 815 million in 3Q22 to **R$ 831 million in 3Q23**. The variation reflects a growth of 5.5% in the net average selling price (R$ 43 million), attenuated by the reduction of 151 GWh (68 average MW) in sales volume (R$ 27 million).

The higher net average selling price was largely driven by monetary restatement of the prevailing agreements. On the other hand, the variation in sales volume is due largely to lower purchase volume and therefore reduced availability for sale.

  - Trading Companies:

**In 3Q23, revenue from sales to trading companies was R$189 million, R$ 10 million (5.0%) lower** than revenue reported for 3Q22, namely R$ 199 million. The variation is explained by the combination of the decrease of 3.4% in net average selling price (R$ 7 million) and a reduction of 21 GWh (9 average MW) in energy sales volume (R$ 3 million).

The reduction in 3Q23 is due basically to higher prices prevailing in 3Q22 when market sentiment was still driven by the pessimistic hydrological outlook carried over from 2021. This reduction was slightly offset by monetary restatement for existing agreements. The year-on-year reduction in volumes is due largely to the maturing of contracts with volumes slightly greater than the new purchase agreements in substitution.

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

**In 3Q23**, the revenue recorded for the short-term market was **R$ 86 million** compared with R$ 125 million in 3Q22, thus a **decrease of R$ 39 million (31.2%)** between quarters under analysis. A fuller explanation for these operations and this variation may be found under the "Details of short-term operations" item.

- **Remuneration of Concession Financial Assets**

Concession financial assets represent the present value of future cash flows of the tranche of energy allocated to the Regulated Contracting Environment (ACR) in the context of the Jaguara and Miranda hydropower plants, equivalent to 70% of the plants' physical guarantee. These assets are remunerated at the internal rate of return and the Extended National Consumer Price Index (IPCA).

**The remuneration of the concession financial assets** increased from R$ 46 million in 3Q22 to **R$ 105 million in 3Q23, growth of R$ 59 million (128.3%)**. This variation was predominantly due to the increase in IPCA between the two periods under comparison.

# Operational Costs

## Costs by segment – 3Q23 x 3Q22 (in R$ million)

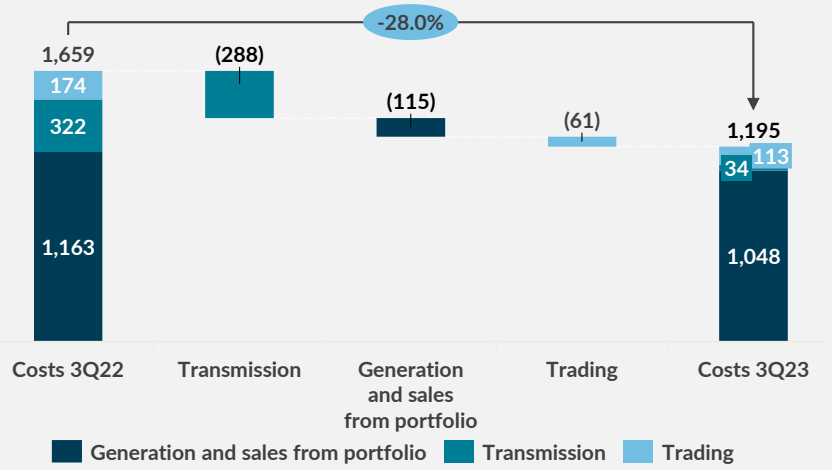
| | Electric Energy | | | |
|---|---|---|---|---|
| | Generation | Transmission | Trading | Consolidated |
| **3Q23** | | | | |
| Electric power purchases | 384 | - | 109 | 493 |
| Depreciation and amortization | 219 | 3 | - | 222 |
| Charges for the use of power grid and connection | 169 | - | - | 169 |
| Materials and third-party services | 86 | 13 | - | 99 |
| Personnel | 54 | 3 | - | 57 |
| Royalties | 50 | - | - | 50 |
| Transactions in the short-term market | 47 | - | - | 47 |
| Insurance | 23 | - | - | 23 |
| Construction costs | - | 6 | - | 6 |
| Unrealized losses on trading operations | - | - | 4 | 4 |
| Other operational costs, net | 16 | 9 | - | 25 |
| **Operational costs** | **1,048** | **34** | **113** | **1,195** |
| **3Q22** | | | | |
| Electric power purchases | 485 | - | 177 | 662 |
| Depreciation and amortization | 244 | - | - | 244 |
| Charges for the use of power grid and connection | 162 | - | - | 162 |
| Materials and third-party services | 99 | 6 | - | 105 |
| Personnel | 52 | - | - | 52 |
| Royalties | 50 | - | - | 50 |
| Transactions in the short-term market | 31 | - | - | 31 |
| Insurance | 18 | - | - | 18 |
| Construction costs | - | 316 | - | 316 |
| Unrealized losses on trading operations | - | - | (3) | (3) |
| Fuel for generation | 31 | - | - | 31 |
| Other operational costs, net | (9) | - | - | (9) |
| **Operational costs** | **1,163** | **322** | **174** | **1,659** |
| **Change** | | | | |
| Electric power purchases | (101) | - | (68) | (169) |
| Depreciation and amortization | (25) | 3 | - | (22) |
| Charges for the use of power grid and connection | 7 | - | - | 7 |
| Materials and third-party services | (13) | 7 | - | (6) |
| Personnel | 2 | 3 | - | 5 |
| Transactions in the short-term market | 16 | - | - | 16 |
| Insurance | 5 | - | - | 5 |
| Construction costs | - | (310) | - | (310) |
| Unrealized losses on trading operations | - | - | 7 | 7 |
| Fuel for generation | (31) | - | - | (31) |
| Other operational costs, net | 25 | 9 | - | 34 |
| **Operational costs** | **(115)** | **(288)** | **(61)** | **(464)** |

**Operational costs recorded a reduction of R$ 464 million (28.0%)** year-on-year, falling from R$ 1,659 million in 3Q22 to **R$ 1,195 million in 3Q23**. This change was a reflection substantially of the following factors: (i) a decrease of R$ 288 million (89.4%) in transmission segment costs, mainly in the light of a reduction in construction costs; (ii) reduction of R$ 115 million (9.9%) in the costs pertaining to the energy generation and sales from the Company's portfolio segment; and (iii) a decrease of R$ 61 million (35.1%) in the costs of energy trading operations.

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

**Operational Costs Change**

*R$ million*




## Comments on Variations in Operational Costs

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

- **Energy purchases:** between 3Q22 and 3Q23, there was a reduction of R$ 101 million (20.8%) in energy purchases, chiefly driven by a combination of reductions of 361 GWh (164 average MW) in the volumes of purchased energy (-R$ 69 million) and 7.6% in the net average purchase price of energy (-R$ 32 million). The decrease in volumes is due to reduced purchasing for the purposes of Company portfolio management. The decrease in the average purchasing price reflects the higher prices practiced for 2022 in the light of critical hydrological conditions during 2021.

- **Fuels for generation:** a year-on-year decrease of R$ 31 million (100.0%). The variation was chiefly impacted by the sale of Pampa Sul TPP in May 2023.

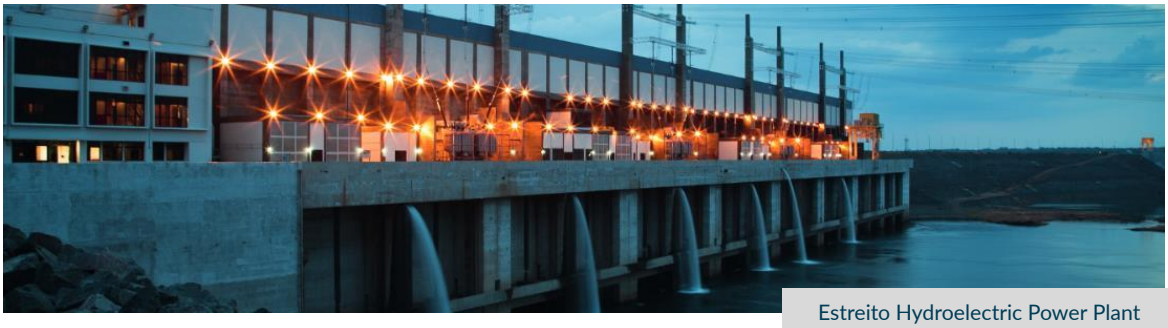
- **Depreciation and amortization:** reduction of R$ 25 million (10.2%) based on a 3Q22 x 3Q23 comparison. The reduction is largely a reflection of the disposal of Pampa Sul TPP.

- **Transactions in the short-term energy market:** the costs of these transactions were higher by R$ 16 million (51.6%) year-on-year. Greater explanations for these operations and with respect to this variation may be found under the "Details of short-term operations" item.

- **Materials and third-party services:** decline of R$ 13 million (13.1%) between quarters analyzed, predominantly a reflection of the sale of Pampa Sul TPP together with maintenance costs related to services rendered at, and maintenance and cleaning of the Miranda Hydropower Plant.

- **Personnel:** increase of R$ 2 million (3.8%) between the quarters analyzed, substantially resulting from the annual readjustment of employee remuneration and benefits and the increase in the number of employees between the quarters, partially mitigated by the sale of the Pampa Sul subsidiary.

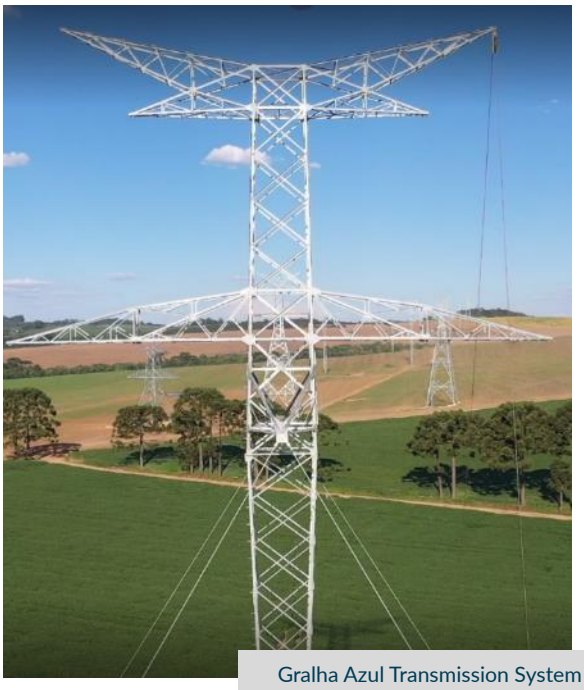
The remaining costs of this segment showed no significant variations between the quarters and years analyzed.



Estreito Hydroelectric Power Plant

## Operational Result from the Energy Transmission Segment

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



Gralha Azul Transmission System

**Gross result from the energy transmission segment amounted to a positive R$ 205 million in 3Q23**, an increase of R$ 314 million (288.1%), in relation to the same quarter 2022, when this segment posted a loss of R$ 109 million. The variations were substantially due to: (i) the increase of R$ 195 million (1,083.3%) in the remuneration of the concession assets, driven more particularly by the increase in the inflationary indices and by the increase in the balances of the contractual assets; and (ii) the positive effect of R$ 134 million (100.0%) on the variation of the net result from construction revenue and costs (reductions of R$ 176 million and R$ 310 million, respectively), mainly arising from the conclusion of work on the Gralha Azul and Novo Estado transmission systems.

**RAP value, net of PIS and Cofins, received in 3Q23 was R$ 194 million**, (R$ 126 million in 3Q22), being R$ 174 million (R$ 113 million in 3Q22) corresponding to the amortization of the contractual asset, offset against the contractual asset account and R$ 20 million (R$ 13 million in 3Q22) relative to revenue from O&M services rendered. The breakdown of the regulatory transmission Ebitda can be found below:

| (In millions of R$) | 3Q23 | 3Q22 | Variation |
|---|---|---|---|
| RAP, net of PIS and Cofins | 194 | 126 | 68 |
| Operational costs | (25) | (6) | (19) |
| Selling, general and administrative expenses | (4) | (6) | 2 |
| Operational revenues, net | - | 1 | (1) |
| **Regulatory transmission Ebitda** | **165** | **115** | **50** |

## 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.

**Gross profit between the quarters fell by R$ 4 million (80.0%)**, from R$ 5 million in 3Q22 to R$ 1 million in 3Q23, due to the following events: (i) a decrease of R$ 6 million from the mark-to-market of future supply transactions, on the basis of a year-on-year analysis — the difference between contracted and market prices; and attenuated by (ii) an increase of R$ 2 million in the result of energy purchases 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, similar to the short-term operations described above.

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

specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

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

### Net Result of Short-Term Operations – 3Q23 x 3Q22 (in R$ million)

| | Generation | Trading | Consolidated |
|---|---|---|---|
| **3Q23** | | | |
| Net operating revenue | 86 | - | 86 |
| Operational costs | (47) | - | (47) |
| **Net result** | **39** | **-** | **39** |
| **3Q22** | | | |
| Net operating revenue | 125 | 1 | 126 |
| Operational costs | (31) | - | (31) |
| **Net result** | **94** | **1** | **95** |
| **Variation** | | | |
| Net operating revenue | (39) | (1) | (40) |
| Operational costs | (16) | - | (16) |
| **Net result** | **(55)** | **(1)** | **(56)** |

**In 3Q23** and 3Q22, **net results** (difference between revenues and costs — deducted for tax) due to short-term transactions — particularly those executed across the CCEE — **were positive at R$ 39 million** and R$ 95 million, respectively. The amount represents a **reduction of R$ 56 million between comparative periods,** made up of a decrease of R$ 55 million in the result of transactions in the generation and sales of energy from the portfolio segment and R$ 1 million in the case of the result from energy trading transactions.

These changes were essentially a result of the following factors: (i) a positive impact from the increase of the MRE Adjustment Factor (GSF) due to higher energy volume produced by component plants, members of the MRE, resulting in a positive year-on-year variation; (ii) reduction of free energy due to the seasonally-weighted energy allocation strategy for the periods under analysis, but attenuated by the positive variation in PLD; (iii) positive impact from the exports of potentially spilled hydropower - the energy not used to meet National Interconnection System (SIN) needs and which would normally be wasted by the hydropower plants which are component members of the MRE – was allocated to a new commercial transaction with neighboring countries; (iv) the negative effect in the MRE, by virtue of the reduction of the physical guarantee of the Company's plants; and (v) a reduction from the positive impacts of rebookings and modulations between the quarters analyzed.

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

| Average PLD in R$/MWh | 3Q23 | 3Q22 | Chg. 3Q (%) |
|---|---|---|---|
| South | 72.82 | 66.43 | 9.6% |
| Southeast/Center-West | 72.82 | 66.43 | 9.6% |
| Northeast | 72.82 | 66.43 | 9.6% |

## Other Operating (Expenses) Revenues, Net

In 3Q22, the Company booked R$ 21 million to the accounts, largely in respect of the write-off of Pampa Sul TPP assets in the light of maintenance work conducted in 2022.

## Impairment

During 3Q23, the Company booked an additional provision of R$ 61 million with respect to a claim involving the Paracatu Photovoltaic Plant following wind damage in the Paracatu (MG) region on April 2, 2023. In 3Q22, the Company recognized a R$ 27 million impairment reversal, this effect, non-recurring, and triggered by the signature of the share purchase agreement of the Pampa Sul TPP subsidiary on that date.

## Disposal of a Subsidiary

On September 1, 2022, the sale of the Company's corporate stake in the Norte Catarinense Ltda subsidiary was concluded. As of this date, the latter company ceased to be controlled by ENGIE Brasil Energia as well as no longer being consolidated. In 3Q22, the result of the sale of the asset, net of selling costs, was a positive R$ 10 million.

## Equity Income – Gas Transportation

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

| | 3Q23 | | 3Q22 | |
|---|---|---|---|---|
| **Income statement – in R$ million** | **100%** | **Company's share** | **100%** | **Company's share** |
| Net operational revenue | 2,372 | 771 | 2,159 | 702 |
| Costs of services provided | (637) | (207) | (612) | (199) |
| **Gross income** | **1,735** | **564** | **1,547** | **503** |
| General and administrative expenses | (6) | (2) | (112) | (36) |
| **Income before financial result and taxes** | **1,729** | **562** | **1,435** | **467** |
| Financial result | (219) | (71) | (489) | (159) |
| **Income before taxes** | **1,510** | **491** | **946** | **308** |
| Income tax and social contribution | (525) | (171) | (325) | (106) |
| **TAG's net income** | **985** | **320** | **621** | **202** |

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

| | 3Q23 | | 3Q22 | |
|---|---|---|---|---|
| **Ebitda – in R$ million** | **100%** | **Company's share** | **100%** | **Company's share** |
| **Income before financial result and taxes** | **1,729** | **562** | **1,435** | **467** |
| Depreciation and amortization | 170 | 55 | 165 | 54 |
| Amortization of *mais valia* | 148 | 48 | 228 | 74 |
| **Ebitda[1]** | **2,047** | **665** | **1,828** | **595** |
| **Ebitda Margin** | **86.3%** | | **84.7%** | |

[1] *In accordance with the guidelines established in CVM Resolution No. 156 (RCVM 156) and Circular Letter CVM/SNC/SEP No. 01/2023, of June 23, 2022 and February 13, 2022, respectively.*

**Between 3Q22 and 3Q23, the equity income result increased by R$ 118 million (58.4%),** from R$ 202 million to R$ 320 million, respectively.

This variation was predominantly due to a combination of the following positive factors: (i) growth of R$ 70 million in Ebitda, in turn a reflection largely of (i.i) the restatement of transportation tariffs; (i.ii) the reversal of a provision due to the receipt of securities backed by Estimated Losses with Doubtful Debts (PECLD) reported in previous periods, including 3Q22 (R$ 15 million); and (i.iii) booking of provisions for PECLD, in 3Q22 nonrecurring in 3Q23 (R$ 22 million); (ii) the reduction of net financial expenses of R$ 88 million, arising largely from (ii.i) the booking of gains from debt renegotiations; and (ii.ii) the reduction in CDI rates between quarters under analysis, impacting the reduction in financial expenses related to debt servicing; and (iii) a reduction of R$ 26 million from the *mais valia* following the revision of useful life. We highlight that items (i.ii) and (i.iii) with a positive impact in 3Q23 do not have recurring effects on TAG's results.

These effects were partially offset by (iv) an increase of R$ 65 million, in Income Tax (IR) and Social Contribution (CSLL) substantially a reflection of the increase in pre-tax profits.

Additionally, net operating revenue and cost of services rendered were impacted both in the amount of R$ 17 million, as a result of the passing on of costs to customers with respect to charges to be excluded from the transportation company's margin, such as congestion charges, balancing and gas for use in the system. It is worth noting that this pass-through of costs is enshrined in National Petroleum Agency (ANP) resolutions.

### Balance Sheet

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

| Balance Sheet | 09/30/2023 | 12/31/2022 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | **4,781** | **2,828** |
| Cash and cash equivalents | 1,655 | 688 |
| Accounts receivables from clients | 1,588 | 1,513 |
| Derivative financial instruments - hedge | 623 | 284 |
| Other current assets | 915 | 343 |
| **Non-current assets** | **30,516** | **30,585** |
| Restricted deposits | 1,444 | 217 |
| Derivative financial instruments - hedge | - | 284 |
| Other non-current assets | 108 | 624 |
| Property, plant and equipment | 26,215 | 26,706 |
| Intangible | 2,749 | 2,754 |
| **Total** | **35,297** | **33,413** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current liabilities** | **3,830** | **4,341** |
| Debt instruments | 3,347 | 3,974 |
| Other current liabilities | 483 | 367 |
| **Non-current liabilities** | **20,693** | **20,356** |
| Debt instruments | 15,011 | 15,584 |
| Deferred income taxes and social contribution | 5,333 | 3,908 |
| Other non-current liabilities | 349 | 864 |
| **Shareholders' equity** | **10,774** | **8,716** |
| **Total** | **35,297** | **33,413** |



Transportadora Associada de Gás - TAG

# Ebitda and Ebitda Margin

## Ebitda by segment – 3Q23 x 3Q22 (in R$ million)

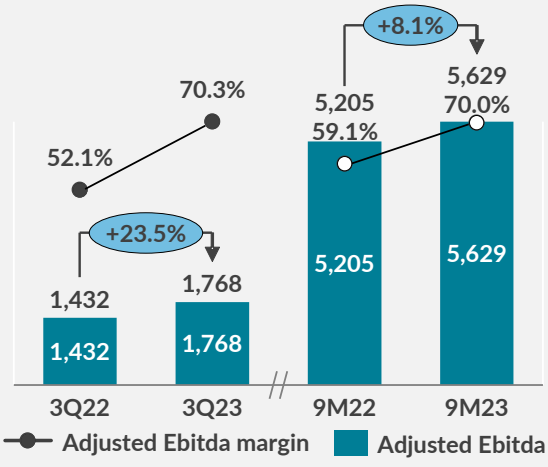
| | Electric Energy | | | | |
|---|---|---|---|---|---|
| | Generation | Transmission | Trading | Gas transportation | Consolidated |
| **3Q23** | | | | | |
| Income before financial results and taxes | 954 | 201 | - | 320 | 1,475 |
| Depreciation and amortization | 229 | 3 | - | - | 232 |
| **Ebitda[1]** | **1,183** | **204** | **-** | **320** | **1,707** |
| Impairment, net | 61 | - | - | - | 61 |
| **Adjusted Ebitda** | **1,244** | **204** | **-** | **320** | **1,768** |
| **Adjusted Ebitda margin** | **57.6%** | **85.4%** | **-** | **-** | **70.3%** |
| **3Q22** | | | | | |
| Income before financial results and taxes | 1,124 | (114) | 4 | 202 | 1,216 |
| Depreciation and amortization | 253 | - | - | - | 253 |
| **Ebitda** | **1,377** | **(114)** | **4** | **202** | **1,469** |
| Impairment | (27) | - | - | - | (27) |
| Disposal of subsidiary | (10) | - | - | - | (10) |
| **Adjusted Ebitda** | **1,340** | **(114)** | **4** | **202** | **1,432** |
| **Adjusted Ebitda margin** | **56.9%** | **(53.5%)** | **2.2%** | **-** | **52.1%** |
| **Change** | | | | | |
| Income before financial results and taxes | (170) | 315 | (4) | 118 | 259 |
| Depreciation and amortization | (24) | 3 | - | - | (21) |
| **Ebitda** | **(194)** | **318** | **(4)** | **118** | **238** |
| Impairment, net | 88 | - | - | - | 88 |
| Disposal of subsidiary | 10 | - | - | - | 10 |
| **Adjusted Ebitda** | **(96)** | **318** | **(4)** | **118** | **336** |
| **Adjusted Ebitda margin** | **0.7 p.p.** | **138.9 p.p.** | **(2.2 p.p.)** | **-** | **18.2 p.p.** |

[1] *In accordance with the guidelines established in CVM Resolution No. 156 (RCVM 156) and Circular Letter CVM/SNC/SEP No. 01/2023, of June 23, 2022 and February 13, 2022, respectively.*

Between 3Q23 and 3Q22, adjusted Ebitda increased R$ 336 million (23,5%), from R$ 1,432 million in 3Q22 to **R$ 1,768 million in 3Q23**. The variation reflects the combination of the following **positive factors**: (i) R$ 318 million (278.9%) from the transmission segment; and (ii) R$ 118 million (58.4%) due to the stronger result from the corporate stake in the jointly controlled subsidiary – TAG. These positive factors were partially attenuated by the following **negative effects**: (iii) R$ 96 million (7.2%) in the energy generation and sales from the portfolio segment; and (ii) R$ 4 million (100.0%) from the energy trading segment.

The key changes in adjusted Ebitda are to be found in the transmission segment, the effects of which were largely a reflection of the following: (i) R$ 195 million increase in revenue from the remuneration of the contractual assets; (ii) R$ 134 million growth in the construction result; and (iii) a decrease of R$ 12 million in the O&M margin (RAP from O&M, net of costs) due to an increase in costs.

**Adjusted Ebitda[1] and Ebitda Margin**




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

In addition, Ebitda was negatively impacted by the electric energy generation and sales segment as indicated in item (iii) above, the negative effects of which were: (i) R$ 202 million from the combination of the variations in the energy sales volume and the net average selling price; (ii) R$ 55 million in transactions conducted in the short-term market; and (iii) R$ 30 million with respect to other revenues, operational costs and administrative expenses. These effects were attenuated by the following variations with a positive impact: (iv) decrease of R$ 101 million in energy purchases; (v) growth of R$ 59 million of revenue from the remuneration and monetary restatement of concession assets of the Jaguara and Miranda hydropower plants; and (vii) decrease of R$ 31 million with proprietary fuel consumption.

Considering the non-recurrent effects of net impairment and the disposal of a subsidiary in the quarters under analysis, Ebitda increased by R$ 238 million (16.2%) from R$ 1,469 million in 3Q22 to R$ 1,707 million in 3Q23.

### Consolidated Adjusted Ebitda Margin

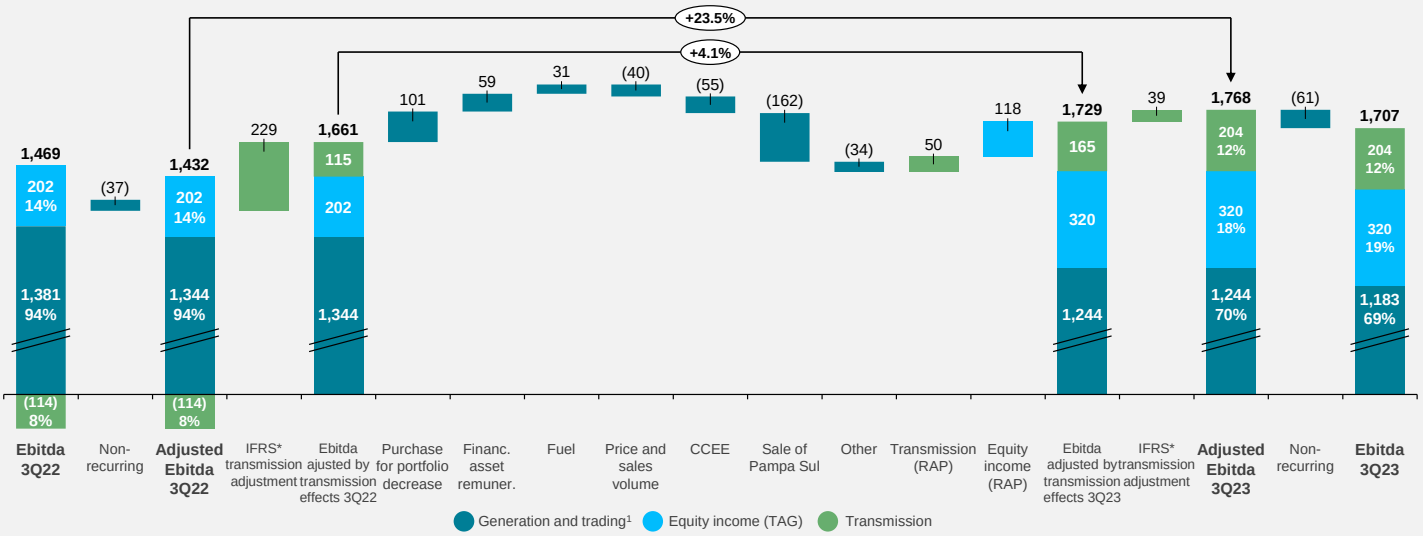
Consolidated adjusted Ebitda margin was up 18.2 p.p. from 52.1% in 3Q22 to 70.3% in 3Q23.

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) | 3Q23 | 3Q22 | Chg. % | 9M23 | 9M22 | Chg. % |
|---|---|---|---|---|---|---|
| Recurrent net income | 867 | 734 | 18.1 | 2,482 | 1,774 | 39.9 |
| (+) Income tax and social contribution | 282 | 199 | 41.7 | 770 | 452 | 70.4 |
| (+) Net financial result | 326 | 283 | 15.2 | 1,538 | 2,088 | (26.3) |
| (+) Depreciation and amortization | 232 | 253 | (8.3) | 690 | 762 | (9.4) |
| **Ebitda** | **1,707** | **1,469** | **16.2** | **5,480** | **5,076** | **8.0** |
| **Non-recurrent effects** | | | | | | |
| (+) (Reversal) provision of impairment, net | 61 | (27) | (325.3) | (1,140) | 45 | (2,620.9) |
| (+) Disposal of subsidiary | - | (10) | 100.0 | 1,289 | 84 | 1,434.5 |
| **Adjusted Ebitda** | **1,768** | **1,432** | **23.5** | **5,629** | **5,205** | **8.1** |
| Statutory transmission Ebitda (IFRS) | (204) | 114 | (278.9) | (542) | (388) | 39.7 |
| Regulatory transmission Ebitda (RAP) | 165 | 115 | 43.5 | 442 | 221 | 100.0 |
| **Ebitda adjusted by transmission effects** | **1,729** | **1,661** | **4.1** | **5,529** | **5,038** | **9.7** |

### Ebitda Change

*R$ million*




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

## Financial Result

| (In R$ million) | 3Q23 | 3Q22 | Chg. | 9M23 | 9M22 | Chg. |
|---|---|---|---|---|---|---|
| Income from financial investments | 115 | 137 | (22) | 301 | 410 | (109) |
| Other financial income | 9 | 15 | (6) | 52 | 44 | 8 |
| **Total financial income** | **124** | **152** | **(28)** | **353** | **454** | **(101)** |
| Debt: | | | | | | |
| Interest | (217) | (349) | 132 | (812) | (1,131) | 319 |
| Monetary restatement | (66) | 35 | (101) | (536) | (672) | 136 |
| Other financial expenses, net | (29) | (66) | 37 | (117) | (160) | 43 |
| **Total financial expenses** | **(312)** | **(380)** | **68** | **(1,465)** | **(1,963)** | **498** |
| Concessions payable (Use of Public Asset): | | | | | | |
| Monetary restatement | (14) | 63 | (77) | (60) | (235) | 175 |
| Present value restatement | (124) | (118) | (6) | (366) | (344) | (22) |
| **Total concession payable expenses (Use of Public Asset)** | **(138)** | **(55)** | **(83)** | **(426)** | **(579)** | **153** |
| **Financial result** | **(326)** | **(283)** | **(43)** | **(1,538)** | **(2,088)** | **550** |

**Financial income:** in 3Q23, financial revenues reported R$ 124 million, R$ 28 million or 18.4% lower than R$ 152 million posted for 3Q22, in the main due to a reduction of R$ 22 million in revenue from financial investments. The reduction was driven mostly by lower financial investment balances with respect to the quarters at issue and by a slight decrease in CDI rates.

**Financial expenses:** financial expenses in 3Q23 were R$ 312 million, that is R$ 68 million or 17.9% below the R$ 380 million reported for 3Q22. The key variations were a R$ 31 million reduction in debt between the quarters under analysis, due to the decrease of R$ 132 million in interest on debt by virtue of the settlement of debt instruments for significant amounts during the course of 2022, attenuated by the increase of R$ 101 million relative to monetary restatement in line with the increase in inflationary indices.

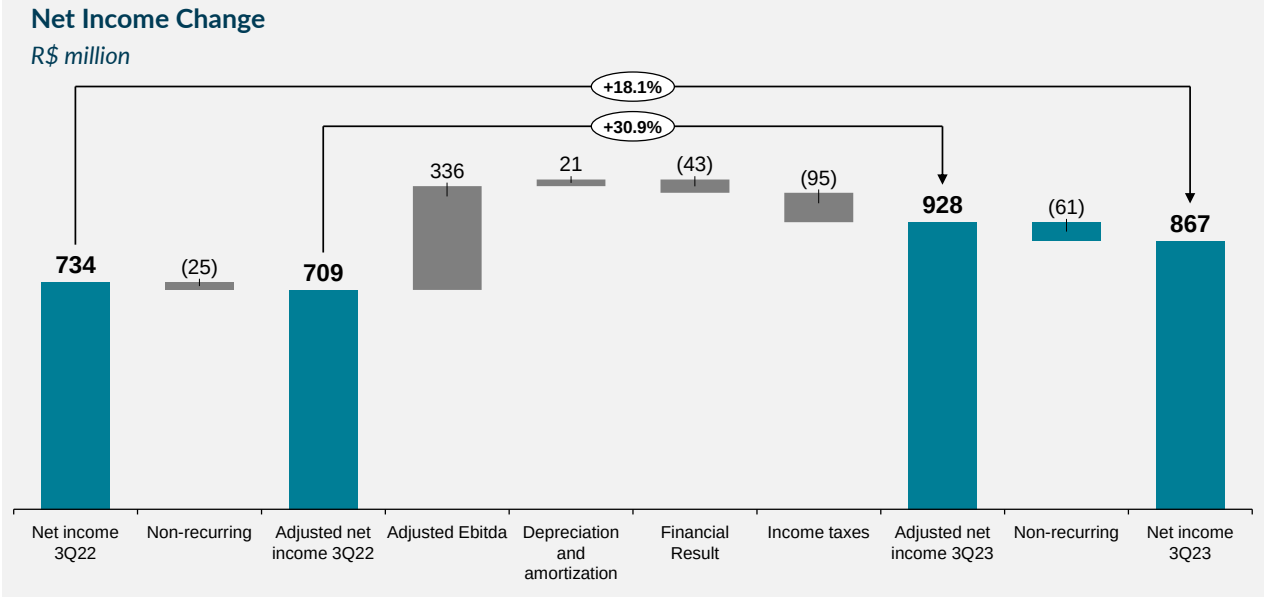
**Concession expenses payable (Use of Public Asset):** concession expenses payable increased by R$ 83 million (150.9%), reaching R$ 138 million in 3Q23 as against the R$ 55 million in 3Q22, in the light of the following factors: (i) growth of R$ 77 million monetary restatement due in large part to the increase of the IPCA and IGPM between the two quarters, albeit with the caveat that the IPCA in 3Q22 and the IGPM in both quarters registered deflation; and (ii) a R$ 6 million increase in the restatement of the present value of concessions payable.

## Income Tax and Social Contribution

The amount payable for **Income Tax (IR) and Social Contribution (CSLL) in 3Q23 was R$ 282 million**, a variation of R$ 83 million (41.7%) when compared to the same quarter in 2022, which was R$ 199 million. Changes were substantially driven by the increase in profits pre-IR and -CSLL between 3Q22 and 3Q23. Factoring out non-recurring effects, IR and CSLL overheads rose R$ 95 million (50.8%) between the two quarters.

## Net Income

**Net income for 3Q23 was R$ 867 million, R$ 133 million or 18.1% higher** than the R$ 734 million posted in the same quarter in 2022. This growth is a consequence of a combination of the following factors: (i) an increase of R$ 336 million in adjusted Ebitda; (ii) an increase of R$ 95 million in IR and CSLL, considering recurring transactions; (iii) variation of non-recurring effects with a negative net impact of R$ 86 million; (iv) the negative effect of R$ 43 million of the net financial result; and (v) a reduction of R$ 21 million in depreciation and amortization. Excluding the non-recurring effects, there was a year-on-year increase in net profit of R$ 219 million (30.9%).



# Debt

As of September 30, 2023, **total consolidated gross debt**, representing principally loans, financing, debentures and preferred shares redeemable, net of hedging operations, **totaled R$ 18,710 million — a decrease of 1.3%** (R$ 245 million) compared to the position as of June 30, 2023. The **average debt maturity** at the end of 3Q23 was **7.5 years.**

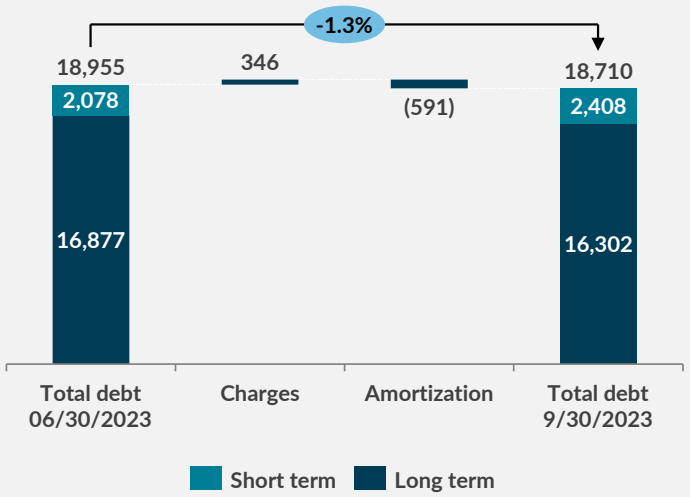
The variation in company debt is related principally to a combination of the following factors in 3Q23: (i) generation of R$ 346 million in charges incurred and to be paid and monetary restatement; and (ii) R$ 591 million in amortization of loans, financing and debentures.

**The average weighted nominal cost of debt** at the end of the 3Q23 **was 10.7%** — equivalent to IPCA + 5.2% — **1.6 p.p. lower than recorded at the end of the 3Q22** (12.3% — equivalent to IPCA + 4.8%). The decrease in relation to the same quarter in the previous year is mainly due to the deceleration of the IPCA index in the period.

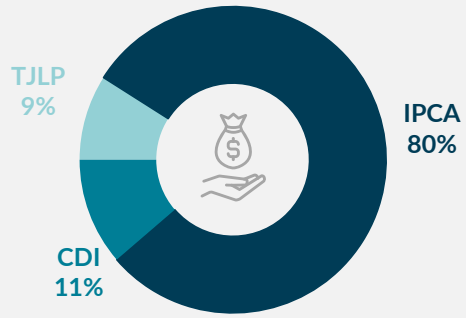
On September 30, 2023, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 15,335 million, an increase of 10.4%** compared with the end of the 2Q23. It is important to highlight that the Company paid R$ 1,455 billion in dividends in 3Q23.

## Total Debt

*R$ million*




## Debt Breakdown

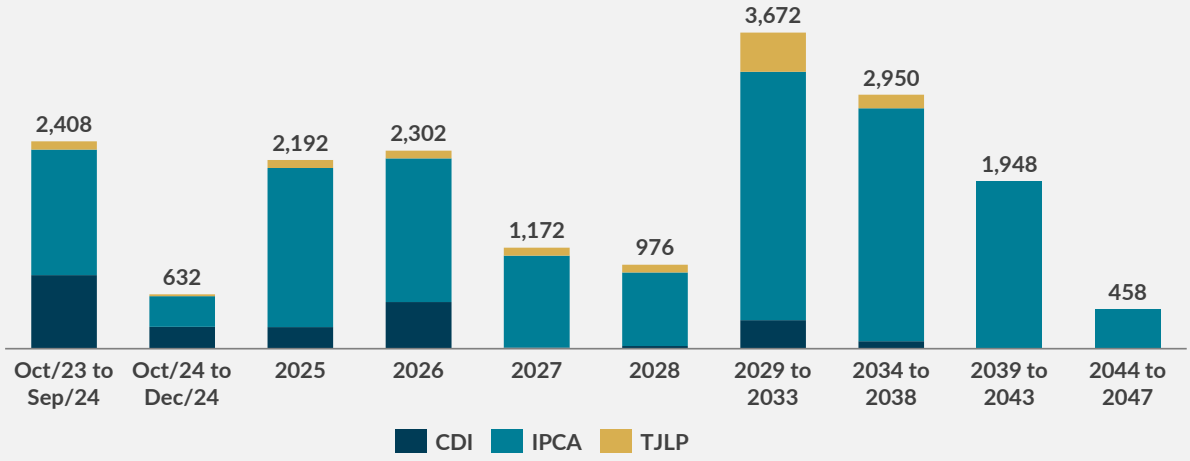



## Net Debt

| R$ million | 9/30/2023 | 6/30/2023 | Chg. % |
|---|---|---|---|
| Gross debt | 18,506 | 18,673 | (0.9) |
| Result of hedge operations | 204 | 282 | (27.7) |
| Deposits earmarked for the payment of debt | (290) | (311) | (6.8) |
| Cash and cash equivalents | (3,085) | (4,754) | (35.1) |
| **Total net debt** | **15,335** | **13,890** | **10.4** |
| **Net debt/Ebitda last 12 months** | **2.1X** | **2.0X** | |

## Maturity Term Loans

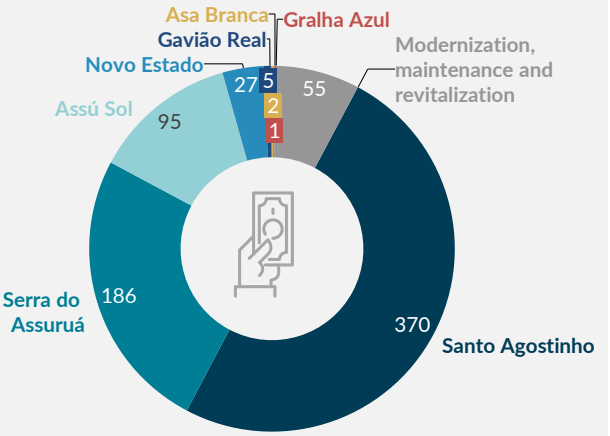
*R$ million*



## Capital Expenditures

**Total investments at ENGIE Brasil Energia in 3Q23 reached R$ 741 million**, of which: (i) R$ 686 million in the construction of the new projects, being: (i.i) R$ 370 million in the Santo Agostinho Wind Complex – Phase I; (i.ii) R$ 186 million in the Serra do Assuruá Wind Complex; (i.iii) R$ 95 million to the Assú Sol Photovoltaic Complex; (i.iv) R$ 27 million concentrated in the Novo Estado Transmission System; (i.v) R$ 5 million in the Gavião Real Transmission System; (i.vi) R$ 2 million in Asa Branca Transmission System; and (i.vii) R$ 1 million in the Gralha Azul Transmission System; (ii) R$ 13 million dedicated to maintenance and revitalization projects in the generator complex; and (iii) R$ 42 million for the modernization projects: R$ 25 million for Salto Osório Hydroelectric Power Plant; R$ 14 million for Miranda Hydroelectric Power Plant; and R$ 3 million for the Jaguara Hydroelectric Power Plant.

**Capital Expenditures**
*R$ million*






Salto Osório Hydroelectric Power Plant

# Commitment to Sustainable Development

## Sustainable Management

ENGIE's ambition is to spearhead the carbon-neutral transition process worldwide, supporting our clients in their journey of reducing emissions and associated to differentiated socio-environmental offers, thereby encouraging sustainable development with positive impacts both locally and globally. Through our medium term Strategic ESG Goals, we endeavor to address the trinomial of "People, Planet and Performance".

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Governance, Quality, Environment, Climate Change, Occupational Health and Safety, Social Responsibility and Engagement of Related Parties. On September 30, 2023, out of the 76 plants installed in 12 states of Brazil's five regions, 11 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR ISO 45001 (for Occupational Health and Safety) standards, with an aggregate capacity of 82.0% of the total operated by the Company.

In addition to the Sustainable Management Policy mentioned above, other commitments to sustainable development can be accessed from Company's website, covering such themes as Human Rights and Ethics. The Sustainability Reports are published annually according to the recommendations of the Global Reporting Initiative (GRI), Sustainability Accounting Standard Board (SASB) and the framework of International Integrated Reporting Council (IIRC).

To increase engagement with sustainable development, the Company is a signatory of the UNO Global Compact, of the Brazilian Business Council for Sustainable Development (CEBDS) and of the Coalizão Brasil Clima, Florestas e Agricultura (Coalizão Brasil) movement. Internationally, we are party to the Action Declaration on Climate Policy Engagement, which aims to support climate-related action in line with the Paris Accord.

## Journey for Climate

The ENGIE Group has a global commitment to i) reduce $CO_2$ emissions by 59% between 2017 and 2030, which is a Science Based Target; and ii) attain emissions neutrality by 2045.

In line with these commitments, ENGIE Brasil Energia has enshrined a specific program to contribute to the corresponding objectives. Called "Jornada pelo Clima" (Journey for Climate), it is based on scientific targets in pursuit of the de-carbonization of all the Company's activities, which also includes the value chain. Based on three pillars – Management, Mitigation and Adaptation –, it lies at the root of **the Company's goals and commitments in Brazil**, particular emphasis due on:

- **Reducing emissions intensity (Scopes 1, 2 and 3) by 30% by 2025, and 56% by 2030;**
- **Expanding renewable energy capacity;**
- **Having 100% of assets covered by climate adaptation plans by 2030;**
- **Engaging 100% of the top Scope 3 -offending suppliers to set science-based targets by 2030.**

## Sustainability Committee

The Sustainability Committee was set up in 2007 as a body that reports to the Board of Directors, under the coordination of the People, Processes and Sustainability Director, and composed of 14 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities, as well as a representative of the Board. Among others, the Committee has as its objectives to:

- Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- Propose changes and improvements to the Sustainable Management Policy and other ENGIE Brasil Energia policies and guidelines directly associated with sustainability;
- Propose corporate sustainability objectives, targets and actions to Executive Management, in line with the Company's commitments to sustainable development, and monitor their fulfillment by the executive areas;
- Articulate with organizational units to attain the Sustainability Committee's goals; and
- Advise the Board of Directors and provide inputs for decision-making as concerns sustainability-related matters.

## Highlights of the Quarter

- The Trairi Wind Complex in the state of Ceará, successfully concluded its first **carbon credits issue** backed by four of its eight wind farms which make up the Complex. A total **1,238,487 credits** were booked for the 2013 to 2020 period. Each credit is equivalent to a ton of $CO_2$ not released into the environment. This achievement represents one more milestone in the strategy of accelerating ENGIE Brasil Energia's energy transition.
- ENGIE Brasil Energia's **Volunteer's Program** was launched for increasing the engagement and involvement of all employees in the Company's Purpose and designed to coordinate and potentialize current initiatives being undertaken whether of a corporate nature or the inspiration of the employees themselves.
- The first **Internal Innovation Challenge within the context of the "Journey for the Climate" program**, was proposed to the employees over the two months of the campaign for the presentation of innovative ideas for reducing the Company's emissions or improvements in the management of Climate Change initiatives. A total of 70 ideas was submitted originating from 10 different Company assets.
- Again on the innovation front, for the first time, ENGIE Brasil Energia received **royalties from the sale of wind turbines developed in partnership with WEG** – a Brazilian company specialized in the manufacturing of electrical equipment – and a project within the scope of Aneel's Research and Development Program for developing the first heavy-duty domestically manufactured wind turbine with a 4.2MW capacity.
- Following outside auditing conducted by Bureau Veritas Certification, **maintenance of the Integrate Management System**, was recommended incorporating ISO 9001 (quality), ISO 14001 (environmental management) and ISO 45001 (occupational health and safety). The certification covers all the Company's hydropower plants as well as Head Office and including 87.7% of employees on the payroll, procedures and controls however applying equally to EBE's non-certified operations.
- A structured listening program run for the communities of which we are a part, and which surround our operations, the Dialog with Stakeholders has raised a series of local problems to be tackled, among them, the high level of youth unemployment. To contribute with the improvement of this scenario, the Company in partnership with Cubos Academy, has offered **five thousand free places for technological courses** (introductory courses for Software Development, UX/UI Design, Data Analysis and Product Management) for this audience. In addition to the introductory technological courses, particular mention should be made of the development of skills for helping participants recognize the profile expected of the technology professions, supporting preparations for employment interviews and drawing up of resumés.
- The Company is promoting **"Inside the Electric Power Sector: Encouraging Future Female Engineers in the Energy Market",** in partnership with Head Energia, as a part of the ENGIE Brasil Energia Diversity Program for attracting, retaining and accelerating women's careers. The initiative, in its second year, is aimed at 100 recently graduated female engineering students, drawn especially from the communities of which EBE is a participant.

- Created to improve the disclosure of the Maria da Penha Law, the **Agosto Lilás** campaign adopts various initiatives for confronting domestic and family violence against women. To meet the challenges of this issue, the Maria da Penha Institute and ENGIE Brasil Energia have organized "A Journey for Santa Catarina" to raise the level of sensibility in joint action executed in conjunction with 15 companies in the state. The journey has been to five municipalities in Santa Catarina and raised awareness among an audience of about 700 during the month of August.



An awareness event as part of the Agosto Lilás campaign

## Sustainability Indices

Since 2012, it has been a practice of the Company to publish the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 3Q23 x 3Q22, associating each indicator with GRI Standards.

### Sustainability Indices

| Aspect | Theme | Unit of measurement | Performance 3Q23 | Performance 3Q22 | Change | Performance 9M23 | Performance 9M22 | Change |
|---|---|---|---|---|---|---|---|---|
| E | Emissions intensity [2] | $tonCO_2e/MWh$ | 0.0048 | 0.0228 | -79.0% | 0.0114 | 0.0238 | -52.2% |
| | Emissions intensity by revenue [2] | $tCO_2e$/million R$ | 21.4 | 123.1 | -82.6% | 42.8 | 89.20 | -52.0% |
| | Total emissions (Scope 1, 2 and 3) [2] | Tons | 58,821.8 | 309,426.1 | -81.0% | 376,998.2 | 716,952.7 | -47.4% |
| | Water consumption intensity [2] | $m^3/MWh$ | 0.0456 | 0.1008 | -54.8% | 0.0505 | 0.1025 | -50.7% |
| | Engaged people - "Conexão" Community Relationship Program [1] | People | 48,887 | 47,542 | 2.8% | 97,327 | 123,367 | -21.1% |
| S | Frequency rate - Direct employees + service providers | nº accid/million hours | 0.66 | 1.08 | -0.42 p.p. | 1.06 | 1.12 | -0.06 p.p. |
| | Frequency rate - Direct employees | nº accid/million hours | 0.00 | 0.00 | - | 0.00 | 0.00 | - |
| | Frequency rate - Service providers | nº accid/million hours | 0.80 | 1.23 | -0.43 p.p. | 1.37 | 1.30 | 0.07 p.p. |
| | % of employees formally trained | % | 13.7% | 8.0% | 5.7 p.p. | 95.3% | 81.6% | 13.7 p.p. |
| | Turnover rate | % | 1.6% | 1.6% | 0.0 p.p. | 10.0% | 11.5% | -1.5 p.p. |
| | Voluntary turnover rate | % | 0.7% | 0.5% | 0.2 p.p. | 3.0% | 3.6% | -0.6 p.p. |
| | Investments in Social Responsibility - Incentivized Resources | R$ | 3,154,843 | 2,974,740 | 6.1% | 5,131,377 | 6,065,990 | -15.4% |
| | Investments in Social Responsibility - Own Resources | R$ | 1,334,595 | 534,691 | 149.6% | 3,078,768 | 2,336,964 | 31.7% |
| G | Investment in Innovation | R$ | 16,044,634 | 15,173,976 | 5.7% | 57,183,603 | 37,861,691 | 51.0% |
| | Headcount[2] | People | 1,095 | 1,207 | -9.3% | 1,095 | 1,207 | -9.3% |
| | % of employees in certified operations (ISO 9.001, 14.001, 45.001)[2] | % | 87.7% | 74.9% | 12.8 p.p. | 87.7% | 74.9% | 12.8 p.p. |
| | % of women in the Company | % | 28.8% | 25.8% | 3.0 p.p. | 28.8% | 25.8% | 3.0 p.p. |
| | % of women in leadership positions | % | 26.6% | 22.8% | 3.8 p.p. | 26.6% | 22.8% | 3.8 p.p. |
| | % employees with disabilities | % | 4.8% | 3.3% | 1.5 p.p. | 4.8% | 3.3% | 1.5 p.p. |

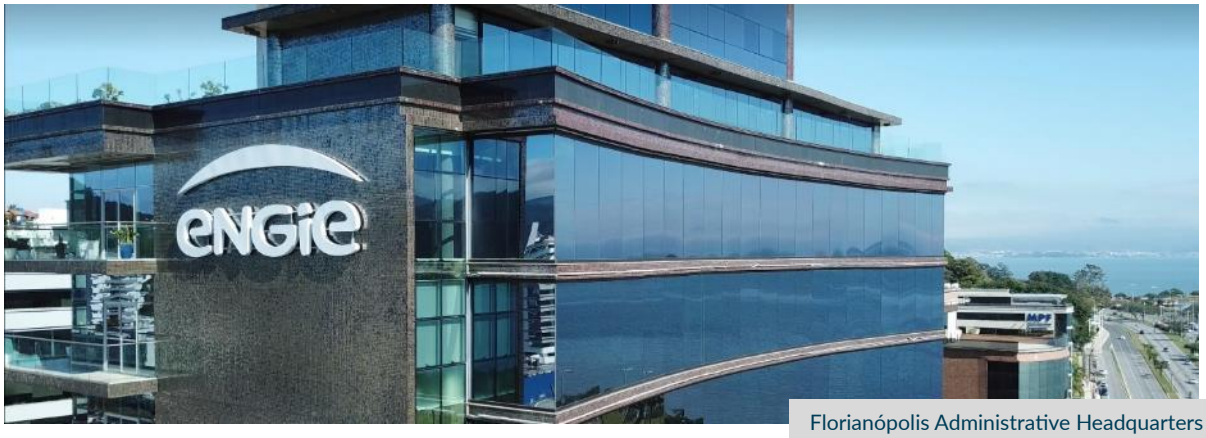
*Notes:*

*1 - The Connection Program encompasses visits to the Company's operations across the country, dialogues with the community and environmental education.*
*2 – Numbers directly impacted by the sale of the Pampa Sul Thermoelectric Plant, in June 2023.*

# Corporate Governance

The Company regularly seeks to improve its management mechanisms with the optimization of control procedures, compliance and transparency, with defined roles and responsibilities and processes evaluated and audited annually through the intermediary of both internal and independent structures. It is a component of the Novo Mercado, the listing segment for companies with the highest level of corporate governance trading their shares on the Stock Exchange. The Company has an Audit Committee composed of three members, two of whom are independent members of the Board of Directors. The aim of the Committee is to advise the Board of Directors on the financial statement's evaluation, ethical matters, internal controls, the internal and external audit and risk management. On another related front, the management of corporate compliance procedures was improved, implementing three policies to give greater transparency to the activities and procedures of senior management: Nomination, Remuneration and Evaluation.

The system of internal controls uses best market practices and is based on the self-assessment technique in which all areas of the Company have professionals trained to evaluate annually key processes and controls in their own areas of activity. Currently, **the Internal Controls Program consists of 12 processes and 41 subprocesses with its efficiency regularly tested by an independent audit and certified by the Management**. Deviations detected in any of the established controls immediately triggers action plans, managed by the areas of the organization involved and by the internal controls team. In place in the Company since 2006, the Program was certified in 2022 for the 17$^{th}$ consecutive time without recording controls with any major fault resulting in significant losses to the Company.




Florianópolis Administrative Headquarters

Additionally, the Company is a component of the Stock Exchange Sustainability Index (ISE). ENGIE Brasil Energia's Board of Directors comprises nine effective members, one representing the employees while four are independent directors. None of the Board members hold executive positions in the Company and consequently the Chairman of the Board does not occupy the position of Chief Executive Officer. With the exception of the member chosen by the employees, all are elected by the shareholders at the Annual General Meeting.

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Committee which is subordinated to the Board of Directors and responsible for constantly updating the Code and for evaluating ethical issues. **In 2021, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption**: an initiative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch. The Company is also certified by ISO 37001, which evaluates the requirements and provide guidance in order to establish, implement, maintain, revise and improve the corporate antibribery management system.

**ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.**

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the **Special Independent Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board.

# 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 – EGIE3

With the third quarter characterized by increased interest rates in the United States and the crisis in the real estate market together with lower growth forecasts in China, the international bourses came under pressure, closing down in the period. In Brazil, both the announcement of data showing a decline in unemployment and an improvement in the economic growth rate for 2023, had a positive impact on the Ibovespa (the bellwether index for the Brazilian stock market) at the end of the quarter. However, the index for the quarter as a whole accumulated losses on the back of fears surrounding the domestic fiscal situation as well as being influenced by the international market, both of which prompted an exodos of foreign investors from the Brazilian exchange.

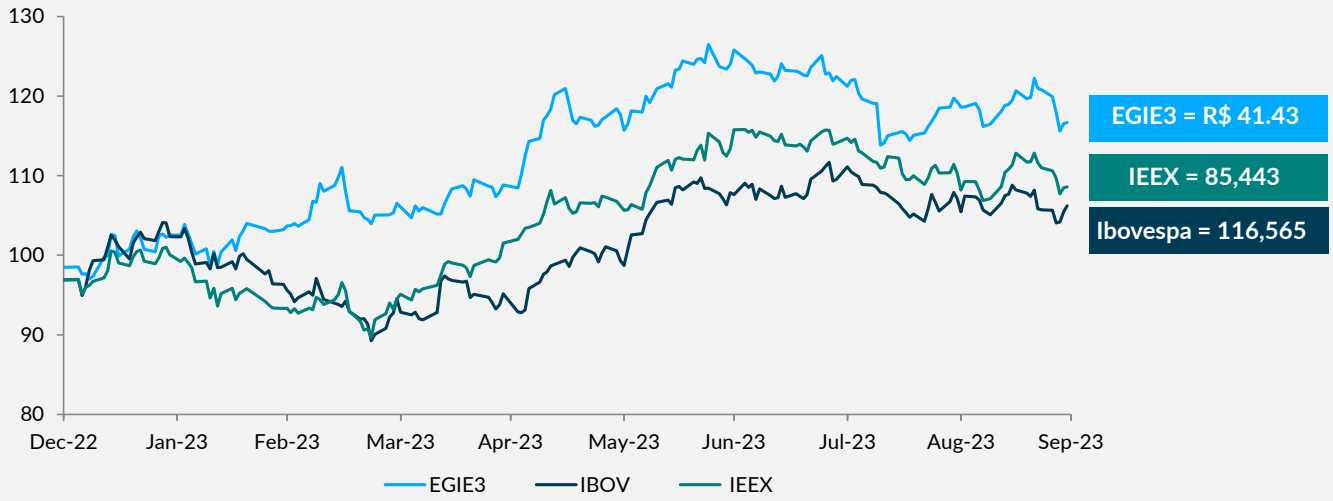
**ENGIE Brasil Energia's shares recorded a decrease of 7.2%, in 3Q23**, in line with depreciations of 6.2% and 1.3% in the Brazilian Electric Energy Stock Index (IEEX) and the Ibovespa, respectively. Despite the decline of the Company's shares in the quarter under analysis for the year 2023 to date, their performance exceeded the aforementioned indices, appreciating by 16.7% in relation to the 8.6% of the IEEX and 6.2% of the Ibovespa.

EGIE3 recorded an average daily trading volume of R$ 58.3 million in the 3Q23, 19.8% lower than in 3Q22 when the volume was R$ 72.6 million.

On the last trading day in September 2023, the closing price of the Company's shares was R$ 41.43/share, translating into **a market capitalization of R$ 33.8 billion.**

**EGIE3 vs. Ibovespa vs. IEEX**

*(Base 100 – 31/12/2022)*






Passo Fundo Hydroelectric Plant

**EGIE3 recorded an average daily trading volume of R$ 58.3 million in the 3Q23 and prices closing the quarter at R$ 41.43/share.**

# ATTACHMENT 1

## ENGIE BRASIL ENERGIA S.A.

### CONSOLIDATED BALANCE SHEET – ASSETS

| (In thousands of R$) | 09/30/2023 | 12/31/2022 |
|---|---|---|
| **Current Assets** | **6,324,336** | **7,378,528** |
| Cash and cash equivalents | 3,085,251 | 2,235,887 |
| Accounts receivables from clients | 1,045,525 | 1,143,117 |
| Credit of income tax and social contribution | 230,517 | 181,438 |
| Inventory | 61,847 | 59,313 |
| Derivative financial instruments - hedge | - | - |
| Derivative financial instruments - trading | 114,944 | 209,928 |
| Restricted deposits | 35,690 | 34,527 |
| Risk premium to appropriate - Hydrological risk renegotiation | 15,089 | 15,089 |
| Concession financial assets | 375,658 | 363,802 |
| Contractual assets | 615,106 | 558,179 |
| Other current assets | 740,132 | 244,470 |
| Non current asset held for sale | 4,577 | 2,332,778 |
| **Non Current Assets** | **33,073,065** | **30,808,224** |
| **Long Term Assets** | **9,844,773** | **9,469,898** |
| Derivative financial instruments - hedge | - | 31,981 |
| Derivative financial instruments - trading | 58,851 | 45,638 |
| Restricted deposits | 297,671 | 235,970 |
| Deposits in court | 58,601 | 71,435 |
| Risk premium to appropriate - Hydrological risk renegotiation | 59,101 | 70,418 |
| Concession financial assets | 2,939,769 | 2,856,475 |
| Contractual assets | 6,118,306 | 5,895,776 |
| Other non current assets | 312,474 | 262,205 |
| **Investments** | **3,675,215** | **3,006,423** |
| **Property, Plant and Equipment** | **15,150,823** | **14,025,476** |
| **Intangible** | **4,238,217** | **4,134,944** |
| **Right of use of leases** | **164,037** | **171,483** |
| **Total** | **39,397,401** | **38,186,752** |

# ATTACHMENT 2

## ENGIE BRASIL ENERGIA S.A.

### CONSOLIDATED BALANCE SHEET – LIABILITIES

| (In thousands of R$) | 09/30/2023 | 12/31/2022 |
|---|---|---|
| **Current Liabilities** | **5,807,371** | **5,890,219** |
| Suppliers | 610,898 | 511,408 |
| Dividends and interest on shareholder´s equity | 777,618 | 181,104 |
| Loans and financing | 1,183,281 | 979,862 |
| Debentures | 995,684 | 565,958 |
| Redeemable preferred shares | 172,375 | 107,148 |
| Lease liabilities | 21,802 | 23,990 |
| Concessions payable (Use of Public Asset) | 764,385 | 406,871 |
| Tax and social contribution obligations payable | 104,476 | 143,288 |
| Other fiscal and regulatory obligations | 117,844 | 120,970 |
| Labor obligations | 131,901 | 153,809 |
| Derivative financial instruments - trading | 102,366 | 189,932 |
| Provision | 1,564 | 4,144 |
| Obligations related to retirement benefits | 33,739 | 54,015 |
| Liabilities related to non-current assets held for sale | - | 2,005,671 |
| Other current liabilities | 789,438 | 442,049 |
| **Non Current Liabilities** | **24,197,757** | **23,856,361** |
| Loans and financing | 11,285,731 | 10,930,652 |
| Debentures | 4,390,957 | 4,880,587 |
| Redeemable preferred shares | 478,223 | 476,918 |
| Lease liabilities | 132,090 | 131,708 |
| Concessions payable (Use of Public Asset) | 4,688,323 | 4,849,081 |
| Derivative financial instruments - trading | 49,422 | 31,527 |
| Provision | 498,305 | 425,659 |
| Obligations related to retirement benefits | 256,471 | 218,959 |
| Deferred income taxes and social contribution | 2,057,079 | 1,505,352 |
| Other non current liabilities | 361,156 | 405,918 |
| **Shareholders' Equity** | **9,392,273** | **8,440,172** |
| Share capital | 4,902,648 | 4,902,648 |
| Capital reserve | (176,543) | (156,743) |
| Net income reserves | 2,381,683 | 2,381,683 |
| Additional dividends | - | 1,455,160 |
| Adjustment on fixed asset | (421,457) | (146,226) |
| Retained earnings | 1,750,500 | - |
| Non controlling interests | 955,442 | 3,650 |
| **Total** | **39,397,401** | **38,186,752** |

# ATTACHMENT 3

## ENGIE BRASIL ENERGIA S.A.

### CONSOLIDATED INCOME STATEMENT

| (In thousands of R$) | 3Q23 | 3Q22 | Chg. % | 9M23 | 9M22 | Chg. % |
|---|---|---|---|---|---|---|
| **Net Operational Revenue** | **2,513,512** | **2,746,625** | **-8.5** | **8,036,793** | **8,805,191** | **-8.7** |
| **Operational Costs** | **(1,194,657)** | **(1,658,589)** | **-28.0** | **(3,506,038)** | **(4,622,632)** | **-24.2** |
| Electric power purchases | (497,181) | (658,552) | -24.5 | (1,474,290) | (1,818,840) | -18.9 |
| Transactions in the short term energy market | (46,821) | (31,441) | 48.9 | (161,036) | (146,286) | 10.1 |
| Charges for the use of and connection to the electricity grid | (168,839) | (162,118) | 4.1 | (500,696) | (460,422) | 8.7 |
| Fuel expenses | (1) | (30,571) | -100.0 | (66,032) | (80,432) | -17.9 |
| Financial compensation for use of hydro resources (royalties) | (49,815) | (50,475) | -1.3 | (103,726) | (105,244) | -1.4 |
| Personnel | (57,298) | (52,325) | 9.5 | (186,300) | (141,462) | 31.7 |
| Materials and third-party services | (98,298) | (105,490) | -6.8 | (298,669) | (293,393) | 1.8 |
| Depreciation and amortization | (221,731) | (243,950) | -9.1 | (659,953) | (735,412) | -10.3 |
| Insurance | (23,692) | (18,458) | 28.4 | (62,336) | (55,746) | 11.8 |
| Reversals of operating provisions, net | (1,656) | 1,316 | -225.8 | 2,920 | 34,052 | -91.4 |
| Cost of implementing transmission infrastructure | (6,221) | (315,756) | -98.0 | (196,062) | (775,961) | -74.7 |
| Concession period extension | - | - | 0.0 | 239,297 | - | 100.0 |
| Others | (23,104) | 9,231 | -350.3 | (39,155) | (43,486) | -10.0 |
| **Gross Income** | **1,318,855** | **1,088,036** | **21.2** | **4,530,755** | **4,182,559** | **8.3** |
| **Operating Income (Expenses)** | **(164,080)** | **(73,962)** | **121.8** | **(516,351)** | **(403,169)** | **28.1** |
| Selling, general and administrative expenses | (102,058) | (90,111) | 13.3 | (302,566) | (253,043) | 19.6 |
| Impairment, net | (61,223) | 27,076 | -326.1 | 1,139,892 | (45,222) | -2,620.7 |
| Disposal of subsidiary | - | 9,912 | -100.0 | (1,289,063) | (84,518) | 1,425.2 |
| Other operating revenues (expenses), net | (799) | (20,839) | -96.2 | (64,614) | (20,386) | 217.0 |
| **Result of corporate participations** | **320,353** | **201,736** | **58.8** | **775,707** | **534,139** | **45.2** |
| Equity income | 320,353 | 201,736 | 58.8 | 775,707 | 534,139 | 45.2 |
| **Income Before Financial Result and Taxes** | **1,475,128** | **1,215,810** | **21.3** | **4,790,111** | **4,313,529** | **11.0** |
| **Net Financial Result** | **(326,408)** | **(282,532)** | **15.5** | **(1,538,682)** | **(2,087,537)** | **-26.3** |
| Financial income | 123,561 | 151,836 | -18.6 | 352,712 | 453,722 | -22.3 |
| Financial expenses | (311,853) | (379,276) | -17.8 | (1,465,641) | (1,962,084) | -25.3 |
| Concession payable expenses (Use of Public Asset) | (138,116) | (55,092) | 150.7 | (425,753) | (579,175) | -26.5 |
| **Income Before Taxes** | **1,148,720** | **933,278** | **23.1** | **3,251,429** | **2,225,992** | **46.1** |
| Income tax | (200,628) | (137,912) | 45.5 | (544,845) | (308,931) | 76.4 |
| Social contribution | (81,452) | (61,071) | 33.4 | (225,077) | (143,120) | 57.3 |
| **Net Income for the Period** | **866,640** | **734,295** | **18.0** | **2,481,507** | **1,773,941** | **39.9** |
| Income allocated to: | | | | | | |
| ENGIE Brasil Energia's shareholders | 867,279 | 733,869 | 18.2 | 2,481,689 | 1,772,851 | 40.0 |
| Non-controlling shareholder of Ibitiúva Bioenergética and Mar | (639) | 426 | -250.0 | (182) | 1,090 | -116.7 |
| **Number of Ordinary Shares** | **815,927,740** | **815,927,740** | | **815,927,740** | **815,927,740** | |
| **Net Income per Share** | **1.0629** | **0.8994** | **18.2** | **3.0416** | **2.1728** | **40.0** |

# ATTACHMENT 4

## ENGIE BRASIL ENERGIA S.A.

### CONSOLIDATED STATEMENT OF CASH FLOW

| (In thousands of R$) | 9M23 | 9M22 |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Income before taxes on income | 3,251,429 | 2,225,992 |
| **Reconciliation of net income with operating cash flow:** | | |
| Equity loss | (775,707) | (534,139) |
| Depreciation and amortization | 690,923 | 762,360 |
| Impairment, net | (1,139,892) | 45,222 |
| Interests and monetary variation | 1,353,425 | 1,819,052 |
| Concessions payable expenses | 425,753 | 579,175 |
| Subsidiary sale | 1,289,063 | 84,518 |
| Extension of the concession | (239,297) | - |
| Remuneration of financial concession asset | (359,375) | (365,458) |
| Contract asset remuneration | (633,611) | (558,571) |
| Unrealized losses on trading operations, net | 12,100 | 4,546 |
| Transmission infrastructure construction revenue | (185,004) | (600,821) |
| Losses due to construction inefficiency | 16,457 | 173,074 |
| Others | 67,379 | 27 |
| **Adjusted Net Income** | **3,773,643** | **3,634,977** |
| **(Increase) reduction in assets** | | |
| Accounts receivables from clients | 118,350 | (81,711) |
| Tax credits recoverable | 23,129 | (8,709) |
| Deposits in court and restricted deposits | 17,136 | 9,664 |
| Financial concession asset | 264,225 | 240,471 |
| Contract assets | 459,138 | 218,150 |
| Other assets | (166,219) | (27,619) |
| **(Reduction) increase in liabilities** | | |
| Suppliers | (669) | (51,013) |
| Other fiscal and regulatory obligations | (17,047) | 9,187 |
| Labor obligations | (22,113) | (32,641) |
| Obligations related to retirement benefits | (37,209) | (30,917) |
| Other liabilities | 84,231 | (371,561) |
| **Cash Generated from Operating Activities** | **4,496,595** | **3,508,278** |
| Payment of interests on debt, net of hedge | (830,147) | (789,851) |
| Payment of income tax and social contribution | (313,133) | (389,040) |
| **Cash from Operating Activities** | **3,353,315** | **2,329,387** |
| **Investments Activities** | **(1,682,648)** | **(1,396,495)** |
| Dividends received from joint ventures | 211,250 | 227,500 |
| Acquisitions of subsidiaries | - | (659,959) |
| Cash and cash equivalents from acquired subsidiaries | - | 199,870 |
| Used in fixed assets and intangibles | (1,601,003) | (949,228) |
| Disposal of subsidiary | - | 16,801 |
| Payment of liabilities linked to acquisition of assets | (2,075) | - |
| Receipt for sale of subsidiary, net of selling costs | 50,934 | - |
| Cash and cash equivalents from disposed subsidiaries | (107,999) | (16,996) |
| Payments of concessions payable | (233,049) | (214,762) |
| Others | (706) | 279 |
| **Financing Activities** | **(821,303)** | **(2,324,354)** |
| Debt instruments contracted | 1,003,676 | 788,790 |
| Payment of debt instruments, net of hedge | (1,129,247) | (1,914,703) |
| Payments of dividends and interest on shareholders' equity | (1,617,159) | (1,242,062) |
| Debt servicing deposits | (31,887) | 43,621 |
| Capital contribution from minority shareholders, net of issuance costs | 953,314 | - |
| **Increase in Cash and Cash Equivalents** | **849,364** | **(1,391,462)** |
| **Reconciliation of Cash and Cash Equivalents** | | |
| Opening balance | 2,235,887 | 5,156,406 |
| Closing balance | 3,085,251 | 3,764,944 |
| **Increase in Cash and Cash Equivalents** | **849,364** | **(1,391,462)** |
| **Transactions that do Not Affect Cash and Cash Equivalents** | | |
| Dividends intended by subsidiaries and joint venture | 211,250 | 227,500 |
| Interin dividends, interest on equity and additional dividends credited | 2,223,700 | 1,767,471 |
| Prescribed dividends and interest on equity | 6,295 | 11,684 |
| Unclaimed dividends and interest on equity | 10,027 | 10,027 |
| Liabilities linked to acquisition of assets | - | 255,366 |
| Measurement of obligations with retirement benefits | 31,397 | - |
| Credit of income tax and social contribution | 81,378 | (43,392) |
| Supplier's of fixed assets and intangibles | 71,887 | 33,158 |
| Net assets of subsidiary transferred to ANCMV | - | 247,756 |
| Net assets of subsidiaries acquired | - | 499,414 |
| Constitution of capital reserve | 19,800 | 192,449 |
| Provisions for cost of disposal of subsidiary | 19,000 | - |
| Provisions for expropriations without cash effect in construction of transmission | 213 | 1,127 |

# ATTACHMENT 5

## ENGIE BRASIL ENERGIA S.A.

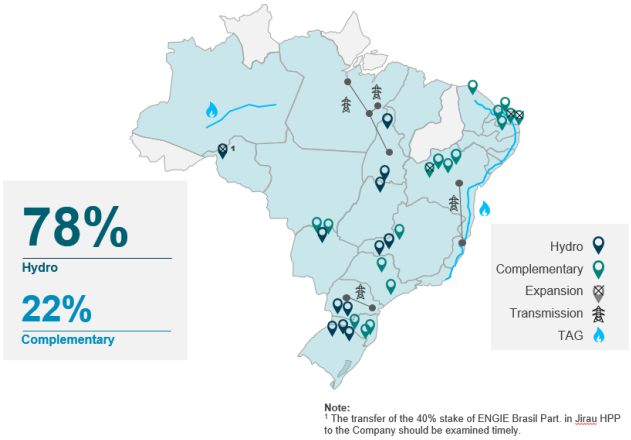
### FACT SHEET 3Q23

### Corporate Overview

ENGIE Brasil Energia is an investment platform in energy infrastructure, active in the areas of generation, commercialization, trading and transmission as well as natural gas transportation, through the intermediary of Transportadora Associada de Gás – TAG, jointly with other partners. As the largest 100% renewable energy generator in the Brazilian private sector, implements and operates projects from renewable sources such as hydroelectric, wind farms, photovoltaic and biomass plants together with small hydroelectric plants. The Company operates with transparency, financial discipline, respect for the environment, support for communities and focus on operational efficiency as drivers of long-term growth.

The market cap, as of September 30, 2023, was R$ 33.8 billion, and the own installed capacity totaled **8,194.0 MW**, which comprises a generating complex of **76 plants**, of which 11 are hydroelectric power plants and 65 fired from complementary sources: three biomass-fired plants, 51 wind power plants, two small hydroelectric plants and nine solar plants. In the transmission segment, the Gralha Azul and Novo Estado Transmission Systems reached full operation during the first quarter of 2023.

Balanced portfolio of business in energy infrastructure

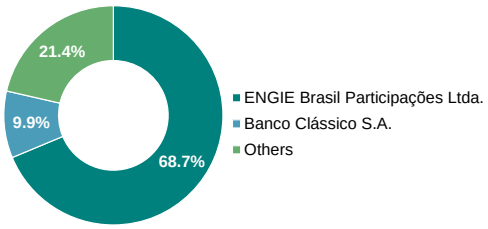



Note:
[1] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to the Company should be examined timely.

Own installed capacity of 8,194.0 MW (4,064.2 aMW), 4,500 Km of operating gas pipelines and 2,709 Km of transmission lines under operation.

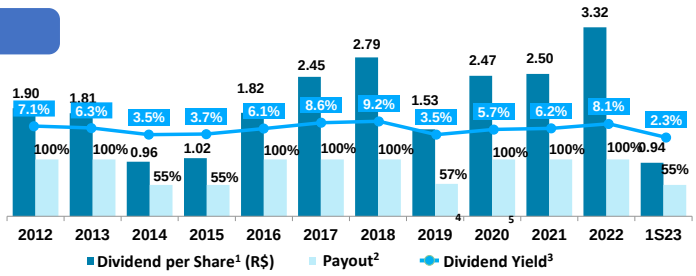
### Ownership Structure

ENGIE Brasil Energia is controlled by French-Belgian group ENGIE, a global leader in the independent production of energy with its activities in approximately 70 countries. ENGIE is a major operator in the electricity, natural gas and energy services businesses with a worldwide electric energy capacity of about **100 GW** holding **68.7%** of the Brazilian company through ENGIE Brasil Participações Ltda.




### Dividend Policy

- By-law minimum payout: **30%** of payable net income.
- Management commitment: minimum payout of **55%** of payable net income.
- At least 2 dividends per year.




Notes:
[1] 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.
[2] Considers the annual payable net income.
[3] Based on volume-weighted closing price of ON shares in the period.
[4] Figures for 2019 were resubmitted in the light of the AGM's decision on the retention of interim dividends for fiscal year 2019.
[5] Payout equivalent to 100% of the distributable adjusted net income (ex-hydrological risk negotiation).

EGIE B3 LISTED NM | IBOVESPA B3 | IEE B3 | ITAG B3

# ATTACHMENT 5

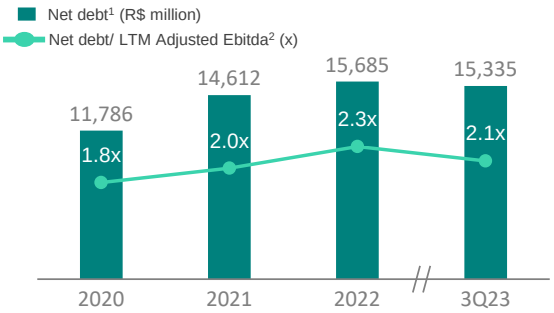
## ENGIE BRASIL ENERGIA S.A.

### FACT SHEET 3Q23

| Consolidated (in R$ million) | 3Q23 | 3Q22 | Chg. | 9M23 | 9M22 | Chg. |
|---|---|---|---|---|---|---|
| Net Operating Revenue (NOR) | 2,514 | 2,747 | -8.5% | 8,037 | 8,805 | -8.7% |
| Results from Operations (EBIT) | 1,475 | 1,216 | 21.3% | 4,790 | 4,314 | 11.0% |
| Ebitda [1] | 1,707 | 1,469 | 16.2% | 5,480 | 5,076 | 8.0% |
| Adjusted Ebitda [2] | 1,768 | 1,432 | 23.5% | 5,629 | 5,205 | 8.1% |
| Non-recurrent effects adjusted Ebitda [3] | 1,729 | 1,661 | 4.1% | 5,529 | 5,038 | 9.7% |
| Ebitda / NOR - (%) [1] | 67.9 | 53.5 | 14.4 p.p. | 68.2 | 57.6 | 10.6 p.p. |
| Adjusted Ebitda / NOR - (%) [2] | 70.3 | 52.1 | 18.2 p.p. | 70.0 | 59.1 | 10.9 p.p. |
| Net Income | 867 | 734 | 18.1% | 2,482 | 1,774 | 39.9% |
| Adjusted Net Income | 928 | 709 | 30.9% | 2,615 | 1,860 | 40.6% |
| Adjusted Return on Equity (ROE) [4] | 37.0 | 33.2 | 3.8 p.p. | 37.0 | 33.2 | 3.8 p.p. |
| Adjusted Return on Invested Capital (ROIC) [5] | 21.0 | 22.0 | -1.0 p.p. | 21.0 | 22.0 | -1.0 p.p. |
| Net Debt [6] | 15,335 | 14,980 | 2.4% | 15,335 | 14,980 | 2.4% |
| Gross Power Production (avg MW) [7] | 5,597 | 6,111 | -8.4% | 4,408 | 4,653 | -5.3% |
| Energy Sold (avg MW) [8] | 3,883 | 4,285 | -9.4% | 4,138 | 4,288 | -3.5% |
| Average Net Sales Price (R$/MWh) [9] | 223.97 | 224.41 | -0.2% | 225.49 | 223.76 | 0.8% |
| Number of Employees - Total | 1,137 | 1,253 | -9.3% | 1,137 | 1,253 | -9.3% |
| EBE Employees | 1,116 | 1,185 | -5.8% | 1,116 | 1,185 | -5.8% |
| Employees on Under Construction Plants | 21 | 68 | -69.1% | 21 | 68 | -69.1% |

[1] Ebitda: net income + income tax and social contribution + financial results + depreciation and amortization.
[2] Adjusted Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization + impairment + non-recurrent.
[3] Adjusted EBITDA, net of IFRS effects from the transmission segment.
[4] ROE: adjusted net income of the past 4 quarters / shareholders' equity.
[5] ROIC: effective rate x adjusted EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).
[6] Adjusted amount, net of gains from hedge operations.
[7] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[8] Disregarding sales for quotas regime (Jaguara and Miranda HPPs).
[9] Net of taxes and trading operations.

### Indebtedness (R$ million)



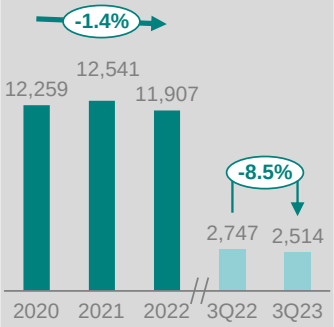

**Notes:**
[1] Debt net of hedge operations.
[2] Adjusted Ebitda in the past 12 months.

### Ratings

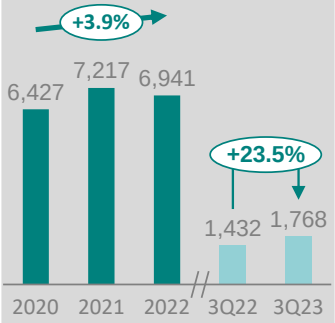
ENGIE Brasil Energia's credit rating is evaluated periodically by Fitch Ratings. In 2023, the agency reaffirmed the Company's **Long Term National Rating at 'AAA(bra)'** with a stable outlook **and raised Long Term International Rating at 'BB+' on the global scale** also with stable outlook.

ISEB3 ICO2 B3 IDIVERSA B3

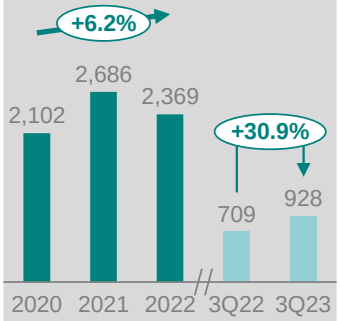
**Net revenue** (R$ million)




**Adjusted Ebitda** (R$ million)




**Adjusted net income** (R$ million)




**Investors Relations**
Rua Paschoal Apóstolo Pítsica, 5064 – Zip Code 88025-255 Florianópolis – SC
Phone: +55 (48) 3221-7904
www.engie.com.br/investidores / ri.BREnergia@engie.com