Content

Company Information / Capital Breakdown

Number of Shares (Thousand)	Current Quarter 03/31/2023
Paid-up Capital	
Common Shares	15,527
Preferred Shares	23,044
Total	38,571
Treasury Shares	
Common Shares	0
Preferred Shares	0
Total	0

Parent Company Financial Statements /

Statement of Financial Position – Assets

Code (R$ thousand)	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
1	Total Assets	3,292,527	3,105,004
1.01	Current Assets	316,969	302,455
1.01.01	Cash and Cash Equivalents	25,756	48,205
1.01.06.	Taxes Recoverable	38,762	44,331
1.01.06.01.	Current Taxes Recoverable	38,762	44,331
1.01.08.	Other Current Assets	252,451	209,919
1.01.08.03.	Other	252,451	209,919
1.01.08.03.01.	Dividends Receivable	252,116	209,296
1.01.08.03.03.	Other receivables	335	623
1.02	Noncurrent Assets	2,975,558	2,802,549
1.02.01.	Long-Term Receivables	77,664	77,660
1.02.01.02.	Financial Investments at Fair Value through Other Comprehensive Income	208	217
1.02.01.02.02	Other Securities	208	217
1.02.01.10.	Other Noncurrent Assets	77,456	77,443
1.02.01.10.03.	Court Deposits	77,424	77,402
1.02.01.10.04	Other receivables	32	41
1.02.02	Investments	2,894,011	2,720,813
1.02.02.01	Equity Interests	2,894,011	2,720,813
1.02.02.01.01	Interests in Affiliates	121,917	116,358
1.02.02.01.02	Interest in Subsidiaries	2,630,785	2,468,490
1.02.02.01.03	Interest in Joint Ventures	141,309	135,965
1.02.03	PP&E	71	138
1.02.03.01	Fixed Assets in Operation	5	6
1.02.03.02	Right of Use - Lease	66	132
1.02.04	Intangibles	3,812	3,938
1.02.04.01	Intangible Assets	3,812	3,938
1.02.04.01.01	Concession Agreement	3,812	3,938

Parent Company Financial Statements /

Statement of Financial Position – Liabilities

(R$ thousand)

Code Account	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
2	Total Liabilities	3,292,527	3,105,004
2.01	Current Liabilities	211,747	196,375
2.01.01.	Social and Labor Obligations	1,489	1,538
2.01.01.01.	Social Obligations	1,489	1,538
2.01.01.01.01.	Social Charges	1,489	1,538
2.01.02.	Suppliers	435	900
2.01.02.01	Domestic Suppliers	435	900
2.01.03	Tax Liabilities	9,265	34,799
2.01.03.01	Federal Tax Obligations	9,173	34,705
2.01.03.01.01	Income Tax and Social Contribution Payable	0	2,863
2.01.03.01.02.	Other Federal Tax Obligations	4,225	22,183
2.01.03.01.03.	PIS/COFINS	4,948	9,659
2.01.03.03.	Municipal Tax Obligations	92	94
2.01.05.	Other Obligations	200,558	159,138
2.01.05.02.	Other	200,558	159,138
2.01.05.02.01.	Dividends and Interest on Equity Payable	199,296	157,602
2.01.05.02.04.	Other Current Liabilities	1,191	1,395
2.01.05.02.08	Lease Liabilities	71	141
2.02	Noncurrent Liabilities	25,415	25,453
2.02.04.	Provisions	25,415	25,453
2.02.04.01.	Tax, Social Security, Labor, and Civil Provisions	22,057	22,095
2.02.04.01.01.	Tax Provisions	19,222	19,222
2.02.04.01.03.	Provisions for Employee Benefits	2,298	2,298
2.02.04.01.04	Civil Provisions	537	575
2.02.04.02.	Other Provisions	3,358	3,358
2.02.04.02.04.	Regulatory Provisions	3,358	3,358
2.03	Shareholders’ Equity	3,055,365	2,883,176
2.03.01.	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06.	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,561,699	1,561,699
2.03.04.01	Legal Reserve	251,495	251,495
2.03.04.05.	Retained Earnings Reserve	1,287,330	1,287,330
2.03.04.08	Additional dividend proposed	22,874	22,874
2.03.05.	Retained Earnings/Accumulated Losses	172,336	0
2.03.06.	Equity Valuation Adjustments	-1,158,986	-1,158,839

Parent Company Financial Statements /

Income Statement (R$ thousand)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
3.04	Operating Expenses/Revenues	220,996	262,732
3.04.02.	General and Administrative Expenses	-5,980	-5,481
3.04.04.	Other Operating Income	1,886	3,788
3.04.06.	Equity Pickup	225,090	264,425
3.05	Income Before Financial Result and Taxes	220,996	262,732
3.06	Financial Result	-2,933	-2,873
3.06.01.	Financial Income	-2,881	-2,826
3.06.02.	Financial Expenses	-52	-47
3.07	Earnings Before Taxes on Income	218,063	259,859
3.09	Net Income from Continuing Operations	218,063	259,859
3.11	Profit/Loss for the Period	218,063	259,859
3.99	Earnings per Share - (R$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01.	Common Shares	5.3347	6.3572
3.99.01.02.	Preferred Shares	5.8682	6.993
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	5.3347	6.3572
3.99.02.02.	Preferred Shares	5.8682	6.993

Individual Financial Statements / Statement of Comprehensive Income

(R$ thousand)

Code	Description	YTD Current Year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
4.01	Net Income for the Period	218,063	259,859
4.03	Comprehensive Income for the Period	218,063	259,859

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method (R$ thousand)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	-31,084	-43,165
6.01.01	Cash Generated from Operations	-9,401	-4,085
6.01.01.01	Net Income before Income Tax and Social Contribution	218,063	259,859
6.01.01.02	Depreciation and Amortization	560	549
6.01.01.03	Equity Pickup	-225,090	-264,425
6.01.01.04	Interest and Monetary Variations	2	-152
6.01.01.06	Interest Paid	-2	-6
6.01.01.07	Creation (Reversal) of Provision for Contingent Liabilities	-38	90
6.01.01.08	Income Tax and Social Contribution Paid	-2,896	0
6.01.02	Variations in Assets and Liabilities	-21,683	-39,080
6.01.02.01	Taxes Recoverable	5,569	8,835
6.01.02.02	Court Deposits	-22	-28,249
6.01.02.03	Other Accounts - Assets	306	-19
6.01.02.04	Suppliers	-465	-591
6.01.02.05	Social Security and Labor Obligations	-49	155
6.01.02.06	Taxes Payable	-26,818	-19,374
6.01.02.07	Other Accounts - Liabilities	-204	163
6,02	Net Cash from Investing Activities	8,705	21,694
6.02.02.	Interest Received from Loans Celesc D	0	409
6.02.03.	Principal Amount Received from Loan - Celesc D	0	15,000
6.02.04.	Dividends and Interest on Equity Received	8,705	6,285
6,03	Net Cash from Financing Activities	-70	-56
6.03.02.	Dividends Paid	0	-2
6.03.04.	Payment of Lease Liabilities	-70	-54
6,05	Increase (Decrease) in Cash and Cash Equivalents	-22,449	-21,527
6.05.01.	Opening Balance of Cash and Cash Equivalents	48,205	26,872
6.05.02.	Closing Balance of Cash and Cash Equivalents	25,756	5,345

Income Statement - Parent Company / Statement of Changes in Shareholders’ Equity / DMPL - January 1, 2020, to December 31, 2020 (R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5,01	Opening Balances	2,480,000	316	1,561,699	0	-1,158,839	2,883,176
5,03	Adjusted Opening Balances	2,480,000	316	1,561,699	0	-1,158,839	2,883,176
5,04	Capital transactions with members	0	0	0	-45,874	0	-45,874
5.04.07.	Interest on Equity	0	0	0	-45,874	0	-45,874
5,05	Total Comprehensive Income	0	0	0	218,210	-147	218,063
5.05.01.	Net Income for the Period	0	0	0	218,063	0	218,063
5.05.03.	Reclassifications to Profit/Loss	0	0	0	147	-147	0
5.05.03.02.	Realization of Attributed Cost	0	0	0	147	-147	0
5,07	Closing Balances	2,480,000	316	1,561,699	172,336	-1,158,986	3,055,365

Income Statement - Parent Company / Statement of Changes in Shareholders’ Equity / DMPL - January 1, 2020, to December 31, 2020 (R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity
5,01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5,03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369
5,04	Capital transactions with members	0	0	0	-34,701	0	-34,701
5.04.07.	Interest on Equity	0	0	0	-34,701	0	-34,701
5,05	Total Comprehensive Income	0	0	0	260,019	-160	259,859
5.05.01.	Net Income for the Period	0	0	0	259,859	0	259,859
5.05.03.	Reclassifications to Profit/Loss	0	0	0	160	-160	0
5.05.03.02.	Realization of Attributed Cost	0	0	0	160	-160	0
5,07	Closing Balances	2,480,000	316	1,191,329	225,318	-1,050,436	2,846,527

Parent Company Financial Statements / Value Added

Statement (R$ thousand)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
7,01	Revenue	5,868	5,458
7.01.02.	Other income	5,868	5,458
7,02	Inputs Acquired from Third Parties	-3,762	-1,273
7.02.02.	Materials, Energy, Outsourced Services, and Others	-3,762	-1,273
7,03	Gross Value Added	2,106	4,185
7,04	Retentions	-560	-549
7.04.01.	Depreciation, Amortization, and Depletion	-560	-549
7,05	Net Value Added Produced	1,546	3,636
7,06	Value Added Received in Transfer	227,064	265,176
7.06.01.	Equity Pickup	225,090	264,425
7.06.02.	Financial Income	1,922	912
7.06.03.	Other	52	-161
7,07	Total Value Added to be Distributed	228,610	268,812
7,08	Distribution of Value Added	228,610	268,812
7.08.01.	Personnel	4,152	4,064
7.08.01.01.	Direct Compensation	3,779	3,725
7.08.01.02.	Benefits	171	160
7.08.01.03.	Guarantee Fund for Length of Service (FGTS)	202	179
7.08.02.	Taxes, Fees, and Contributions	6,340	4,831
7.08.02.01.	Federal	5,933	4,599
7.08.02.03.	Municipal	407	232
7.08.03.	Return on Third-Party Capital	55	58
7.08.03.01.	Interest	52	47
7.08.03.02.	Rental	3	11
7.08.04.	Return on Equity	218,063	259,859
7.08.04.01.	Interest on Equity	45,874	34,701
7.08.04.03.	Retained Earnings/Accumulated Losses for the Period	172,189	225,158

Consolidated Financial Statements /

Statement of Financial Position – Assets (R$ thousand)

Code	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
1	Total Assets	11,761,637	11,628,067
1.01	Current Assets	3,896,873	3,678,616
1.01.01	Cash and Cash Equivalents	878,198	940,684
1.01.03.	Accounts Receivable	1,954,066	1,758,933
1.01.03.01.	Clients	1,777,097	1,584,123
1.01.03.01.01.	Trade Receivables	2,113,654	1,908,703
1.01.03.01.02.	Allowance for doubtful accounts - PECLD	-336,557	-324,580
1.01.03.02.	Other Accounts Receivable	176,969	174,810
1.01.04.	Inventories	23,175	20,019
1.01.06.	Taxes Recoverable	787,453	699,238
1.01.06.01.	Current Taxes Recoverable	787,453	699,238
1.01.08.	Other Current Assets	253,981	259,742
1.01.08.03.	Other	253,981	259,742
1.01.08.03.01.	Financial Asset - Indemnification of the Pery Plant Basic Project	17,820	17,536
1.01.08.03.02.	Water Shortage Bonus	1,138	1,138
1.01.08.03.03.	Dividends Receivable	18,704	20,422
1.01.08.03.04.	Other receivables	128,565	133,541
1.01.08.03.06.	Financial Assets – Concession Bonus	40,668	40,019
1.01.08.03.07.	CDE Funds to Cover CVA	47,086	47,086
1.02	Noncurrent Assets	7,864,764	7,949,451
1.02.01.	Long-Term Receivables	2,965,478	3,143,744
1.02.01.02.	Financial Investments at Fair Value through Other Comprehensive Income	208	217
1.02.01.02.02	Other Securities	208	217
1.02.01.04.	Accounts Receivable	19,256	19,273
1.02.01.04.01.	Clients	16,579	16,775
1.02.01.04.03.	Other receivables	2,677	2,498
1.02.01.07.	Deferred Taxes	688,479	709,023
1.02.01.07.01.	Deferred Income Tax and Social Contribution	688,479	709,023
1.02.01.10.	Other Noncurrent Assets	2,257,535	2,415,231
1.02.01.10.03.	Taxes Recoverable	356,873	524,780
1.02.01.10.04	Court Deposits	350,013	359,870
1.02.01.10.05.	Financial Assets Indemnification - Concession	1,096,277	1,008,038
1.02.01.10.06.	Financial Assets - Portion A – CVA	0	76,448
1.02.01.10.07.	Financial Assets – Concession Bonus	312,473	306,791
1.02.01.10.09.	Financial Asset - Indemnification of the Pery Plant Basic Project	141,899	139,304
1.02.02	Investments	376,723	363,279
1.02.02.01	Equity Interests	376,723	363,279
1.02.02.01.01	Interests in Affiliates	235,414	227,314
1.02.02.01.04.	Interest in Joint Ventures	141,309	135,965
1.02.03	PP&E	138,971	133,865

Consolidated Financial Statements /

Statement of Financial Position – Assets

(R$ thousand)

Code Account	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
1.02.04.01.01	Concession Agreement	4,334,055	4,258,464
1.02.04.01.02.	Hydrological Risk Renegotiation – GSF	45,725	46,161
1.02.04.01.03.	Other Intangible Assets	3,812	3,938

Consolidated Financial Statements / Statement of Financial Position – Liabilities (R$ thousand)

Code Account	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
2	Total Liabilities	11,761,637	11,628,067
2.01	Current Liabilities	4,064,359	3,757,419
2.01.01.	Social and Labor Obligations	223,456	227,670
2.01.01.01.	Social Obligations	223,456	227,670
2.01.02.	Suppliers	900,274	1,016,513
2.01.02.01	Domestic Suppliers	900,274	1,016,513
2.01.03	Tax Liabilities	339,012	289,797
2.01.03.01	Federal Tax Obligations	117,221	118,891
2.01.03.01.01	Income Tax and Social Contribution Payable	54,547	30,996
2.01.03.01.02.	PIS/COFINS	48,066	49,419
2.01.03.01.03.	Other	14,608	38,476
2.01.03.02.	State Tax Obligations	219,740	168,346
2.01.03.03.	Municipal Tax Obligations	2,051	2,560
2.01.04.	Loans and Financing	649,211	507,699
2.01.04.01.	Loans and Financing	455,593	297,229
2.01.04.01.01.	In Domestic Currency	379,137	262,833
2.01.04.01.02.	In Foreign Currency	76,456	34,396
2.01.04.02.	Debentures	193,618	210,470
2.01.05.	Other Obligations	1,709,646	1,473,502
2.01.05.02.	Other	1,709,646	1,473,502
2.01.05.02.01.	Dividends and Interest on Equity Payable	199,296	157,602
2.01.05.02.04.	Regulatory Fees	61,138	56,066
2.01.05.02.07.	Financial Liability - "Portion A" - CVA	669,912	753,564
2.01.05.02.08	Lease Liabilities	1,267	1,579
2.01.05.02.09	Water Shortage Bonus	1,124	1,144
2.01.05.02.10.	PIS/COFINS to be Refunded to Consumers	639,887	366,981
2.01.05.02.20.	Other Current Liabilities	137,022	136,566
2.01.06.	Provisions	242,760	242,238
2.01.06.01.	Tax, Social Security, Labor, and Civil Provisions	242,760	242,238
2.01.06.01.03	Provisions for Employee Benefits	242,760	242,238
2.02	Noncurrent Liabilities	4,641,913	4,987,472
2.02.01.	Loans and Financing	1,766,491	1,941,569
2.02.01.01.	Loans and Financing	1,408,092	1,545,926
2.02.01.01.01.	In Domestic Currency	276,169	414,003
2.02.01.01.02.	In Foreign Currency	1,131,923	1,131,923
2.02.01.02.	Debentures	358,399	395,643
2.02.02.	Other Obligations	747,275	897,732
2.02.02.02.	Other	747,275	897,732
2.02.02.02.03.	Social and Labor Obligations	41,188	50,410
2.02.02.02.04.	Regulatory Fees	103,984	106,643
2.02.02.02.06.	Financial Liability - "Portion A" - CVA	116,758	0
2.02.02.02.09.	PIS/COFINS to be Refunded to Consumers	478,946	733,963

Consolidated Financial Statements / Statement of Financial Position – Liabilities (R$ thousand)

Code Account	Description	Current Quarter 03/31/2023	Previous Year 12/31/2022
2.02.04.01.	Tax, Social Security, Labor, and Civil Provisions	1,909,609	1,935,507
2.02.04.01.01.	Tax Provisions	31,022	30,847
2.02.04.01.02.	Social Security and Labor Provisions	47,091	45,704
2.02.04.01.03.	Provisions for Employee Benefits	1,630,003	1,659,937
2.02.04.01.04	Civil Provisions	201,493	199,019
2.02.04.02.	Other Provisions	125,679	123,450
2.02.04.02.04.	Regulatory Provisions	123,664	121,027
2.02.04.02.05.	Environmental Provisions	2,015	2,423
2.03	Consolidated Equity	3,055,365	2,883,176
2.03.01.	Paid-up Share Capital	2,480,000	2,480,000
2.03.02	Capital Reserves	316	316
2.03.02.06.	Advance for Future Capital Increase	316	316
2.03.04	Profit Reserves	1,561,699	1,561,699
2.03.04.01	Legal Reserve	251,495	251,495
2.03.04.05.	Retained Earnings Reserve	1,287,330	1,287,330
2.03.04.08	Additional dividend proposed	22,874	22,874
2.03.05.	Retained Earnings/Accumulated Losses	172,336	0
2.03.06.	Equity Valuation Adjustments	-1,158,986	-1,158,839

Consolidated Financial Statements / Income

Statement (R$ thousands)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
3,01	Revenue from the Sale of Goods and/or Services	2,606,985	2,677,154
3.01.01.	Revenue from Sales and Services	2,438,670	2,815,503
3.01.02.	Construction Revenue	275,508	257,232
3.01.03.	Revenue from Financial Assets (Liabilities) (Parcel A - CVA) - CVA	-115,249	-401,839
3.01.04.	Financial Asset Restatement VNR	8,056	6,258
3,02	Cost of Goods and/or Services	-2,110,787	-2,136,292
3.02.01.	Cost of Sale and Services	-1,621,128	-1,684,411
3.02.02.	Cost of Goods Sold	-3,689	-2,808
3.02.03.	Cost of Services	-210,462	-191,841
3.02.04.	Construction Cost - CPC 47	-275,508	-257,232
3,03	Gross Profit (Loss)	496,198	540,862
3.04	Operating Expenses/Revenues	-143,737	-151,396
3.04.01.	Selling expenses	-59,989	-58,825
3.04.02.	General and Administrative Expenses	-150,238	-118,326
3.04.04.	Other Operating Income	49,901	10,517
3.04.06.	Equity Pickup	16,589	15,238
3.05	Income Before Financial Result and Taxes	352,461	389,466
3.06	Financial Result	-52,896	-19,493
3.06.01.	Financial Income	285,621	97,923
3.06.02.	Financial Expenses	-338,517	-117,416
3.07	Earnings Before Taxes on Income	299,565	369,973
3,08	Income Tax and Social Contribution	-81,502	-110,114
3.08.01.	Current	-57,311	-142,301
3.08.02.	Deferred	-24,191	32,187
3.09	Net Income from Continuing Operations	218,063	259,859
3.11	Consolidated Profit/Loss for the Period	218,063	259,859
3.11.01.	Attributed to the Parent Company’s Shareholders	218,063	259,859
3.99	Earnings per Share - (R$/Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01.	Common Shares	5.3347	6.3572
3.99.01.02.	Preferred Shares	5.8682	6.993
3.99.02	Diluted Earnings per Share		
3.99.02.01	Common Shares	5.3347	6.3572
3.99.02.02.	Preferred Shares	5.8682	6.993

Consolidated Financial Statements / Statement of Comprehensive Income

(R$ thousand)

Code	Description	YTD Current Year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
4.01	Consolidated Net Income for the Period	218,063	259,859
4.03	Comprehensive Income for the Period	218,063	259,859
4.03.01	Attributed to the Parent Company's Shareholders	218,063	259,859

Consolidated Financial Statements / Statement of Cash Flows - Indirect

Method (R$ thousand)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
6.01	Net Cash from Operating Activities	238,813	554,220
6.01.01	Cash Generated from Operations	442,018	550,057
6.01.01.01	Earnings before Income Tax and Social Contribution	299,565	369,973
6.01.01.02	Depreciation and Amortization	73,669	67,480
6.01.01.03	Loss with write-off of Fixed/Intangible Assets	14,499	14,659
6.01.01.04	Equity Pickup	-16,589	-15,238
6.01.01.05	Financial Assets Adjustment – VNR	-8,056	-6,258
6.01.01.06	Loss with Indemnifying Financial Assets Write-Off - Concession	1,005	31
6.01.01.09	Interest and Monetary Variations	128,107	119,899
6.01.01.10	Creation (Reversal) of Provision for Contingent Liabilities	6,265	12,577
6.01.01.11	Provision for Actuarial Liability	33,595	28,916
6.01.01.12	PIS/Cofins Credit Depreciation	64	166
6.01.01.14	Write-off of Right of Use Lease Assets and Liabilities	0	-6
6.01.01.15	Updating/ Interest Return/Concession Bonus, Ind. Projects Pery Plant	-24,482	-28,850
6.01.01.16	Allowance for Doubtful Accounts	30,556	22,227
6.01.01.17	Interest Paid	-65,209	-33,317
6.01.01.18	Income Tax and Social Contribution Paid	-30,971	-2,202
6.01.02	Variations in Assets and Liabilities	-203,205	4,163
6.01.02.01	Accounts Receivable	-219,020	-298,714
6.01.02.02	Taxes Recoverable	79,692	104,924
6.01.02.03	Court Deposits	9,857	-20,745
6.01.02.04	Inventories	-3,156	-2,054
6.01.02.05	Financial Assets - (CVA, Concession Bonus, Ind. Projects Basic Pery Plant	324,400	329,946
6.01.02.08	Water Shortage Bonus Asset	0	10,709
6.01.02.09	Other Accounts - Assets	-1,669	-20,656
6.01.02.10	Suppliers	-116,239	-206,679
6.01.02.11	Social Security and Labor Obligations	-13,436	-13,263
6.01.02.12	Taxes Payable	18,695	167,729
6.01.02.13	Financial Liabilities - CVA	-199,574	254,088
6.01.02.14	Regulatory Fees	-1,680	-170,469
6.01.02.15	PIS/COFINS to be Refunded to Consumers	-10,553	0
6.01.02.17	Actuarial Liability	-70,958	-60,076
6.01.02.18	Water Shortage Bonus Liability	-20	-97,154
6.01.02.19	Other Accounts - Liabilities	456	26,577
6,02	Net Cash from Investing Activities	-244,692	-212,174
6.02.01.	Additions to PP&E/Intangible Assets	-249,188	-213,774
6.02.03.	Capital Increase (Decrease) of Investees	-152	-260
6.02.05.	Dividends Received	4,648	1,860
6,03	Net Cash from Financing Activities	-56,607	521,269
6.03.01.	Principal Amortization of Lease Liabilities	-629	-1,978
6.03.03.	Amortization of Loans and Financings	-939	-61,261
6.03.04.	Additions of Loans and Financing	0	610,000
6.03.05.	Dividend Payment	0	-2

Consolidated Financial Statements / Statement of Cash Flows - Indirect

Method (R$ thousand)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
6.03.07.	Payment of Debentures	-55,039	-25,490
6,05	Increase (Decrease) in Cash and Cash Equivalents	-62,486	863,315
6.05.01.	Opening Balance of Cash and Cash Equivalents	940,684	844,088
6.05.02.	Closing Balance of Cash and Cash Equivalents	878,198	1,707,403

Income Statement – Consolidated / Statement of Changes in Shareholders' Equity / DMPL - January 1, 2019 to December 31, 2019 (R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interest	Equity Consolidated
5,01	Opening Balances	2,480,000	316	1,561,699	0	-1,158,839	2,883,176	0	2,883,176
5,03	Adjusted Opening Balances	2,480,000	316	1,561,699	0	-1,158,839	2,883,176	0	2,883,176
5,04	Capital transactions with members	0	0	0	-45,874	0	-45,874	0	-45,874
5.04.07.	Interest on Equity	0	0	0	-45,874	0	-45,874	0	-45,874
5,05	Total Comprehensive Income	0	0	0	218,210	-147	218,063	0	218,063
5.05.01.	Net Income for the Period	0	0	0	218,063	0	218,063	0	218,063
5.05.03.	Reclassifications to Profit/Loss	0	0	0	147	-147	0	0	0
5.05.03.02.	Realization of Attributed Cost	0	0	0	147	-147	0	0	0
5,07	Closing Balances	2,480,000	316	1,561,699	172,336	-1,158,986	3,055,365	0	3,055,365

Income Statement – Consolidated / Statement of Changes in Shareholders' Equity / DMPL - January 1, 2019 to December 31, 2019 (R$ thousand)

Code	Description	Paid-up Share Capital	Capital Reserves, Options Granted, and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Shareholders' Equity	Non-Controlling Interest	Equity Consolidated
5,01	Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5,03	Adjusted Opening Balances	2,480,000	316	1,191,329	0	-1,050,276	2,621,369	0	2,621,369
5,04	Capital transactions with members	0	0	0	-34,701	0	-34,701	0	-34,701
5.04.07.	Interest on Equity	0	0	0	-34,701	0	-34,701	0	-34,701
5,05	Total Comprehensive Income	0	0	0	260,019	-160	259,859	0	259,859
5.05.01.	Net Income for the Period	0	0	0	259,859	0	259,859	0	259,859
5.05.03.	Reclassifications to Profit/Loss	0	0	0	160	-160	0	0	0
5.05.03.02.	Realization of Attributed Cost	0	0	0	160	-160	0	0	0
5,07	Closing Balances	2,480,000	316	1,191,329	225,318	-1,050,436	2,846,527	0	2,846,527

Consolidated Financial Statements / Value Added

Statement (R$ thousands)

Code	Description	YTD Current Fiscal year 01/01/2023 to 03/31/2023	YTD Previous Year 01/01/2022 to 03/31/2022
7,01	Revenue	4,066,136	4,495,808
7.01.01.	Sales of Goods, Products and Services	3,727,897	4,189,098
7.01.02.	Other income	93,287	71,705
7.01.03.	Revenues from Construction of Company Assets	275,508	257,232
7.01.04.	Provision/Reversal of Credits of Doubtful Accounts	-30,556	-22,227
7,02	Inputs Acquired from Third Parties	-2,213,161	-2,282,963
7.02.01.	Costs of Products, Goods and Services Sold	-1,785,739	-1,876,135
7.02.02.	Materials, Energy, Outsourced Services, and Others	-151,914	-149,596
7.02.04.	Other	-275,508	-257,232
7.02.04.01.	Revenues from Construction of Company Assets	-275,508	-257,232
7,03	Gross Value Added	1,852,975	2,212,845
7,04	Retentions	-73,733	-67,646
7.04.01.	Depreciation, Amortization, and Depletion	-73,733	-67,646
7,05	Net Value Added Produced	1,779,242	2,145,199
7,06	Value Added Received in Transfer	321,421	126,362
7.06.01.	Equity Pickup	16,589	15,238
7.06.02.	Financial Income	304,644	111,195
7.06.03.	Other	188	-71
7,07	Total Value Added to be Distributed	2,100,663	2,271,561
7,08	Distribution of Value Added	2,100,663	2,271,561
7.08.01.	Personnel	178,642	165,809
7.08.01.01.	Direct Compensation	105,287	101,945
7.08.01.02.	Benefits	64,866	56,259
7.08.01.03.	Guarantee Fund for Length of Service (FGTS)	8,489	7,605
7.08.02.	Taxes, Fees, and Contributions	1,363,221	1,740,077
7.08.02.01.	Federal	794,368	839,589
7.08.02.02.	State	565,950	898,453
7.08.02.03.	Municipal	2,903	2,035
7.08.03.	Return on Third-Party Capital	340,737	105,816
7.08.03.01.	Interest	336,327	103,406
7.08.03.02.	Rental	4,410	2,410
7.08.04.	Return on Equity	218,063	259,859
7.08.04.01.	Interest on Equity	45,874	34,701
7.08.04.03.	Retained Earnings/Accumulated Losses for the Period	172,189	225,158

1. INVESTMENTS

The funds invested by the Company in PP&E, Intangibles, and Equity Interests in Small Hydroelectric Power Plants totaled R$306.4 million in 1Q23, outstripping by more than 11.31% the R$275.3 million reported in 1Q22, as shown below:

Description					Consolidated
	R$ thousand	%	R$ thousand	%	Horizontal Analysis
Electricity Distribution	**300,145**	**97.93%**	**273,008**	**99.16%**	**9.94%**
Company Resources	243,002	-	211,711	-	-
Consumer Financial Share	57,143	-	61,297	-	-
Electricity Generation	**6,339**	**2.07%**	**2,323**	**0.84%**	**172.88%**
Equity Interests	152	-	260	-	-
Own Generation Park	6,187	-	2,063	-	-
Total	**306,484**	**100%**	**275,331**	**100%**	**11.31%**

Electricity Distribution

Of the total invested, the largest portion of R$300.1 million was allocated to the expansion and improvement of the system, operational efficiency, and modernization of Celesc D's management. Of this amount, R$243.0 million was invested using the Company's funds (R$226.2 million in materials and services and R$16.8 million in company labor), and R$57.1 million was invested using third-party funds, arising from Consumer Financial Share in Celesc D's works. Consumer Financial Share rules are established in ANEEL Regulatory Resolution 1,000, of December 7, 2021.

Electricity Generation

Of the main investments made in the company's own generator park in the first quarter of 2023, by Celesc G, R$3.9 million were used for the purchase and assembly of the 1MW photovoltaic generator for UFV Campos Novos; R$439.0 thousand were spent on the auxiliary services panel and control board for the floodgate at US Pery; R$410.0 thousand were allocated to the mechanical executive project, 1. 000 ml plastic container and drone with accessories at US Salto; R$332,000 were applied in the plant automation and electrical executive project at US Celso Ramos, R$257,000 were disbursed in plant automation and labor at US Caveiras and R$222,000 were applied in the common implementation costs of the UFV Lages project.

2. STOCK MARKET

The BOVESPA index closed 3Q21 with a 7.16% depreciation. The Energy Sector Index (IEE), an indicator of the electricity sector, fell by 4.9% in the same period.

In the same period, the Company's Preferred Shares (PN) depreciated 7.85%, while Common Shares (ON) depreciated 1.23%.

The table below shows the final quotations on March 31, 2023, and the respective percentage changes of the Company's shares and the key market indicators:

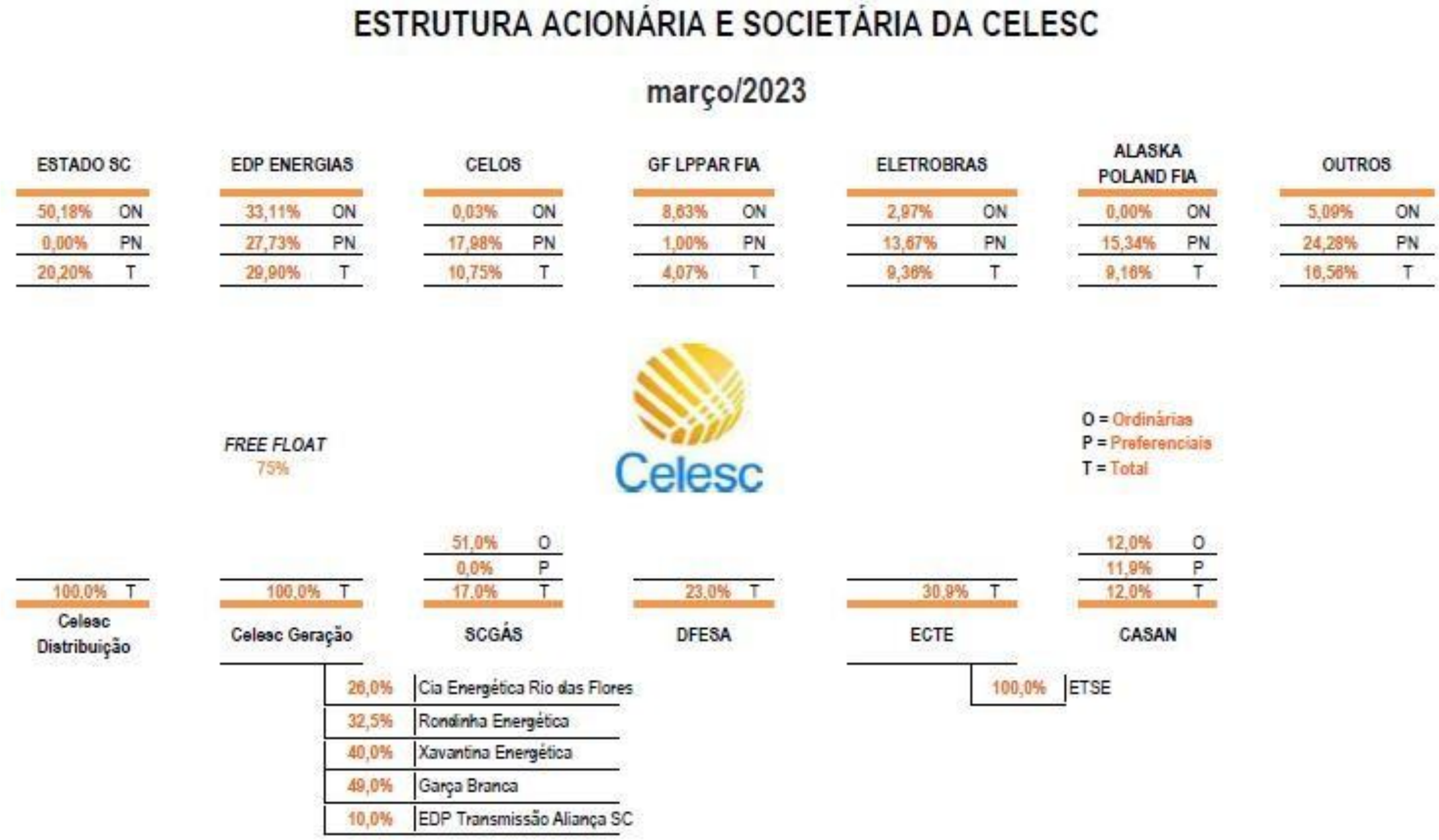
Description	Closure	Variation %	
	03.31.2023	1Q23	12 Months
Celesc Preferred Shares	R$49.07	-7.85%	-11.17%
Celesc Common Shares	R$48.37	-1.23%	-7.69%
IBOVESPA	101,882	-7.16%	-15.10%
IEE	74,827	-4.90%	-12.01%

Percentage variations with earnings adjustments

3. STOCK MARKET VALUE

The Company's stock market value on March 31, 2023, as shown above, is: Forty-nine reais and seven centavos (R$49.07) per preferred share - PN (CLSC4) and forty-eight reais and thirty-seven centavos (R$48.37) per common share - ON (CLSC3).

The Santa Catarina state is the Company's major shareholder, holding 50.2% of its common shares, corresponding to 20.2% of the total capital. On March 31, 2023, the shareholding and corporate structure are shown in the following organization chart:



4. HUMAN RESOURCES

Celesc ended 1Q23 with 3,886 employees. The total number of employees rose by 1.6% YoY (3,824 employees last year).

5. ECONOMIC AND FINANCIAL PERFORMANCE

The following table shows the main economic and financial indicators for the year in comparison with the previous year:

			Consolidated
Description	**03.31.2023**	**03.31.2022**	**Variation**
Gross Operating Income - GOI	4,003,404	4,446,330	-9.96%
Net Operating Income - NOI	2,606,985	2,677,154	-2.62%
Operating Result	352,461	389,466	-9.50%
EBITDA	426,130	456,946	-6.74%
EBITDA Margin (EBITDA/NOI)	16.35%	17.07%	-0.72 p.p.
Net Margin (Net Income/NOR)	8.36%	9.71%	-1.34 p.p.
Financial Result	(52,896)	(19,493)	171.36%
Total Assets	11,761,637	12,919,089	-8.96%
PP&E	138,971	128,565	8.09%
Shareholders' Equity	3,055,365	2,846,527	7.34%
Net Income	218,063	259,859	-16.08%

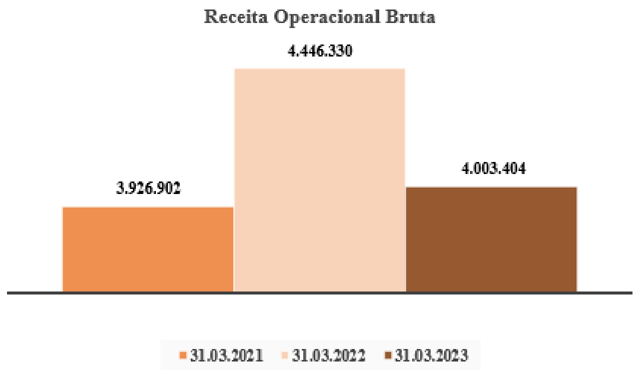
5.1. Gross Revenue and Net Operating Income

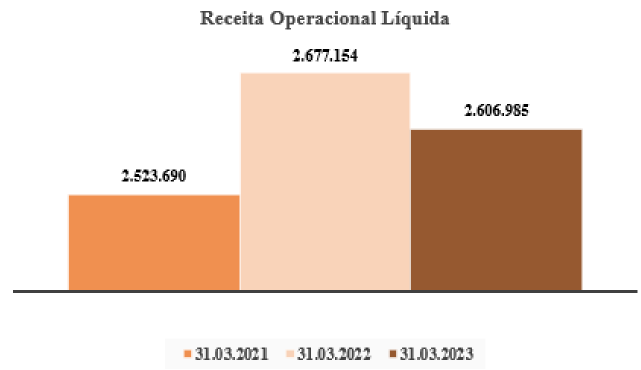
The Gross Operating Income (GOI) in 1Q23, totaled R$4.0 billion, nearly 10% lower than the R$4.4 billion reported in the same period in 2022.

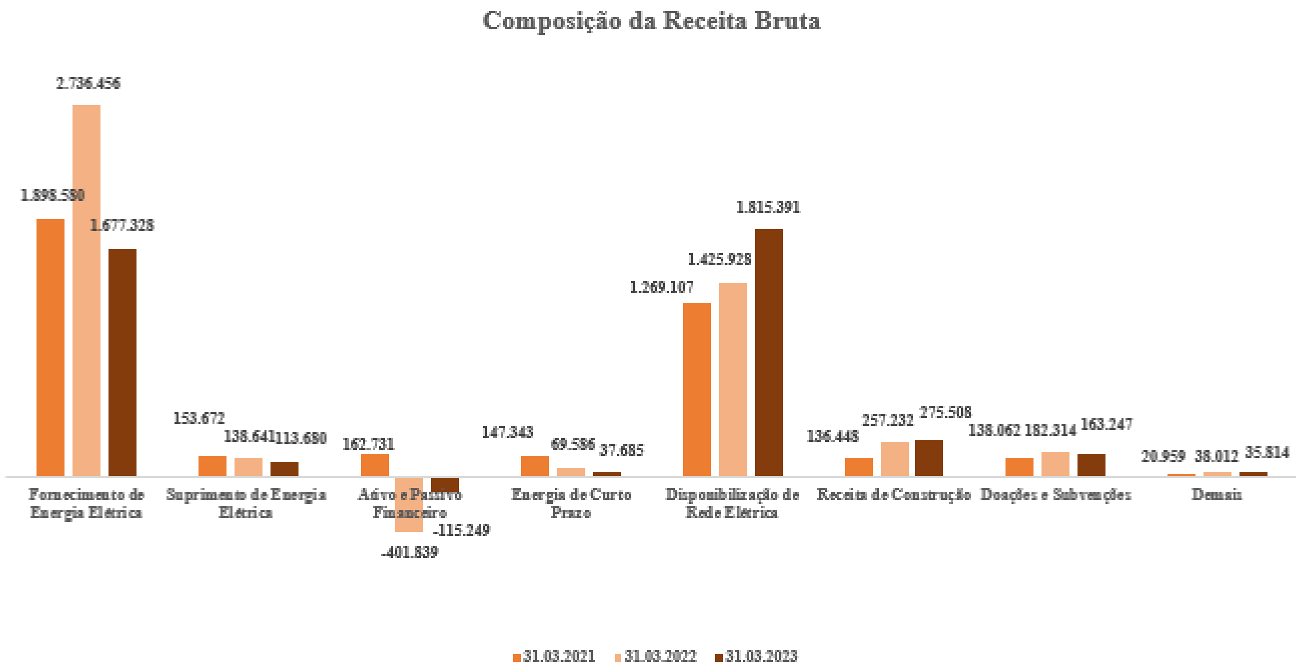
As for Celesc D, the lower performance of GOI was due to, among other factors, the revocation of Resolution 03, issued by the Ministry of Mines and Energy (MME) on August 31, 2021, which provided for the creation of the Water Scarcity Tariff Flag, in the amount of R$142.00/MWh. This resolution took effect from September 2021 to April 2022 and had an impact on GOI for the first quarter of 2022. Another relevant factor for the lower GOI and the consequent disproportionality to the Net Operating Income was the reduced ICMS rate, through Supplementary Law 194 (LC), of June 23, 2022, effective as of July 1st, 2022, which limited ICMS rates in Brazilian states (this tax is included in the electricity revenue of distribution companies). In the state of Santa Catarina, Supplementary Law 194/2022 was regulated through Ordinary Law 18,521, of November 3, 2022, also with retroactive effects (prior to July 1st, 2022).

As for Celesc G, the lower GOI is related to the drop in sales of energy in the short-term market, and mostly, the recognition of interest and inflation adjustments of Financial Assets, which are adjusted according to IPCA and recorded in this group. These revenues from interest and inflation adjustments declined from R$28.9 million in the first quarter of 2022 to R$24.5 million in the same period of 2023, down by around 15%.

In the same period of 2023, Net Operating Income (NOI) was R$2.6 billion, approximately 2.6% down from the R$2.7 billion reported in 2022. The disproportionality of the percentage reductions between GOI and NOR is justified by the ICMS reduction, which is an input tax and naturally causes the appropriate disproportion.

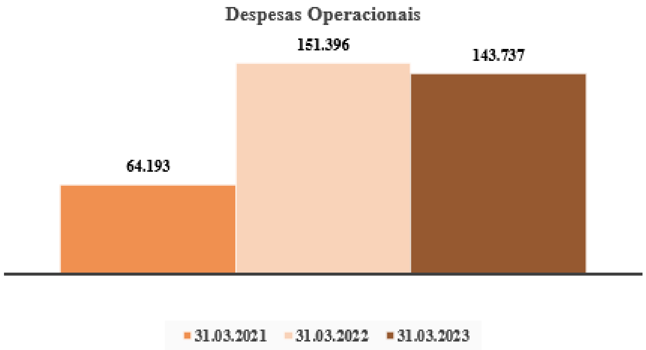


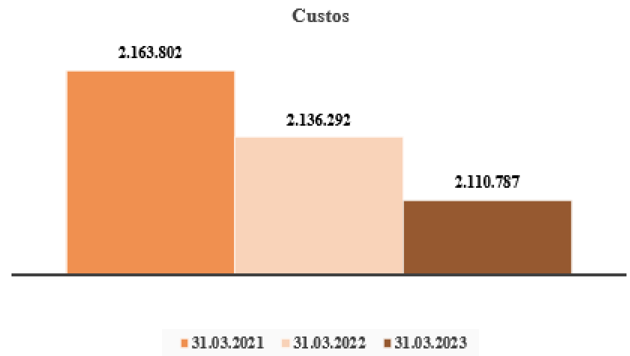




5.2. Costs and Expenses

Operating costs and expenses dropped by approximately 1.45% YOY in 1Q23. Energy costs reduced by 1.19%, and operating expenses by 5.06% in the comparable periods.





Operating costs and expenses decreased by approximately R$36.1 million at Celesc D. The main justification is the 14.6% reduction in the cost of the system use charge and the increase in other operating revenues (infrastructure sharing, recovery of PIS/COFINS expenses to be refunded to the consumer, and collection fees).

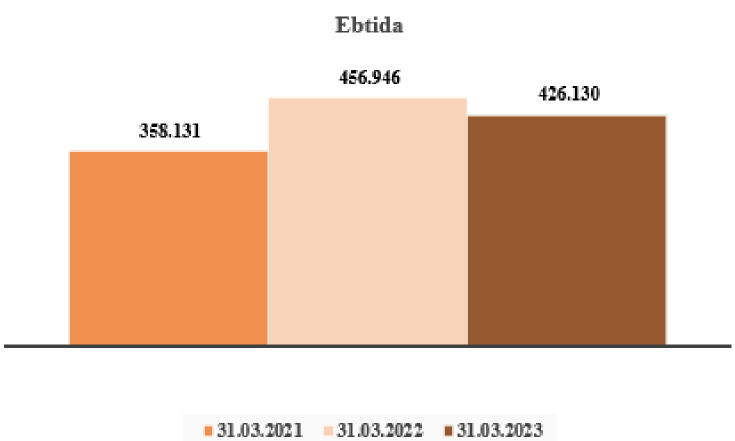
At Celesc G, operations costs and expenses reduced by approximately R$951 thousand, with an 8.9% increase in equity income from investees.

5.3. EBITDA

The changes in the Net Income for the year before interest, taxes, financial result and depreciation/amortization - EBITDA were as follows.

		Consolidated
Reconciliation of EBITDA (R$/thousand)	**03.31.2023**	**03.31.2022**
Net Income	218,063	259,859
Current and Deferred Income Tax and Social Contribution	81,502	110,114
Financial Result	52,896	19,493
Depreciation and Amortization	73,669	67,480
EBITDA	**426,130**	**456,946**

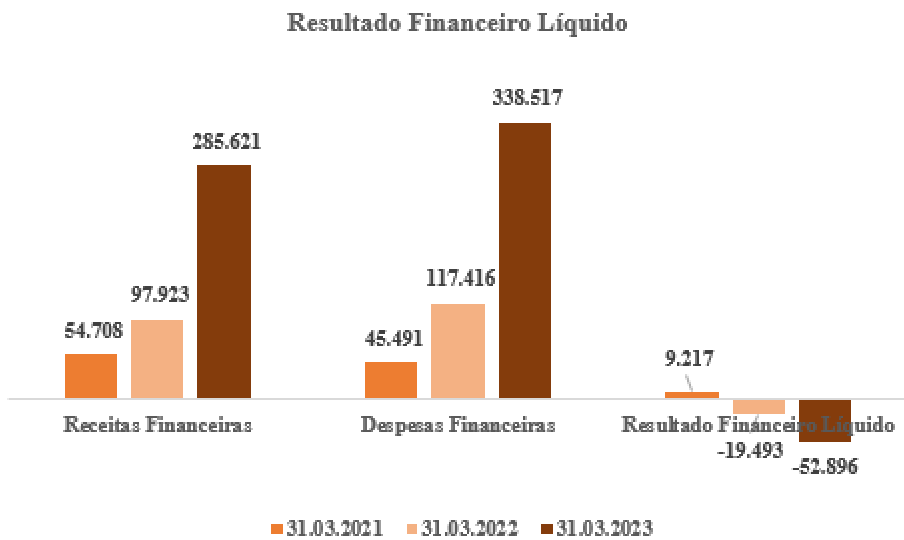
EBITDA totaled R$426.1 million in 1Q23, approximately 6.74% lower than the R$456.9 million reported in 1Q22.



5.4. Financial Result

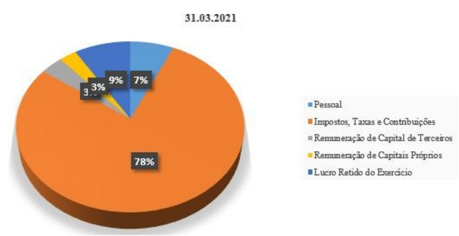
The Financial Result in 1Q23 was negative by R$52.9 million. Considering the negative result of R$19.5 million reported in the same period in 2022, the R$33.4 million reduction in this group was mainly due to the significant rise in interest and monetary adjustments of the subsidiaries Celesc D and Celesc G's debts, especially those remunerated at the Interbank Deposit Certificate (CDI) rate. Celesc D's sectoral financial assets have also seen a lower inflation adjustment.

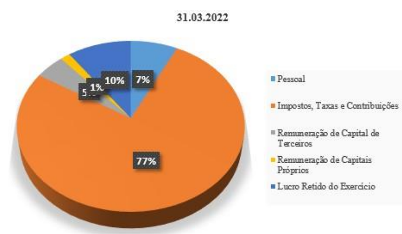
Performance Comment

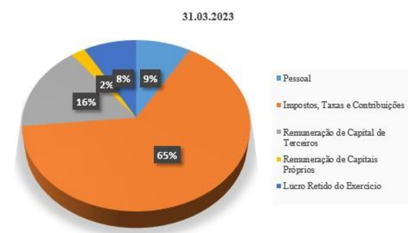


5.5. Added Value

The wealth created by the Company was distributed through “Personnel”, “Taxes, Fees, and Contributions”, “Return on Third-Party Capital” and “Return on Equity”, and a portion remained as “Retained Earnings for the Year”, in the following proportions:







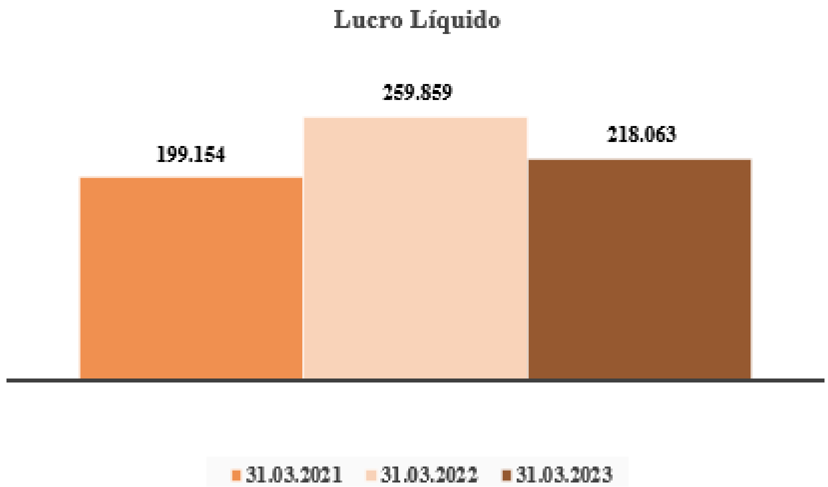
5.6. Economic and Financial Indices

Some economic and financial indices are shown below.

		Consolidated	
Ratios	**03.31.2023**	**03.31.2022**	**03.31.2021**
General Liquidity	0.79	0.85	0.76
Current Liquidity	0.96	1.38	1.19
Shareholders’ Equity Profitability	7.68%	10.33%	9.56%
General Indebtedness	74.02%	77.97%	79.26%

5.7. Net Income

Celesc’s Net Income totaled R$218.1 million from January to March 2023, down by 16.1% from the R$259.9 million reported in the same period in 2022. The reduction is justified, mainly, by the reduction in the Gross Operating Income (GOI).



6. DELINQUENCY MANAGEMENT

Delinquency corresponds to billed revenue not received. Through sub-module 2.2 of PRORET – Operating Costs and Regulatory Delinquency -, ANEEL defines the concepts related to Regulatory Delinquency, an amount that has a tariff coverage and considers the sum of billed amounts not received between 49 and 60 months.

To calculate Default, it is necessary to divide it by the Gross Operating Revenue from the Supply of Electricity, Electricity Supply, Availability of Electricity Grid, and Taxed Service, and verify the percentage changes.

In 1Q23, short-term delinquency of up to 90 days (the period when most collection actions are concentrated) rose by 0.64 percentage points over the previous quarter, and delinquency over 90 days rose by 0.28 percentage points, from 3.31% to 3.59%. The total default, compared to the previous quarter, shows an increase of 0.91 percentage points, approximately 6.17% of the Gross Operating Income.

The following table shows the evolution of Celesc D's default:

Delinquency up to 90 days											
	1Q22		2Q22		3Q22		4Q22		1Q23		
Classes	**R$ thousand**	**% Gross Operating Income**	**R$ thousand**	**% Gross Operating Income**	**R$ thousand**	**% Gross Operating Income**	**R$ thousand**	**% Gross Operating Income**	**R$ thousand**	**% Gross Operating Income**	**Variation 4Q22**
Residential	226,136	1.62%	160,810	1.13%	139,713	1.02%	149,515	1.14%	200,119	1.61%	+0.47 p.p.
Industrial	36,430	0.26%	31,124	0.22%	24,935	0.18%	29,481	0.22%	30,672	0.25%	+0.03 p.p.
Commercial	69,353	0.50%	49,325	0.35%	52,387	0.38%	45,524	0.35%	57,102	0.46%	+0.11 p.p.
Rural	19,968	0.14%	12,626	0.09%	10,514	0.08%	13,232	0.10%	16,567	0.13%	+0.03 p.p.
Government	584	0.00%	690	0.00%	308	0.00%	3,716	0.03%	370	0.00%	-0.03 p.p.
Public Lighting	45	0.00%	8	0.00%	69	0.00%	7	0.00%	45	0.00%	0.00 p.p.
Public Service	35	0.00%	52	0.00%	43	0.00%	37	0.00%	117	0.00%	0.00 p.p.
Supplies	757	0.01%	1,213	0.01%	929	0.01%	1,355	0.01%	1,509	0.01%	0.00 p.p.
Order Use Electricity Grid	2,913	0.02%	1,548	0.01%	1,018	0.01%	2,245	0.02%	2,900	0.02%	0.00 p.p.
Miscellaneous Credits	15,127	0.11%	16,162	0.11%	1,333	0.01%	8,069	0.06%	10,416	0.08%	+0.02 p.p.
Service Fee	870	0.01%	988	0.01%	10,927	0.08%	1,029	0.01%	1,006	0.01%	0.00 p.p.
Financial Participation	561	0.00%	921	0.01%	1,194	0.01%	1,140	0.01%	747	0.01%	0.00 p.p.
Total	**372,779**	**2.67%**	**275,467**	**1.94%**	**243,370**	**1.78%**	**255,349**	**1.94%**	**321,570**	**2.58%**	**+0.64 p.p.**
GOI (Accumulated from the last 12 months) in R$ thousand		**13,953,982**		**14,187,254**		**13,660,528**		**13,141,773**		**12,452,993**	

Delinquency over 90 days

Classes	1Q22 R$ thousand	1Q22 % Gross Operating Income	2Q22 R$ thousand	2Q22 % Gross Operating Income	3Q22 R$ thousand	3Q22 % Gross Operating Income	4Q22 R$ thousand	4Q22 % Gross Operating Income	1Q23 R$ thousand	1Q23 % Gross Operating Income	Variation 4Q22
Home	188,356	1.35%	198,853	1.40%	207,423	1.52%	211,208	1.61%	216,812	1.74%	+0.13 p.p.
Industrial	235,143	1.69%	75,564	0.53%	74,803	0.55%	72,113	0.55%	73,654	0.59%	+0.04 p.p.
Commercial	142,119	1.02%	107,012	0.75%	103,605	0.76%	106,683	0.81%	110,874	0.89%	+0.08 p.p.
Rural	11,616	0.08%	9,917	0.07%	10,331	0.08%	10,722	0.08%	10,959	0.09%	+0.01 p.p.
Government	8,861	0.06%	309	0.00%	301	0.00%	302	0.00%	284	0.00%	0.00 p.p.
Public Lighting	16,485	0.12%	3,144	0.02%	1,717	0.01%	1,418	0.01%	1,148	0.01%	0.00 p.p.
Public Service	183	0.00%	15	0.00%	13	0.00%	24	0.00%	21	0.00%	0.00 p.p.
Supplies	2,883	0.02%	35	0.00%	1,248	0.01%	1,248	0.01%	1,248	0.01%	0.00 p.p.
Order Use Electricity Grid	10,536	0.08%	2,233	0.02%	3,848	0.03%	1,445	0.01%	1,488	0.01%	0.00 p.p.
Miscellaneous Credits	31,840	0.23%	24,699	0.17%	933	0.01%	25,430	0.19%	25,639	0.21%	+0.02 p.p.
Service Fee	3,761	0.03%	3,799	0.03%	26,207	0.19%	3,899	0.03%	4,000	0.03%	0.00 p.p.
Financial Participation	1,038	0.01%	829	0.01%	2,100	0.02%	902	0.01%	1,010	0.01%	0.00 p.p.
Total	**652,821**	**4.69%**	**426,409**	**3.00%**	**432,529**	**3.17%**	**435,394**	**3.31%**	**447,138**	**3.59%**	**+0.28 p.p.**
GOI (Accumulated from the last 12 months) in R$ thousand	**13,953,982**		**14,187,254**		**13,660,528**		**13,141,773**		**12,452,993**		

Total Delinquency

Classes	1Q22 R$ thousand	1Q22 % Gross Operating Income	2Q22 R$ thousand	2Q22 % Gross Operating Income	3Q22 R$ thousand	3Q22 % Gross Operating Income	4Q22 R$ thousand	4Q22 % Gross Operating Income	1Q23 R$ thousand	1Q23 % Gross Operating Income	Variation 4Q22
Home	414,492	2.97%	359,663	2.54%	347,136	2.54%	360,723	2.74%	416,931	3.35%	+0.61 p.p.
Industrial	271,573	1.95%	106,689	0.75%	99,738	0.73%	101,594	0.77%	104,326	0.84%	+0.07 p.p.
Commercial	211,472	1.52%	156,337	1.10%	155,992	1.14%	152,208	1.16%	167,976	1.35%	+0.19 p.p.
Rural	31,584	0.23%	22,542	0.16%	20,845	0.15%	23,954	0.18%	27,526	0.22%	+0.04 p.p.
Government	9,445	0.07%	999	0.01%	609	0.00%	4,018	0.03%	654	0.01%	-0.02 p.p.
Public Lighting	16,530	0.12%	3,152	0.02%	1,786	0.01%	1,424	0.01%	1,193	0.01%	0.00 p.p.
Public Service	218	0.00%	67	0.00%	56	0.00%	60	0.00%	138	0.00%	0.00 p.p.
Supplies	3,640	0.03%	1,248	0.01%	2,177	0.02%	2,603	0.02%	2,757	0.02%	0.00 p.p.
Order Use Electricity Grid	13,449	0.10%	3,781	0.03%	4,866	0.04%	3,689	0.03%	4,388	0.04%	+0.01 p.p.
Miscellaneous Credits	46,967	0.34%	40,863	0.29%	2,266	0.02%	33,500	0.25%	36,055	0.29%	+0.04 p.p.
Service Fee	4,631	0.03%	4,786	0.03%	37,134	0.27%	4,928	0.04%	5,006	0.04%	0.00 p.p.
Financial Participation	1,599	0.01%	1,750	0.01%	3,294	0.02%	2,042	0.02%	1,757	0.01%	-0.01 p.p.
Total	**1,025,600**	**7.37%**	**701,877**	**4.95%**	**675,899**	**4.95%**	**690,742**	**5.26%**	**768,708**	**6.17%**	**+0.91 p.p.**
GOI (Accumulated from the last 12 months) in R$ thousand	**13,953,982**		**14,187,254**		**13,660,528**		**13,141,773**		**12,452,993**		

7. SHAREHOLDING STRUCTURE

The shareholding structure, in number of shares held by shareholders with more than 5% of any type or class, is as follows:

Shareholder Base on March 31, 2022

Shareholder	Common Shares Quantity	Common Shares %	Preferred Shares Quantity	Preferred Shares %	Total Quantity	Total %
Santa Catarina state	7,791,010	50.18	191	0.00	7,791,201	20.20
EDP Energias do Brasil S.A.	5,140,868	33.11	6,390,720	27.73	11,531,588	29.90
Fundação Celesc de Seguridade Social - CELOS	1,340,474	8.63	230,800	1.00	1,571,274	4.07
Geração LPar Fundo de Investimento	460,600	2.96	3,149,300	13.67	3,609,900	9.36
Centrais Elétricas Brasileiras – Eletrobras*	4,233	0.03	4,142,774	17.98	4,147,007	10.75
Alaska Poland FIA	-	0.00	3,534,800	15.34	3,534,800	9.16
Other	789,952	5.09	5,595,869	24.28	6,385,821	16.56
Total	**15,527,137**	**100.00**	**23,044,454**	**100.00**	**38,571,591**	**100.00**
Overall Total	**15,527,137**	**40.26**	**23,044,454**	**59.74**	**38,571,591**	**100.00**

Share Capital: R$2,480,000,000.00 and Authorized Capital: R$2,600,000,000.00
*Public Held Company

8. FOREIGN EQUITY INTEREST

Foreign investors accounted for 0.58% of the Company's total share capital in 1Q23, holding a total of 225,010 shares, most of which preferred shares.

Investors' Equity Interest by Residence	Number of Shares	%
Foreign Investors	225,010	0.58%
National Investors	38,346,581	99.42%
Total	**38,571,591**	**100.00**

9. SHARES HELD BY THE CONTROLLING SHAREHOLDER, EXECUTIVE BOARD, AND MEMBERS OF THE FISCAL COUNCIL

The Company is bound to arbitration in the Market Arbitration Chamber, according to the arbitration clause contained in its Bylaws.

Shareholder	Common Shares		Preferred Shares		Total	
	Quantity	%	Quantity	%	Quantity	%
Controlling Shareholder	9,229,660	59.44%	234,305	1.02%	9,463,965	24.54%
Board of Directors	20	-	-	0.00%	20	0.00%
Executive Board	-	-	22	0.00%	22	0.00%
Fiscal Council	-	-	-	0.00%	-	0.00%
Other Shareholders	6,297,457	40.56%	22,810,127	98.98%	29,107,584	75.46%
Total	**15,527,137**	**100.00%**	**23,044,454**	**100.00%**	**38,571,591**	**100.00%**
Outstanding Shares	**6,297,457**	**40.56%**	**22,810,127**	**98.98%**	**29,107,584**	**75.46%**

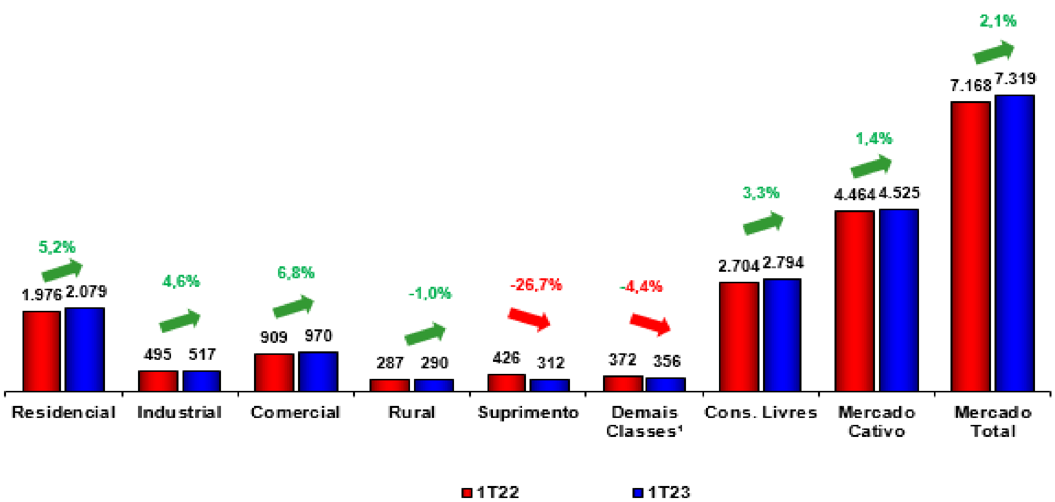
10. OUTSTANDING SHARES

Description	Common Shares - CLSC3		Preferred Shares - CLSC4		Total	%
	Quantity	%	Quantity	%		
Total Capital	15,527,137	100.0	23,044,454	100.0	38,571,591	100.00
Outstanding Shares	6,297,457	40.56	22,810,127	98.98	29,107,584	75.46

11. ENERGY BALANCE

Celesc D's captive market increased by 1.4% YOY in 1Q23, reaching 4,525 GWh. In the Total Market, including free consumers, the increase in electricity consumption was 2.1%, reaching 7,319 GWh.

The chart below shows the consumption values of each category in the captive market, as well as in the total market:



Other Categories¹ = Government + Public Lighting + Public Service. Excluding Own Consumption.

12. ELECTRICITY CAPTIVE MARKET

Description	2023		2022		Vertical Variation				Variation Horizontal	
	1st Qtr	9M	1st Qtr	9M	1st Qtr 2023	9M 2023	1st Qtr 2022	9M 2022	1st Qtr 23-22	YTD 23-22
Sales Revenue by Consumption Category in thousands of Reais										
Home	1,451,474	1,451,474	1,743,867	1,743,867	48.2%	48.2%	45.8%	45.8%	-16.8%	-16.8%
Industrial	367,878	367,878	504,973	504,973	12.2%	12.2%	13.3%	13.3%	-27.1%	-27.1%
Commercial	704,449	704,449	911,178	911,178	23.4%	23.4%	23.9%	23.9%	-22.7%	-22.7%
Rural	195,873	195,873	255,443	255,443	6.5%	6.5%	6.7%	6.7%	-23.3%	-23.3%
Government	87,185	87,185	105,495	105,495	2.9%	2.9%	2.8%	2.8%	-17.4%	-17.4%
Public Lighting	57,704	57,704	90,101	90,101	1.9%	1.9%	2.4%	2.4%	-36.0%	-36.0%
Public Service	52,258	52,258	79,227	79,227	1.7%	1.7%	2.1%	2.1%	-34.0%	-34.0%
Supply	94,592	94,592	116,880	116,880	3.1%	3.1%	3.1%	3.1%	-19.1%	-19.1%
TOTAL	**3,011,413**	**3,011,413**	**3,807,164**	**3,807,164**	**100%**	**100%**	**100%**	**100%**	**-20.9%**	**-20.9%**
Consumption in MWh by Category										
Home	2,079,319	2,079,319	1,975,605	1,975,605	46.0%	46.0%	44.3%	44.3%	5.2%	5.2%
Industrial	517,095	517,095	494,530	494,530	11.4%	11.4%	11.1%	11.1%	4.6%	4.6%
Commercial	970,481	970,481	908,621	908,621	21.4%	21.4%	20.4%	20.4%	6.8%	6.8%
Rural	289,514	289,514	286,531	286,531	6.4%	6.4%	6.4%	6.4%	1.0%	1.0%
Government	127,148	127,148	121,316	121,316	2.8%	2.8%	2.7%	2.7%	4.8%	4.8%
Public Lighting	145,180	145,180	167,716	167,716	3.2%	3.2%	3.8%	3.8%	-13.4%	-13.4%
Public Service	83,641	83,641	83,319	83,319	1.8%	1.8%	1.9%	1.9%	0.4%	0.4%
Supply	312,230	312,230	425,935	425,935	6.9%	6.9%	9.5%	9.5%	-26.7%	-26.7%
TOTAL	**4,524,608**	**4,524,608**	**4,463,573**	**4,463,573**	**100%**	**100%**	**100%**	**100%**	**1.4%**	**1.4%**

13. ARBITRATION CLAUSE

The Company communicates that it is bound to arbitration in the Market Arbitration Chamber (CAM), according to the Arbitration Clause contained in article 73 of its Bylaws: "The Company, its shareholders, Management, and the members of the Fiscal Council undertake to resolve, through arbitration, before the Market Arbitration Chamber (CAM), any dispute or controversy that may arise between them, related to or arising in particular from the application, validity, effectiveness, interpretation, violation and its effects, of the provisions contained in Brazilian Corporate Law, Company's Bylaws, the rules issued by the National Monetary Council, the Central Bank of Brazil, and the Brazilian Securities and Exchange Commission, as well as other rules applicable to the operation of the capital markets in general, in addition to those provided for in Level 2 Regulation, Level 2 Participation Contract, the Sanctions Regulation, and the Arbitration Regulation of the Market Arbitration Chamber."

14. INDEPENDENT AUDITORS

As per the provisions contained in CVM Resolution 162, of July 13, 2022, Celesc informs that the Independent Auditor has not provided any type of service other than those strictly related to the external auditing activity.

Florianópolis, May 12, 2023.

Management

Notes

1. OPERATIONAL CONTEXT

Centrais Elétricas de Santa Catarina S.A. – Celesc (the “Company” and, together with its wholly-owned subsidiaries, the “Group”) is a publicly-held, mixed-capital company founded by State Decree No. 22, on December 9, 1955, headquartered at Avenida Itamarati, nº 160, Itacorubi neighborhood, CEP: 88.034-900, Florianópolis/SC, Brazil.

It was first listed on the Stock Exchange on March 26, 1973 and today its shares are traded on Level 2 of Corporate Governance of B3 S.A. – Brasil, Bolsa, Balcão, in São Paulo.

The majority shareholder is the State of Santa Catarina, holder of 50.18% of the Company's common shares, corresponding to 20.20% of the total capital. The Authorized Capital in its bylaws is R$2.60 billion, and the subscribed and paid-in capital is R$2.48 billion, represented by 38,571,591 nominative shares, with no par value, of which 40.26% are common shares with voting rights and 59.74% are preferred shares, also nominative, with no voting rights.

The Company, together with its subsidiaries and affiliates, is primarily engaged in the distribution, generation and transmission of electricity. In addition, its jointly-owned subsidiary, Companhia de Gás de Santa Catarina S.A. – SCGÁS, operates in the piped natural gas distribution segment.

In the Consolidated Balance Sheet for the first quarter of 2023, the Company showed a net working capital calculation of 0.96. This index was below 1.00, mainly because a significant part of the debt reached short-term status. Besides this, the following became part of the short-term financial liabilities in this fiscal year: a) the Itaipu Bonus, a negative financial component, which aims to mitigate the annual tariff adjustment of the distributors, is received in cash and will be included in the next process, reducing the value of the required revenue and, consequently, the adjustment index; b) the amount received for the portion of the sale of Eletrobras destined to tariff moderation; c) the portion of the amount to be returned to consumers regarding the credit for the removal of ICMS from the PIS/COFINS tax base, provided for in Law 14385/2022, which was contemplated in the annual tariff adjustment of Celesc D, on August 22, 2022, also transferred from other liabilities in non-current liabilities to sectorial financial liabilities in current liabilities. The administration does not observe any risk related to the discontinuity of the activities, due to the fact that these amounts have their financial impact diluted throughout the year with the reduction of the tariff on the consumers' energy bills.

1.1. ESG Report

The ESG actions are supported by the Celesc 25-35 Master Plan, a document that defines the company's long-term strategic planning, specifically with regard to the Strategic Objective of "Ensuring ethical and sustainable practices, both environmentally and socially.

In addition, Celesc reinforces its commitment to the principles of sustainability in its values and principles, as well as its corporate policies, its socio-environmental, governance and energy efficiency projects. The Company has not mapped risks related to the topic and has no accounting impact.

2. BUSINESS PROFILE

2.1. Wholly Owned Subsidiaries

2.2. Celesc Distribuição S.A. – Celesc D

Centrais Elétricas de Santa Catarina S.A. – Celesc signed, on July 22, 1999, Concession Agreement No. 56 for the distribution of electricity, which regulates the exploitation of public electricity distribution services, which was effective until July 7, 2015.

On September 29, 2006, Celesc D, a privately-held corporation, was incorporated, as authorized by State Law No. 13,570/2005. With the unbundling process, in 2006, the distribution activity was transferred to Celesc D.

On December 9, 2015, in a process conducted by the Ministry of Mines and Energy – MME, Celesc D signed the 5th Addendum to Concession Contract No. 56/99, thus extending the concession for another 30 years. The Concession Agreement, as well as the 5th Amendment that extended the concession, are within the scope of ICPC01.

Celesc D is a wholly-owned subsidiary of Centrais Elétricas de Santa Catarina S.A. - Celesc operates in the power distribution segment and serves, totally or partially, 285 municipalities, accounting for 3,343,191 consumer units. Of the total served, 264 municipalities are included in the distributor's concession contract (263 in Santa Catarina and 1 in Paraná) and 21 municipalities are served on a precarious basis, located in concession areas of other distributors (17 in Santa Catarina and 4 in Paraná). Service on a precarious basis occurs, according to ANEEL regulation, for reasons of technical and economic convenience, arising from the lack of a network of the concessionaire holding the concession. Additionally, Celesc D is responsible for supplying electricity to 4 concessionaires and 20 distribution permit holders, which operate in municipalities in Santa Catarina not served by Celesc D.

2.2.1.1. Regulatory Environment

The Brazilian energy sector is regulated by the Federal Government, acting through the Ministry of Mines and Energy (MME), which has exclusive authority over the energy sector. The regulatory policy for the sector is defined by ANEEL.

a) Extension of the Concession

Celesc D signed, on December 9, 2015, the 5th Addendum to the Concession Agreement 56/1999 for the distribution of electricity, effective for 30 years, which states that in the first 5 (five) years there will be targets to be achieved for indicators of technical quality and economic and financial sustainability, which are conditions for confirming the extension of the concession. Besides the continuity and power supply quality indicators, Celesc needs to pay attention to the economic indicators, which evaluate the quality and payment potential of the debt in relation to the EBITDA generated by the Company.

From the sixth year following the conclusion of the contract, the failure to comply with the quality criteria for three consecutive years, or economic and financial management criteria for two consecutive years, will lead to the opening of the expiration process of the concession. On December 2022, ANEEL published Order 3,478/2022 recognizing the fulfillment of the continuity technical indicators and the efficiency in relation to the economic-financial management of the Company in the year 2021.

The company has calculated its indicators within the regulatory limits and has been showing a positive trajectory over the period.

b) Annual Tariff Adjustment - 2022 RTA

Through Ratifying Resolution 3,094 and Technical Note 161, ANEEL authorized the adjustment to the tariffs to be practiced by Celesc D as of August 22, 2022.

In the 2022 tariff readjustment, the average tariff effect perceived by consumers, of 11.32%, is composed of sector charges (8.23%), transmission costs (3.09%), energy expenses (4.13%), distributors' costs (1.92%), financial items of the current process (-5.62%), and removal of financial items from the previous ordinary process (-0.63%). Portion B (Manageable Costs) accounted for 1.92% of the tariff adjustment. Due to financial items that contributed to reducing the tariff, the effect on consumers was minimized.

c) Tariff Flags

The activation of the flags and the monthly amounts of the Centralizing Account of Tariff Flag Resources - CCRBT, transferred to Celesc D, as well as the amounts transferred from Celesc D to CCRBT for the purpose of settling short-term market operations with the Commercialization Chamber of Electric Energy - CCEE, in the first quarter of 2023 were:

Month	Flag	CCRBT transfer to Celesc D (R$/thousand)	Transfer from Celesc D - to CCRBT (R$/thousand)	No of Dispatches ANEEL
January	Green	3,899	-	251/2023
February	Green	3,819	-	579/2023
March	Green	4,175	-	866/2023

d) 2014 Contractual Exposure – ANEEL Orders 2642/2015 and 2078/2016

Celesc D filed a lawsuit against ANEEL, seeking to challenge Order 2,078/2016, to obtain the full recognition of energy contractual exposures as involuntary, at the same time that it requested the grant of an preliminary injunction to suspend the application of tariff reducer of R$256.6 million, expected to be applied together with the ratification of the Periodic Tariff Revision process occurred on August 22, 2016.

In 2019, before the 2019 Annual Tariff Readjustment (RTA) process took place, a decision on the merits contrary to Celesc D's claim was issued. In view of this decision, Celesc D was left to appeal to discuss the matter in a second instance, and is still awaiting a decision on the merits from the judges.

With ANEEL, Celesc D requested deferral of the amount (which would be deducted from its tariff coverage) in 5 tariff processes, and ANEEL then partially granted the request and approved the deferral of the financial effect of contractual exposure by one-fifth of the amount in the 2019 tariff adjustment, amounting to R$65.8 million, leaving the remaining balance to be discussed in the subsequent tariff process.

In the 2020 RTA, the same method was adopted considering the request formally made to the Regulatory Agency for deferral in 5 cases and this time with the treatment of the amount of R$68.5 million as a reduction, corresponding to the second installment.

In the 2021 Periodic Tariff Adjustment - RTP, the reduction amount was R$70.2 million, corresponding to the third installment (3/5). The Agency will evaluate the possibility of maintaining the deferral or the full consideration of the remaining value, and the deferral alternative was accepted.

The 2022 Annual Tariff Adjustment process the amount was deferred again, and the fourth portion (out of five) was considered a reducing component. R$76.8 million was considered a financial component, leading to a reducing effect of -0.79% to consumers.

The remaining balance on March 31, 2023 is R$83.7 million, being updated monthly by Selic and registered as a regulatory contingency.

e) Itaipu Bonus

ANEEL, through Ratifying Resolution No. 3,093, of August 16, 2022, approved the deferral of payments by distributors to ENBpar regarding the transfer of contracted power from Itaipu, for tariff reasonableness purposes, under the terms of Decree No. 11,027/2022. The amounts were transferred from the Itaipu Electricity Trading Account to the concessionaires to complement the payment of expenses with the transfer of contracted power from Itaipu.

The transferred amounts will be recomposed to the Itaipu Energy Trading Account based on the respective 2024 tariff processes of the concessionaires that received the resource. The monthly quotas will be defined for the twelve months following the respective tariff process of 2024, and must be collected directly from ENBpar by the 10th of the month following the accrual month. The amounts to be recomposed will observe the remuneration at the SELIC Rate for the period.

2.1.2 Celesc Geração S.A. – Celesc G

On September 29, 2006, Celesc G, a privately held corporation, was incorporated, as authorized by State Law No. 13,570/2005, as a result of the process of unbundling the electricity sector.

Celesc G is a wholly-owned subsidiary of Centrais Elétricas de Santa Catarina – Celesc and operates in the electricity generation and transmission segments, through the operation, maintenance, commercialization and expansion of its own generation park and participation in generation and transmission projects. of energy in partnerships with private investors.

2.1.2.1 Generation Park

As of March 31, 2023, the Company has its own generating park made up of thirteen power plants, twelve of which are in commercial operation and one is in the process of reactivation, all located in the state of Santa Catarina.

Celesc G holds a minority stake in six more generation projects developed in partnership with private investors, in the form of Special Purpose Entities – SPE, all of which are already in commercial operation. These plants are also located in the state of Santa Catarina.

The total generation capacity of Celesc G in commercial operation is 126.51 MW (not audited), 115.27 MW (not audited) referring to its own park and 11.24 MW (not audited) referring to the generation park established with partners, already proportional to Celesc G's shareholding in these projects. The hydroelectric power plant in the reactivation process will add 1MW of installed power to Celesc G's own generating park.

All the plants in the own generation park and in partnership participate in the Energy Reallocation Mechanism – MRE, a system for sharing hydrological risks in which the participating plants transfer the energy generated in excess to the plants that generated below their physical guarantee.

2.1.2.2 Own Generator Park – 100% Celesc G

Plants	Location	Term	End of Concession	Guaranteed Power Installed (MW)	Physical Guarantee(MW) Physical	Guarantee in Quotas
Pery HPP	Curitibanos/SC		07/07/2054	30.00	14.08	100%
Palmeiras HPP	Rio dos Cedros/SC		11/06/2053	24.60	16.70	70%
Bracinho HPP	Schroeder/SC		11/06/2053	15.00	8.80	70%
Garcia HPP	Angelina/SC		01/03/2053	8.92	7.10	70%
Cedros HPP	Rio dos Cedros/SC		11/06/2053	8.40	6.75	70%
Salto Weissbach HPP	Blumenau/SC		11/06/2053	6.28	3.99	70%
Celso Ramos SHP	Faxinal dos Guedes/SC		05/31/2039	13.92	6.77	(**)
Caveiras HGP	Lages/SC		(*)	3.83	2.77	(**)
Ivo Silveira HGP	Campos Novos/SC		(*)	2.60	2.03	(**)
Rio do Peixe HGP	Videira/SC		(*)	0.52	0.50	(**)
Piraí HGP	Joinville/SC		(*)	0.78	0.45	(**)
São Lourenço HGP	Mafra/SC		(*)	0.42	0.22	(**)
Total				**115.27**	**70.16**	

(*) Plants with a power of less than 5 MW are exempt from the concession act (Federal Law 13,360/2016).
(**) Not applicable.

Notes

2.1.2.3 Generation Park with Minority nterest

2.3. Generator Park with Minority Interest

Plants	Location	Final Concession Term Concession	Power Installed (MW)	Guarantee Physical (MW)	Attendance at meetings Celesc G	Equivalent Installed Capacity (MW)	Equivalent Physical Guarantee (MW)
Rondinha SHP	Passos Maia/SC	06/04/2044	9.60	5.48	32.5%	3.12	1.78
Silver CGH (CRF)*	Bandeirante/SC	(**)	3.00	1.68	26.07%	0.78	0.44
CGH Belmonte (CRF)*	Belmonte/SC	(**)	3.60	1.84	26.07%	0.94	0.48
Bandeirante CGH (CRF)*	Bandeirante/SC	(**)	3.00	1.76	26.07%	0.78	0.46
PCH Xavantina	Xanxerê/SC	09/04/2045	6.08	3.54	40.0%	2.43	1.42
PCH Garça Branca	Anchieta/SC	07/17/2048	6.50	3.44	49.0%	3.19	1.69
Total			**31.78**	**17.74**		**11.24**	**6.27**

(*) The Rio das Flores Energy Complex – CRF, is formed by the Prata, Belmonte and Bandeirante CGHs.
(**) Plants with power equal to or less than 5 MW are exempt from the concession act.

2.1.2.4 Own Generator Park - Expansion Projects

The Distributed Generation Business Plan, approved by the company in December 2021 and reviewed at the end of 2022, provides for the implementation of up to 14.6 MW in photovoltaic solar projects between 2022 and 2023, to be installed in the concession area of the Celesc Group distributor.

It is worth noting that 12 MW are already under implementation, as shown below:

Remote UFV DG	Localization	Installed Power (MW)	Forecast Int. Operation	Status
UFV Lages I	Lages/SC	1.00	Feb/2023	In commercial operation
UFV Campos Novos	Campos Novos/SC	1.00	April/2023	Under construction
UFV São José do Cedro	São José do Cedro/SC	2.50	Jun/2023	Under construction
UFV Modelo	Modelo/SC	2.50	Jul/2023	Under construction
UFV Videira	Videira/SC	1.00	Dec/2023	In bidding
UFV Capivari	Capivari de Baixo/SC	3.00	Dec/2023	In bidding
UFV Lages II	Lages/SC	1.00	Dec/2023	In bidding
Total		**12.00**		

Note also that the additional 2.6 MW, approved in the last GD Business Plan review, will be prospected during 2023. This portfolio expansion will also be linked, above all, to the projects fitting into the regulatory window of Law 14,300/22.

All the projects are contemplated within the regulatory window provided by Law, which brings the maintenance of the current rules of the energy compensation system until December 31, 2045. This factor makes it possible to achieve greater profitability in the solar farms model practiced by Celesc Geração.

As for the hydroelectric undertakings, the following table presents the projects for expansion/reactivation of the company's own plants and the respective stages of development. As for the physical guarantee (new or additional), the Company seeks to obtain, on average, a 50% factor for the plants' total capacity after their expansion/reactivation, which is a standard observed in other similar operational projects.

Plants	Location	Final Concession Term	Installed Power (MW)	Power Increase (MW)	Final Power (MW)	Forecast Ent. Operation	Status
Salto Weissbach HPP	Blumenau/SC	November 6, 2053	6.28	23.00	29.28	(**)	EPE/ANEEL Analysis
UHE Cedros Stages 1 and 2	Rio dos Cedros/SC	November 6, 2053	8.40	4.50	12.90	(**)	Basic Project Review
Palmeiras HPP	Rio dos Cedros/SC	November 6, 2053	24.60	0.75	25.35	(**)	Basic Project Review
CGH Maruim	São José/SC	(*)	0.00	1.00	1.00	2024	Under construction
Caveiras HGP	Lages/SC	(*)	3.83	5.57	9.40	(**)	Environmental Licensing
Total			**43.11**	**34.82**	**77.93**		

(*) Plants with a capacity of less than 5 MW are exempt from the concession act.
(**) Depends on regulatory, environmental or constructive procedures.

2.1.2.5 EDP Transmissão Aliança SC

Celesc G has an equity interest in an electricity transmission project, comprising five sections of 230 and 525kV transmission lines and a 525/230kV substation, as shown in the table below.

Empreendimento	Localização	Termo Final da Concessão	Potência de Transformação (MVA)	Linhas de Transmissão (km)	Participação Celesc G
EDP – Transmissão Aliança SC	SC	11/08/2047	1.344	433	10,0%

EDP Aliança SC is a partnership between Celesc G (10%) and EDP Energias do Brasil (90%), formed from the success of the Transmission Auction nº 05/2016, held in April 2017.

2.1.2.6 Energy Commercialization

Celesc G, since its constitution, has marketed the electric energy produced by its own generation park and by some of its subsidiaries. More recently, in compliance with the strategic guidelines of the Master Plan, aiming to diversify the Group's business, in order to provide new businesses and revenues, maximizing the benefits of its territorial presence, the Company approved the Energy Commercialization Business Plan, which expands Celesc G's activities in this segment.

For this purpose, the Company:
a) approved its Risk Policy, which brings the methodology for calculating portfolio risk, procedures, controls to mitigate market risk and counterparty credit risk, and the limits of exposure to market risk staggered according to the maturity period of the product offered;
b) established an Energy Pricing Committee with the task of defining the future (forward) and short-term (spot) price references that will be used in negotiations for the commercialization of energy during the week (over a maximum horizon of five years) and used in calculations of the market risk of Celesc G's energy portfolio, aiming at a better strategy for defining energy prices, as well as protecting Celesc from possible losses due to excessive exposure to the existing risks;
c) regulated internally the levels of competence and approval authority for the processes of commercialization of electric energy;
d) implemented a specific website for Commercialization and Energy Solutions, aiming at the adequate and exclusive attendance to this customer segment; and
e) has released an advertising campaign with the theme "Energy Solutions", which, besides Energy Commercialization, also presents the Distributed Generation activity.

2.1.2.7 Regulatory Environment

a) Readjustment of Annual Revenue from Generation - RAG 2022/2023

On July 12, 2022 ANEEL, through Ratifying Resolution 3,068, approved the Annual Generation Revenues - RAGs of hydroelectric plants under the quota regime for the 2022/2023 cycle, according to Federal Law 12,783/2013. The validity period of the new RAG is from July 1, 2022 to June 30, 2023.

In the RAG to be received by HPP Pery, R$18.6 thousand refer to the indemnification of the portion of investments in non-depreciated reversible assets.

The RAGs established for the plants owned by Celesc G, which must be billed monthly, are:

Plants	Annual Revenue (R$/thousand) 2022/2023 Cycle	Monthly Revenue (R$/thousand) 2022/2023 Cycle
Pery HPP	26,615	2,218
Garcia HPP	12,417	1,035
Bracinho HPP	15,547	1,296
Cedros HPP	11,386	949
Palmeiras HPP	24,186	2,016
Salto HPP	8,073	673

2.1.2.9. Expansion Projects of the Own Fleet Plants

a) Expansion of the Caveiras HGP

In 2018, Celesc G filed a request with ANEEL to carry out inventory studies for the stretch of the river where CGH Caveiras is installed, to promote the expansion of its installed capacity.

Year	Legal Act	Share
2018	Order nº 3,005/2018	Granted the inventory record to Celesc G, for a period of 630 days, counted from its publication.
Sep/2020	Order 2,752/2020	Approved the revision of the Inventory Studies for the Caveiras river and guaranteed Celesc G the right of preference for the hydroelectric exploitation.
Dec/ 2020	Order 3,592/2020	Granted Celesc G the Order for the Registration of Intent to Grant Authorization - DRI PCH.
April/2022	Order nº 1,102/2022	ANEEL decided to register the compatibility of the Executive Summary with the Studies of Hydroelectric Inventory Studies and with the use of hydraulic potential through the issuance of an Executive Summary Suitability Registration Order - DRS-PCH of PCH Caveiras, with 9,400 kW of Installed Power.

With the approval of the Basic Expansion Project in 2022, Celesc G started the environmental licensing process with the IMA in the same year. Celesc G awaits the progress of the negotiations with the environmental agency, so that later on it can advance in the stages of obtaining the grant from ANEEL, preparing and approving the Business Plan, so that the project can be tendered and built.

b) Expansion of the Salto Weissbach HPP

ANEEL approved, through Order 1,117, of May 21, 2018, the basic project for the expansion of HPP Salto Weissbach. Taking advantage of the same reservoir, the project foresees the construction of a new generation circuit, with an inlet canal, water intake, and a powerhouse with two new generating units with a power of 11.5 MW each, totaling an increase of 23.0 MW, which added to the power of the four existing units in the current powerhouse, will result in a total power of 29.28 MW.

In the last years, the studies and documents for obtaining the environmental diplomas were processed, and the main goal was reached on June 23, 2022, with the issuing of the Environmental Installation License - EIL no. 3454/2022 by the Environmental Institute of Santa Catarina - IMA/SC. We are still waiting for the end of the process to issue the water use license, which is regulated by the State Secretariat of Sustainable Economic Development - SDE/SC.

The plant operates under the quota system. Then, the next steps for the authorization for the expansion will be carried out by the Energy Research Company - EPE, which will do the budget evaluation of the enterprise, and by ANEEL, which from the consolidated budget, will define the generation revenue of the expanded plant.

c) Reactivation of CGH Maruim

The Maruim Power Plant, owned by Celesc G, located in São José/SC, started operating in 1910, with 600 kW of installed capacity, and, after 62 years of operation, was deactivated in 1972. The powerhouse has an English architecture characteristic of the early 20th century, and was declared a historical, cultural, and natural heritage site in 2005 by the Municipal Decree of São José/SC no. 18,707.

After the various stages related to environmental licensing and the consolidation of the basic project carried out in recent years, in the first quarter of 2023, work began on reactivating the plant, with this new construction configuration foreseeing an installed capacity of 1 MW, using the existing powerhouse and adapting the other civil and electromechanical structures.

For the reactivation of the project, four different bidding processes were carried out. Ate them: (1) supervision and execution of environmental programs; (2) supply and installation of turbines, generators, and associated equipment; (3) supply and installation of penstock and hydromechanical equipment; and (4) execution of civil works and executive engineering projects that, added together, result in an amount of around R$8 million and will be executed during 2023 and early 2024.

The energy resulting from the enterprise was sold in the regulated market, through the New Energy Auction 2022/A-4, with a tariff of R$264.99/MWh.

2.1.2.10. Automation projects of the Generation Park

a) Automation of UHE Pery

The Pery Plant is formed by two power houses, the first of which was built in 1965. The automation system of this powerhouse had also been in need of replacement, which is why its replacement was contracted. The R$3.6 million project should be concluded in 2023.

b) Automation of Celso Ramos SHP

The Celso Ramos power plant is formed by two power houses, the first of which was also built in 1965. As happened at the Pery Power Plant, the automation system of this powerhouse had been in need of replacement, which was contracted at the end of 2022 for completion in 2023. The investment is around R$6.0 million.

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Notes

2.2 Other Shares

Investments	Classification	Description	Recognition
Companhia de Gás de Santa Catarina S.A. – SCGÁS	Joint venture	A mixed-capital company, created on February 25, 1994, it has the concession for the exploration of natural gas distribution services in 100% of the territory of Santa Catarina and its channeled gas distribution concession contract, signed on March 28, 1994, is valid for 50 years (2044). Celesc holds 51% of the common shares, and 17% of the company's total capital stock.	Equity Pickup
Empresa Catarinense de Transmissão de Energia S.A S.A. – ECTE	Affiliate	Established in August 2000, with the specific purpose of integrating the electricity transmission system in the state of Santa Catarina, by exploring electricity transmission lines in the eastern and coastal regions of Santa Catarina, the company is the concessionaire of the transmission line SE Campos Novos/SC – SE Blumenau/SC C2, 252.5 km long. It is the second enterprise put into operation in the new modality idealized for the new model of the electric sector. ECTE, after winning lot D, of Auction nº 006/2011, constituted, in December/2011, its subsidiary Empresa de Transmissão Serrana S.A. – ETSE, which includes the concession of SE Abdon Batista (525/230 kV) and SE Gaspar (230/138 kV), both in the State of Santa Catarina, and aims to integrate the Electric Power Generation Plants to the SIN, as well as enable access to Celesc's distribution system, in addition to expanding the supply of electricity to the Vale do Itajaí region. The affiliate ECTE has electricity transmission concession contract No. 088/2000, of November 1, 2000, with a term of 30 years. For its subsidiary ETSE, the electricity transmission concession contract No. 006/2012, of May 10, 2012, has a term of 30 years. Celesc holds 30.88% of the company's total share capital.	Equity Pickup
Dona Francisca Energética S.A – DFESA	Affiliate	An independent electric energy producer, DFESA holds an 85% interest in the Dona Francisca Hydroelectric Power Plant, built on the banks of the Jacuí river, in the state of Rio Grande do Sul. The plant has an installed capacity of 125 MW and assured energy of 80 MW. The project opened in May 2001. DFESA holds Concession Agreement No. 188/98 dated August 28, 1998. In 2021, the term of the concession increased from 35 to 39 years from the date of signature of the contract. The extension was granted after complying with Law No. 14,052/2020. Celesc holds 23.03% of the company's share capital.	Equity Pickup
Companhia Catarinense de Água e Saneamento – Casan	Equity Instrument	Publicly-held mixed-capital company, controlled by the Government of the State of Santa Catarina, Casan's role is to coordinate the planning and execute, operate and explore public sanitation and drinking water supply services, as well as carry out basic sanitation works, in agreement with municipalities in the State of Santa Catarina. Celesc holds 11.95% of the company's total capital stock.	Fair Value Through Other Comprehensive Income – VJORA.
Usina Hidrelétrica Cubatão S.A.	N/A	Specific Purpose Company – SPE, established in 1996, to implement the Cubatão Hydroelectric Power Plant, in the city of Joinville, in the state of Santa Catarina. With a history of environmental obstacles, rejection of the request for postponement of the concession period, and consequent economic unfeasibility for the development of the project, the enterprise requested ANEEL to amicably terminate Concession Agreement No 04/1996 (ANEEL Process No 48100.003800/199589). By means of Ordinance No. 310, of July 27, 2018, the Ministry of Mines and Energy - MME decided to extinguish the concession and also recognizes that there are no reversible assets linked to the concession, nor encumbrance of any nature to the Granting Authority or ANEEL. Celesc holds 40% of the share capital of the company, Inepar S.A. 40%, and Statkraft Energias Renováveis S.A. 20%. The investment in sathe id plant is fully provisioned for the devaluation of equity interest. The SPE has been dealing with the corporate aspects of its dissolution.	N/A

3 BASIS OF PREPARATION

The bases of preparation applied in this Interim Financial Information, Individual and Consolidated, in IFRS and in accordance with accounting practices adopted in Brazil, are described below:

3.1 Conformity declaration

The Interim Financial Information was prepared under Technical Pronouncement CPC 21 (R1) - Interim Financial Statements and the international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, and must be read in conjunction with the last consolidated Annual Financial Statements of the Group, for the year ended December 31, 2022, previously disclosed. The rules issued by the Securities and Exchange Commission – CVM also apply to the preparation.

The Statement of Added Value – DVA, required by Brazilian corporate law, is presented in its form and content in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value, as supplementary information for IFRS purposes.

Management affirms that all relevant information proper of the individual and consolidated interim financial information under IFRS, and only such information, is being evidenced, and that it corresponds to that used by it in its management.

This statement was approved by the Company's Board of Directors on May 11, 2023, as established in article 17 of CVM Resolution No. 105, dated May 20, 2022.

3.2 Functional Currency and Presentation Currency

The individual and consolidated interim financial information under IFRS is presented in reais, which is the functional currency, and all amounts are rounded to thousands of reais, unless otherwise indicated.

3.3 Critical Accounting Estimates and Judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events considered reasonable under the circumstances. By definition, the resulting accounting estimates will rarely equal the related actual results.

Estimates and assumptions may cause relevant adjustments to equity and income values for the coming years, impacting the following measurements:

a) Fair Value of Financial Instruments (Note 5.7);
b) Estimated Losses on Doubtful Accounts - PECLD (Note 9.2);
c) Financial Asset – Grant Bonus (Note 13.2);
d) Financial Asset – Indemnity Basic Project Pery Plant (Note 14.3);
e) Financial Assets/Liabilities Portion A – CVA (Note 13.1);
f) Realization of Deferred IRPJ and CSLL (Note 17.2);
g) Impairment of Non-Financial Assets (Notes 18.4 and 19.2);
h) Depreciation (Note 19.3);
i) Indemnifiable Intangible Assets – Celesc D (Note 20);
j) Intangibles Hydrological Risk Renegotiation – Celesc G (Note 20);
k) Contingencies (Note 27);
l) Actuarial liabilities – CPC 33 (Note 28);
m) Unbilled Revenue – Celesc D (Note 9 and 32.1).

4 ACCOUNTING POLICIES

The basis of preparation and accounting policies are the same as those used in the preparation of the Annual Financial Statements for the year ended December 31, 2022, contemplating the adoption of accounting pronouncements in effect as of January 1, 2023.

4.1 Measurement Basis

The Individual and Consolidated Interim Financial Information under IFRS was prepared based on the historical cost, except for financial assets measured at Fair Value through Other Comprehensive Income – VJORA and at Fair Value through Income – VJR, recognized in the Balance Sheet.

4.2 Accounting Policies, Change of Estimate and Error Rectification

Technical pronouncement CPC 23 (IAS 8), which deals with accounting policies, changes in estimates and correction of errors, establishes that errors may occur in the recording, measurement, presentation or disclosure of elements of the financial statements. It also establishes that the entity must correct material errors from prior periods retrospectively in the first set of financial statements, whose authorization for publication occurs after the discovery of such errors, defining as one of the alternatives the restatement of comparative amounts for the previous period presented. where the error occurred.

4.2.1 Reclassification of Comparative Value Added Statement Figures

The Company continually reviews the form of presentation and disclosure of its statements, aiming at their construction in an adequate manner and in line with the applicable rules in force. In a more careful analysis, specifically for the preparation of the Added Value Statement, based on technical pronouncement CPC 09, inadequate classifications were observed between items, especially in the disclosure of tax credits on inputs purchased from third parties, social charges, among others. Although such inadequacies do not cause changes and losses to the statements of equity and income, it was deemed prudent to make corrections to this disclosure and, for purposes of comparability, reclassifications were carried out in the corresponding amounts for the quarter ended March 31, 2022.

The effects of these reclassifications are shown below:

Notes

Description	Parent Company 03.31.2022 Reclassification	Classification	03.31.2022 (Restated)	Consolidated 03.31.2022	Reclassification	03.31.2022 (Restated)
Revenues	**4,817**	**641**	**5,458**	**4,488,866**	**6,942**	**4,495,808**
Sales of Goods, Products and Services	-	-	-	4,182,840	6,258	**4,189,098**
Revenues from Construction of Company Assets	-	-	-	(22,227)	279,459	257,232
Provision/Reversal Doubtful Accounts	-	-	-	71,021	(93,248)	(22,227)
Other Revenues	4,817	641	5,458	257,232	(185,527)	71,705
Inputs acquired from third parties	**1,231**	**(42)**	**(1,273)**	**(2,080,340)**	**(202,623)**	**(2,282,963)**
Costs of Products, Goods and Services Sold	-	-	-	(1,690,212)	(185,923)	(1,876,135)
Materials, Energy, Third Party Services and Others	1,231	(42)	(1,273)	(132,896)	(16,700)	(149,596)
Construction Costs of Own Assets	-	-	-	(257,232)	-	(257,232)
Gross value added	**3,586**	**599**	**4,185**	**2,408,526**	**(195,681)**	**2,212,845**
Depreciation, Amortization, and Depletion	**(549)**	**-**	**(549)**	**(67,480)**	**(166)**	**(67,646)**
Net Value Added Produced	**3,037**	**599**	**3,636**	**2,341,046**	**(195,847)**	**2,145,199**
Value added received in transfer	**261,599**	**3,577**	**265,176**	**113,161**	**13,201**	**126,363**
Equity Pickup	264,425	-	264,425	15,238	-	15,238
Financial revenues	(2,826)	3,738	912	97,923	13,272	111,195
Other	-	(161)	(161)	-	(71)	(71)
Total Added Value to Distribute	**264,636**	**4,176**	**268,812**	**2,454,207**	**(182,646)**	**2,271,561**
Distribution of Value Added	**(264,636)**	**(4,176)**	**(268,812)**	**(2,454,207)**	**182,646**	**(2,271,561)**
Personnel	**(4,414)**	**350**	**(4,064)**	**(191,623)**	**25,814**	**(165,809)**
Direct Compensation	(3,957)	232	(3,725)	(155,572)	53,627	(101,945)
Benefits	(278)	118	(160)	(28,446)	(27,813)	(56,259)
F.G.T.S.	(179)	-	(179)	(7,605)	-	(7,605)
Taxes, charges and contributions	**(305)**	**(4,526)**	**(4,831)**	**(1,882,790)**	**142,713**	**(1,740,077)**
Federal	(206)	(4,393)	(4,599)	(981,297)	**141,708**	(839,589)
State	(2)	2	-	(898,219)	(234)	(898,453)
Municipal	(97)	(135)	(232)	(3,274)	1,239	(2,035)
Debt remuneration	**(58)**	**-**	**(58)**	**(119,935)**	**14,119**	**(105,816)**
Interest	(47)	-	(47)	(3,863)	(99,543)	(103,406)
Rents	(11)	-	(11)	(2,519)	109	(2,410)
Other	-	-	-	(113,553)	113,553	-
Monetary and Exchange Variations	-	-	-	(20,000)	20,000	-
Other Financing Expenses	-	-	-	(93,553)	93,553	-
Equity remuneration	**(259,859)**	**-**	**(259,859)**	**(259,859)**	**-**	**(259,859)**
Interest on equity	(34,701)	-	(34,701)	(34,701)	-	(34,701)
Retained Earnings / Loss for the Year	(225,158)	-	(225,158)	(225,158)	-	(225,158)

4.3. New Standards and Interpretations

The following amendments to standards were issued by the IASB, and are effective for the 2023 fiscal year. The early adoption of standards, although encouraged by the IASB, is not permitted by the Brazilian Accounting Pronouncements Committee (CPC).

Rule	CPC Correspondents	Change	Applicability
IFRS 17	CPC 50	Insurance contracts.	January 1, 2023
IFRS 10	CPC 36	Sale or contribution of assets between an Investor and its affiliate or Joint Venture	Not yet informed by IASB
IAS 1	CPC 26	Classification of Liabilities as Current or Noncurrent	January 1, 2023
IAS 1	CPC 26	Disclosure of Accounting Policies	January 1, 2023
IAS 8	CPC 23	Definition of Accounting Estimates	January 1, 2023
IAS 12	CPC 32	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023

The Group has performed a relevant analysis of the matter and has not identified significant impacts on its Interim Financial Statements as a result of the application of the amendments to the standards.

There are no other IFRS standards or IFRIC interpretations that are not yet effective that could have a significant impact on the Company's Interim Financial Statements.

5 RISK MANAGEMENT

The Board of Planning, Controls and Compliance - DPL of the Company develops the strategic management of risks and internal controls, preparing the map of corporate risks, evaluating and monitoring these risks to mitigate them through action plans, thus aiming at the achievement of the Company's long-term strategies.

The Group's Financial, Operational, Compliance and Strategic Risk classes, and their categories, have not been updated concerning the policies disclosed in the Consolidated Annual Financial Statements as of December 31, 2022.

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Notes

5.1 Financial Risk Class

5.1.1 Liquidity Category

a) Cash Flow

Risk of low financial liquidity, whether due to low collections, impossibility of funding, default, excessive expenses and/or investments, to fulfill financial commitments and the business strategy.

The amounts disclosed in the table are the undiscounted contracted cash flows as of March 31, 2023.

Consolidated

Description	Rates %	Less than one month	From one to three months	From three Above months to a year	five years Between one and five years	five years	Total
Accounts Receivable (net of PECLD)		1,838,535	71,976	43,555	15,814	765	**1,970,645**
Cash and Cash Equivalents		878,198	-	-	-	-	**878,198**
Court Deposits		-	-	-	350,013	-	**350,013**
CDE Subsidy (Decree 7.891/2013)		47,086	-	-	-	-	**47,086**
Financial Asset - Bonus Grant	IPCA	3,515	6,942	30,764	138,861	236,630	**416,712**
Financial Asset – Ind. Pery Plant Basic Project	IPCA	1,537	3,037	13,488	61,445	109,266	**188,773**
Total Assets		**2,768,871**	**81,955**	**87,807**	**566,133**	**346,661**	**3,851,427**
CDI Bank Loans	CDI + 0.8% to 1.65% p.a.	8,431	-	372,862	299,843	-	**681,136**
Energy Development Account - CDE		19,472	-	-	-	-	**19,472**
Eletrobras	5% p.a.	75	146	666	1,150	-	**2,037**
Finame	From 2.5% to 9.5% p.a.	247	482	1,067	158	-	**1,954**
Debentures – Celesc D	CDI + 1.9% to 2.6% p.a.	33,801	25,506	132,888	348,532	-	**540,727**
Debentures – Celesc G	IPCA + 4.3% p.a.	-	3,381	-	24,402	19,355	**47,138**
Suppliers		588,211	309,627	2,436	-	-	**900,274**
Financial Liabilities - CVA	SELIC	56,114	112,807	526,259	159,009	-	**854,189**
Mathematical Reserve to Amortize	IPCA + 6% p.a.	20,502	19,619	91,357	100,705	-	**232,183**
Private Pension Entity		27,634	17,208	77,438	413,000	1,073,431	**1,608,711**
IDB	CDI + 0.82% to 1.93% p.a.	76,863	-	-	311,313	1,712,408	**2,100,584**
Total Liabilities		**831,350**	**488,776**	**1,204,973**	**1,658,112**	**2,805,194**	**6,988,405**

5.2 Sensitivity Analysis

Below is a table showing the sensitivity analysis of financial instruments, which describes the interest rate risks that may generate material effects for the Company, with the most likely scenario (scenario I) according to the assessment carried out by Management, considering a horizon three months, when the next financial information containing such analysis shall be disclosed.

Additionally, two other scenarios are demonstrated, in order to present 25% and 50% deterioration in the considered risk variable, respectively (scenarios II and III). Values are reported in absolute terms and not in relation to the probable scenario presented.

The sensitivity analysis presented considers changes concerning a given risk, keeping all other variables, associated with other risks, constant, with balances as of March 31, 2023:

Accounts Assumptions Effects on Result		NE	Balance	(Scenario I)	Increase 25% (Scenario II)	Increase 50% (Scenario III)	25% reduction (Scenario II)	50% consolidated reduction (Scenario II)
CDI				**13.63%**	**17.04%**	**20.45%**	**10.22%**	**6.82%**
	Financial investments	8	852,486	116,194	145,264	174,333	(87,124)	(58,140)
	Loans	22	(1,859,854)	(253,498)	(316,919)	(380,340)	190,077	126,842
	Debentures	23	(508,130)	(69,258)	(86,585)	(103,913)	51,931	34,654
Selic Rate				**13.15%**	**16.44%**	**19.73%**	**9.86%**	**6.58%**
	CVA - Passive	13.1	(786,670)	(103,447)	(129,329)	(155,210)	77,566	51,763
IPCA				**4.65%**	**5.81%**	**6.98%**	**3.49%**	**2.33%**
	Indemnifiable Financial Asset - Concession	14	628,570	29,229	36,520	43,874	(21,937)	(14,646)
	Debentures	23	(43,887)	(2,041)	(2,550)	(3,063)	1,532	1,023
	Financial Asset - Grant Bonus	13.2	353,141	16,421	20,517	24,649	(12,325)	(8,228)
	Financial Asset – Ind. Pery Plant Basic Project	14.3	159,719	7,427	9,280	11,148	(5,574)	(3,721)
	Mathematical Reserve to Amortize	28	(225,091)	(10,467)	(13,078)	(15,711)	7,856	5,245

5.3 Capital Management

The objectives in managing its capital are to safeguard the Company's ability to continue to offer returns to shareholders and benefits to other stakeholders, in addition to maintaining an ideal capital structure to reduce this cost.

In order to maintain or adjust the capital structure, the Company may review the dividend payment policy, returning capital to shareholders or even issuing new shares or selling assets to reduce, for example, the level of indebtedness.

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Notes

Consistent with other companies in the industry, the Company monitors capital based on the financial leverage ratio. This ratio corresponds to net debt divided by total capital.

Net debt, in turn, corresponds to total loans and financing, including short- and long-term loans and debentures, less cash and cash equivalents. Total capital is calculated by adding equity and net debt.

The following table presents the Financial Leverage Ratio:

			Consolidated
Description	**NE no.**	**03.31.2023**	**12/31/2022**
Loans and Financing - National Currency	22	1,208,379	1,166,319
Loans and Financing - Foreign Currency	22	655,306	676,836
Debentures	23	552,017	606,113
(-) Cash and Cash Equivalents	8	(878,198)	(940,684)
Net Debt		**1,537,504**	**1,508,584**
Total Shareholders' Equity		**3,055,365**	**2,883,176**
Total Capital		**4,592,869**	**4,391,760**
Financial Leverage Ratio (%)		**33.48%**	**34.35%**

5.4 Fair Value Estimate

It is assumed that the balances of trade accounts receivable and accounts payable to suppliers at book value, less impairment loss, are close to their fair values.

The fair value of financial liabilities, for disclosure purposes, is estimated by discounting future contractual cash flows at the current market interest rate, which is available to the Company for similar financial instruments.

For financial instruments measured in the balance sheet at fair value, the Company applies CPC 46 - Measurement at Fair Value, which requires disclosure, by level, in the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities that the Company may have access to on the measurement date (Level 1);

- Information, other than quoted prices, included in Level 1 that is adopted by the market for the Asset or Liability, either directly, as prices, or indirectly, as derived from prices (Level 2);

- Inputs for assets or liabilities that are not based on data adopted by the market, is unobservable inputs (Level 3).

The following table presents the Group's assets measured at fair value as of March 31, 2023:

			Consolidated
Description - Level 3	**Note**	**03.31.2023**	**12/31/2022**
Fair Value through Other Comprehensive Income - VJORA			
Marketable Securities	15	-	-
Other		208	217
Fair Value through Income - VJR			
Indemnifiable Asset - Concession	14	1,096,277	1,008,038
Total Assets		**1,096,485**	**1,008,255**
Sector Charges - CDE	26	19,472	19,472
Total Liabilities		**19,472**	**19,472**

Specific valuation techniques used to measure financial instruments at fair value include:

a) Market Approach; b) Cost Approach; c) Revenue Approach; d) Other techniques.

For assets accounted for as Bonds and Securities, valued at VJORA, other techniques were used, such as discounted flow analysis. For the Others account, the technique applied was the cost approach.

For the concession assets, valued at VJR, the measurement was through the cost approach technique. With regard to the current replacement/replacement cost, other techniques were used, such as the discounted flow analysis.

6 FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the financial instruments by category as of March 31, 2023:

Notes

Consolidated

Description	Amortized cost	Fair value through profit or loss:	Fair Value through Other Results Comprehensive	Total
Assets	**3,758,802**	**1,096,277**	**208**	**4,855,287**
Cash and Cash Equivalents	878,198	-	-	878,198
Trade receivables	1,970,645	-	-	1,970,645
Court Deposits	350,013	-	-	350,013
CDE - Subsidy Decree No. 7,891/2013	47,086	-	-	47,086
Indemnifiable Financial Asset - Concession	-	1,096,277	-	1,096,277
Financial Asset - Grant Bonus	353,141	-	-	353,141
Financial Asset - Indemnity Basic Project Pery Plant	159,719	-	-	159,719
Other	-	-	208	208

Consolidated

Description	Amor tized cost	Fair value through profit or loss:	Fair Value through Other Results Comprehensive	Total
Liabilities	**6,360,835**	**19,472**	**-**	**6,380,307**
Suppliers	900,274	-	-	900,274
CELOS	1,833,802	-	-	1,833,802
Dividends and Interest on Equity	199,296	-	-	199,296
Loans - National Currency	655,306	-	-	655,306
Loans - Foreign Currency	1,208,379	-	-	1,208,379
Debentures	552,017	-	-	552,017
Mathematical Reserve to Amortize	225,091	-	-	225,091
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	786,670	-	-	786,670

The following tables present the financial instruments by category as of December 31, 2022.

Consolidated

Description	Cost Amortized	Fair Value per Fair Value through Through Income/Loss	Other Income Comprehensive	Total
Assets	**3,703,446**	**1,008,038**	**217**	**4,711,701**
Cash and Cash Equivalents	940,684	-	-	940,684
Trade receivables	1,775,708	-	-	1,775,708
Court Deposits	359,870	-	-	359,870
CDE - Subsidy Decree No. 7,891/2013	47,086	-	-	47,086
Indemnifiable Financial Asset - Concession	-	1,008,038	-	1,008,038
Financial Asset - CVA	76,448	-	-	76,448
Financial Asset - Grant Bonus	346,810	-	-	346,810
Financial Asset - Indemnity Basic Project Pery Plant	156,840	-	-	156,840
Other	-	-	217	217

Consolidated

Description	Amortized cost	Fair value through profit or loss:	Fair Value through Other Results Comprehensive	Total
Liabilities	**6,488,537**	**19,472**	**-**	**6,508,009**
Suppliers	1,016,513	-	-	1,016,513
CELOS	1,862,612	-	-	1,862,612
Dividends and Interest on Equity	157,602	-	-	157,602
Loans - National Currency	676,836	-	-	676,836
Loans - Foreign Currency	1,166,319	-	-	1,166,319
Debentures	606,113	-	-	606,113
Mathematical Reserve to Amortize	248,978	-	-	248,978
Sector Charges - CDE	-	19,472	-	19,472
Financial Liabilities - CVA	753,564	-	-	753,564

Notes

7 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets can be assessed by reference to internal credit limit assignment ratings.

	Consolidated	
Trade Receivables	**03.31.2023**	**12/31/2022**
Group 1 – Customers with Collection on Maturity	968,275	906,658
Group 2 - Customers with an average delay between 01 and 90 days	754,302	631,435
Group 3 - Customers with an average delay of over 90 days	584,625	562,195
Total	**2,307,202**	**2,100,288**

All other financial assets that the Company maintains, mainly current accounts and financial investments, are considered of high quality and do not show signs of loss.

8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held for the purpose of meeting short-term commitments and not for other purposes.

	Parent Company		Consolidated	
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Bank and Cash Resources	9	5	25,712	44,725
Financial investments	25,747	48,200	852,486	895,959
Total	**25,756**	**48,205**	**878,198**	**940,684**

Financial investments are highly liquid, readily convertible into a known amount of cash, and are not subject to significant risk of changes in value. These securities refer to Bank Deposit Certificates - CDBs, remunerated on average at the rate of 96% of the Interbank Deposit Certificate - CDI.

9 TRADE RECEIVABLES

9.1 Consumers, Concessionaires and Permissionaires

				Consolidated	
Description	**Falling Due**	**Overdue Up to 90 days**	**Overdue Over 90 days**	**03.31.2023**	**12/31/2022**
Consumers	**1,262,907**	**304,991**	**420,137**	**1,988,035**	**1,787,728**
Residential	404,597	200,118	216,812	821,527	682,653
Industrial	76,236	30,672	80,039	186,947	182,744
Commerce	173,334	57,102	110,874	341,310	296,732
Rural	47,290	16,567	10,959	74,816	69,928
Government	46,617	370	284	47,271	40,860
Public Lighting	15,080	45	1,148	16,273	17,313
Public Service	17,130	117	21	17,268	16,015
Unbilled Supply	482,623	-	-	482,623	481,483
Supply to Other Concessionaires	**266,552**	**16,060**	**36,555**	**319,167**	**312,560**
Concessionaires and Permissionaires	250,019	4,409	2,736	257,164	244,268
Transactions Under the CCEE	1,288	-	-	1,288	22,711
Other Credits	5,098	11,651	33,819	50,568	35,769
Unbilled Concessionaires and Permissionaires	10,147	-	-	10,147	9,812
Total	**1,529,459**	**321,051**	**456,692**	**2,307,202**	**2,100,288**
PECLD with Clients	(8,425)	(7,687)	(320,445)	(336,557)	(324,580)
Total Trade Receivables - Net	**1,521,034**	**313,364**	**136,247**	**1,970,645**	**1,775,708**
Current				**1,954,066**	**1,758,933**
Noncurrent				**16,579**	**16,775**

9.2 Estimated Losses on Doubtful Accounts - PECLD

Estimated losses on amounts falling due are recognized due to significant increases in credit risk since initial recognition, assessed individually or collectively, considering all reasonable and sustainable information, including forward-looking information.

Celesc G, in addition to defaults generated by bilateral contracts, is subject to defaults occurring in the electricity market of the national interconnected system, which are managed and accounted for by CCEE, and are apportioned among market agents. The composition, by consumption class, is shown below:

		Consolidated
Consumers	**03.31.2023**	**12/31/2022**
Residential	149,034	142,191
Industrial	66,237	65,574
Commerce, Services and Others	86,114	81,957
Rural	5,276	5,144
Government	277	276
Public Lighting	1,151	1,421
Public Service	27	23
Concessionaires and Licensees	1,088	960
Free Consumers	2,139	2,043
Other	25,214	24,991
Total	**336,557**	**324,580**
Current	**336,557**	**324,580**
Noncurrent	**-**	**-**

Changes are as follows:

	Consolidated
Description	**Total**
Balance as of September 30, 2019324,580	
Provision/Reversal Recorded in the Exercise	24,083
Write-offs of Accounts Receivable	(12,106)
Balance as of September 30, 2019336,557	

Celesc D, in accordance with CPC 48/IFRS 9, uses the provisions matrix as a practical expedient to estimate its expected credit losses over the next twelve months, having been updated in December 2022. Expected credit losses consider historical experience, adjusting it to better reflect information about current conditions and reasonable and supportable forecasts of future economic conditions, without disregarding market information about credit risk.

To prepare the default matrix, a report extracted and sent monthly to ANEEL was used with the amounts billed and not received. The purpose of the report is to demonstrate the amounts not received (overdue and due) of each billing until the chosen date and to define the stabilization point of the bill's aging curve, the Aging.

Below are the percentages of expected losses segregated by class of consumption, applied in the recognition of receivables:

Aging Months	General	Residential	Industrial	Comertial	Rural	Power Governme nt	Lighting Public	Service Governme nt
Falling due	0.52%	0.67%	0.38%	0.63%	0.18%	0.01%	0.01%	0.02%
0-3 months	2.53%	2.15%	2.90%	3.39%	0.97%	0.19%	1.23%	0.56%
3-6 months	24.84%	19.62%	48.39%	33.08%	7.69%	5.88%	100.00%	50.00%
6-12 months	49.38%	42.28%	71.43%	51.81%	20.59%	16.67%	100.00%	100.00%
12-18 months	61.54%	56.52%	73.17%	66.15%	37.84%	33.33%	100.00%	100.00%
18-24 months	66.67%	66.67%	75.00%	74.14%	51.85%	100.00%	100.00%	100.00%
24-36 months	72.73%	73.24%	76.92%	84.31%	66.67%	100.00%	100.00%	100.00%
36-48 months	80.00%	85.25%	78.95%	95.56%	82.35%	100.00%	100.00%	100.00%
48-60 months	97.56%	98.11%	96.77%	97.73%	93.33%	100.00%	100.00%	100.00%
+60 months	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

(i) Judicial Decision of the Generation Scaling Factor Adjustment Factor – GSF

On September 27, 2021, Celesc G communicated to the CCEE the withdrawal of the existing lawsuit for the UHE's Garcia, Bracinho, Cedros, Palmeiras, Salto, Pery and PCH Celso Ramos. The value of the PECLD of these plants was fully reversed until October 2021. Celesc G maintains the injunctions related to the CGH's and awaits an outcome from ANEEL.

The amounts referring to the adjustments in Celesc G of the preliminary measures related to the CGH's, in 2022, regarding the GSF in the reports of the results of the short-term market accounting, issued by the CCEE, were in the amount of R$248.0 thousand. During the year, R$158 thousand was reverted due to its receipt.

As of March 31, 2023, the balance of PECLD is R$262.0 referring to CGHs, for which Celesc G maintains the lawsuit (Note 2.1.2.6. – letter b).

The movement for the year is shown in the table below:

	Consolidated
Description	**Total**
Balance as of September 30, 2019172	
Net Provision in the Exercise	248
Write-off in Accounts Receivable)	(158)
Balance as of September 30, 2019262	

Notes

10 INVENTORIES

Inventories are composed of materials intended for the maintenance of generation operations and, mainly, energy distribution, in addition to materials for administrative use.

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Warehouse	23,118	19,963
Other	57	56
Total	**23,175**	**20,019**

11 RECOVERABLE TAXES

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
PIS/COFINS (Base ICMS Calculation Exclusion)	-	-	1,024,459	1,100,944
IRPJ/CSLL	38,762	44,331	61,178	64,134
ICMS	-	-	57,688	57,941
PIS/COFINS	-	-	6	6
Other	-	-	995	993
Total	**38,762**	**44,331**	**1,144,326**	**1,224,018**
Current	**38,762**	**44,331**	**787,453**	**699,238**
Noncurrent	**-**	**-**	**356,873**	**524,780**

The IRPJ and CSLL balances consist substantially of amounts paid in advance and reductions at source for income tax on financial investments and negative balance that will be realized in the normal course of operations to offset federal taxes.

Recoverable ICMS credits recorded in non-current assets arise from acquisitions of property, plant and equipment and can be offset within 48 months.

11.1 PIS/COFINS (Exclusion of ICMS from the calculation base)

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
PIS/COFINS (Exclusion ICMS Calculation Base) 2nd action	-	-	1,024,459	1,100,944
Total	**-**	**-**	**1,024,459**	**1,100,944**
Current	**-**	**-**	**696,729**	**609,890**
Noncurrent	**-**	**-**	**327,730**	**491,054**

On July 9, 2019, Celesc D filed a second lawsuit, filed under No. 5016157-78.2019.4.04.7200, claiming the return of amounts referring to the period from January 2015 onwards. The action was judged in favor of the lower court, recognizing the concessionaire's right to exclude ICMS from the PIS and Cofins calculation base, as of January 1, 2015, a decision confirmed by the Federal Regional Court of the 4th Region when analyzing the Appeal filed by the Union – National Treasury.

However, as a result of the modulation of the effects of the decision handed down in leading case No. 574,706 - Item 69 - there was, in the court of withdrawal, the limitation of the right to repeat the overpayment, as of March 15, 2017, the date of the judgment on the merits of Extraordinary Appeal No. 574,706 by the Federal Supreme Court. The process became final and unappealable on May 26, 2022., the Federal Revenue Service authorized the credits on December 27, 2022, allowing the offsetting of overdue taxes to begin in February 2022.

As a result of future offsets of this balance, Celesc D reclassified the PIS and Cofins credit to current assets based on projections of amounts to be offset in the next twelve months.

12 DIVIDENDS/IOE TO RECEIVE AND OTHER ASSETS

12.1 Dividends and IoE to Receive

	Parent Company		Consolidated	
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Rondinha Dividends	-	-	100	-
Dividends SCGÁS	4,374	4,374	4,374	4,374
ECTE Dividends	8,256	8,256	8,256	8,256
Casan Dividends	-	-	-	-
Dividends DFESA	56	909	56	909
EDP Dividends Transmissão Aliança	3	3	-	1,078
IOE Celesc G	8,724	8,724	-	-
IOE Celesc D	197,312	154,806	-	-
IOE SCGÁS	3,394	2,227	3,394	2,227
IOE EDP Transmissão Aliança	-	-	2,524	3,578

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Total	**252,116**	**209,296**	**18,704**	**20,422**
Current and	**252,116**	**209,296**	**18,704**	**20,422**
Noncurrent	**-**	**-**	**-**	**-**

12.2. Other Assets - Current and Noncurrent

	Parent Company		Consolidated	
Description	**03/31/2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Subsidy Decree 7,891/2013	-	-	47,086	47,086
ICMS ST (i)	-	-	34,633	35,043
Infrastructure Sharing (ii)	-	-	37,549	44,089
Advance Proinfa (iii)	-	-	24,579	24,578
Refund Difference CDE (iv)	-	-	1,956	3,424
Low Income Program	-	-	5,663	5,621
Prepaid Expenses (v)	303	487	2,901	2,128
Flag Account	-	-	4,175	3,453
Destined For Sale	-	-	2,645	2,457
Personnel Available	-	-	849	794
Sundry advances (vi)	63	177	13,212	9,443
Other Credits (vii)		1:	3,080	5,009
Total	**367**	**664**	**178,328**	**183,125**
Current	**335**	**623**	**175,651**	**180,627**
Noncurrent	**32**	**/41**	**2,677**	**2,498**

(i) ICMS Tax Replacement (ST)

Amounts receivable from Free Consumers arising from the collection of taxes on electricity bills linked to Agreement/CONFAZ No. 77, of August 5, 2011.

(ii) Infrastructure Sharing

Refers to the use of fixing points on Celesc D poles, carried out by third parties, for the provision of telecommunications services of collective interest, such as telephony, internet, cable TV and others.

(iii) Advance of the Program of Incentive to Alternative Electric Energy Sources - PROINFA

It refers to the advance of the charge regulated by Decree nº 5.025/2004, in Celesc D, which aims to increase the participation of alternative renewable sources in the production of electric energy.

(iv) CDE Reimbursement Difference

Corresponds to the difference between the amounts granted for tariff discounts to Celesc D's consumer units and the amounts received from CEEE to offset said discounts on tariffs applicable to generators and consumers from incentivized sources, for irrigation and aquaculture services during special hours, public water, sewage and sanitation services, distributors with their own market, the rural class, the rural electrification cooperative subclass and the public irrigation service.

(v) Prepaid expenses

They correspond to insurance premiums in the amount of R$2.9 million.

(vi) Sundry advances

The main anticipated expenses are salary advances (R$3.5 million), vacations (R$1.5 million), and food vouchers (R$6.2 million).

(vii) Other Credits

Correspond mainly to amounts receivable from contractual fines with suppliers and damage caused by third parties to the Company's assets.

13 FINANCIAL ASSETS/LIABILITIES

13.1 Installment A - CVA

Description	12.31.2022	Low Write-off	Amortization.	Compensation	03.31.2023	Balance in Amortization	Balance in Creation	Current	Non Current
CVA - Active	**898,170**	**(124,732)**	**(208,468)**	**24,072**	**589,042**	**304,801**	**284,241**	**476,925**	**112,117**
Energy	137,397	(60,332)	(32,000)	2,571	47,636	47,636	-	47,636	-
Proinfa	59,745	-	(24,765)	1,588	36,568	36,568	-	36,568	-
Basic Network Transport	134,783	18,922	(16,231)	4,250	141,724	23,965	117,759	95,275	46,449
Energy Transport	23,707	2,300	(5,097)	714	21,624	7,526	14,098	16,063	5,561
ESS	70,811	9,924	(27,249)	4,448	57,934	36,793	21,141	49,595	8,339
CDE	277,536	(17,840)	(102,722)	7,365	164,339	151,677	12,662	159,345	4,994
Portion A Neutrality	45,881	(46,242)	-	361	-	-	-	-	-
Energy Overcontracting	119,373	(31,464)	-	2,775	90,684	-	90,684	54,914	35,770
Other	28,937	-	(404)	-	28,533	636	27,897	17,529	11,004
CVA - Passive	**(1,575,286)**	**(283,312)**	**501,261**	**(18,375)**	**(1,375,712)**	**(790,878)**	**(584,834)**	**1,146,837**	**(228,875)**
Energy Acquisition	-	(89,434)	-	1,057	(88,377)	-	(88,377)	(53,517)	(34,860)
Energy Cost - Itaipu	(74,702)	(44,829)	3,795	(2,361)	(118,097)	(5,988)	(112,109)	(73,876)	(44,221)
Proinfa	(3,800)	(12,038)	-	(469)	(16,307)	-	(16,307)	(9,875)	(6,432)
Energy Overcontracting	(52,302)	-	20,290	-	(32,012)	(32,012)	-	(32,012)	-
Portion A Neutrality	(14,851)	(36,343)	5,761	(407)	(45,840)	(9,089)	(36,751)	(31,344)	(14,496)
Tariff Returns	(586,535)	(12,251)	213,228	(998)	(386,556)	(336,427)	(50,129)	(368,448)	(18,108)
Tariff Flags	(216)	(150)	-	-	(366)	-	(366)	(366)	-
Other	(842,880)	(88,267)	258,187	(15,197)	(688,157)	(407,362)	(280,795)	(577,399)	(110,758)
Balance Assets/(Liabilities)	**(677,116)**	**(408,044)**	**292,793**	**5,697**	**(786,670)**	**(486,077)**	**(300,593)**	**(669,912)**	**(116,758)**

		Consolidated
Description	**03.31.2023**	**12/31/2022**
2022 CVA– From 08/23/2021 to 08/22/2022	298,177	487,164
CVA 2022 - from August 23, 2022 to August 22, 2023	(51,133)	138,313
Total – CVA	**247,044**	**625,477**
Other Items - from August 23, 2021 to August 22, 2022	(784,254)	(1,281,318)
Other Items - from August 23, 2022 to August 22, 2023	(249,460)	(21,275)
Total – Other Items – CVA	**1,033,714**	**(1,302,593)**
Total	**(786,670)**	**(677,116)**

13.2 Financial Asset - Grant Bonus

In 2016, Celesc G paid R$228.6 million as a Granting Bonus – BO referring to the new concessions of Usinas Garcia, Bracinho, Palmeiras, Cedros and Salto. The return of this amount is included in the RAG of these plants and will be refunded by consumers over 30 years with annual adjustment by the IPCA, as defined by ANEEL.

The balance of the financial asset for each of the plants is calculated by the amount paid for the Grant Bonus Return – RBO, through the RAG; for the monthly interest calculated based on the Effective Interest Rate – IRR; and monetary restatement using the IPCA.

						Consolidated
Description	**Garcia Plant**	**Garcia Plant**	**Cedros Plant**	**Salto Plant**	**Palmeiras Plant**	**Total**
Balance on 12/31/2022	**50,530**	**72,634**	**55,400**	**33,571**	**134,675**	**346,810**
Restatement	1,014	1,458	1,113	671	2,714	6,970
Interest	1,505	2,193	1,617	1,137	3,535	9,987
Amortization / Write-off	(1,599)	(2,310)	(1,713)	(1,175)	(3,829)	(10,626)
Balance as of December 31, 2018	**51,450**	**73,975**	**56,417**	**34,204**	**137,095**	**353,141**
Current						**40,668**
Noncurrent						**312,473**

14 INDEMNIFIABLE FINANCIAL ASSET - CONCESSION

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Concession Asset - Energy Distribution	**1,093,856**	**1,005,617**
In service	628,570	596,648
Ongoing	465,286	408,969
Concession Asset - Energy Generation	**162,140**	**159,261**
Indemnifiable Asset	2,421	2,421
Indemnifiable Asset - Project Pery Plant	159,719	156,840
Total	**1,255,996**	**1,164,878**
Current	**17,820**	**17,536**
Noncurrent	**1,238,176**	**1,147,342**

Notes

14.1 Indemnifiable Financial Asset - Energy Distribution

Due to the extension of the 5th Addendum to the Concession Agreement No. 56/1999, Celesc D divided its assets linked to the concession into intangible assets and indemnifiable assets.

This is the fair value of the concession-related financial assets recorded in Corporate Accounting. The effect is due to the recording of the fair value of the financial asset corresponding to the right established, in the concession contract, to receive cash through compensation upon the reversion of the assets to the grantor at the end of the concession.

Based on Technical Interpretation ICPC 01 – Concession Agreements, the portion of the infrastructure that will be used during the concession was recorded in Intangible Assets, consisting of electricity distribution assets, net of special obligations (consumer interest).

	Consolidated
Description	**Total**
Balance as of December 31, 2018	**1,005,617**
(+) New Applications (i)	24,871
(+) Change in Fixed Assets in Progress – AIC	56,317
(+) Update Indemnifiable Financial Asset – Concession (i)	8,056
(-) Redemption	1,005
Balance as of December 31, 2018	**1,093,856**

(i) IPCA
(i) Refers to investments made by Celesc D, in the first quarter of 2023, bifurcated between intangible and financial assets.

14.2 Indemnifiable Financial Asset - Energy Generation

The process of indemnification of the concessions began in 2013, when the Granting Authority, through Decrees 7,805 and 7,850 established, among others, the rules for indemnification of the residual value of the bound assets. Later, ANEEL, through REN No. 596/13 defined the details of the indemnification rules.

Celesc G requested from the granting authority at the end of the concessions of Usinas Bracinho, Cedros, Salto and Palmeiras, as compensation, according to criteria and procedures for calculation established by Normative Resolution - REN nº 596, of December 19, 2013, the investments carried out in infrastructure and not depreciated during the concession period, as it has an unconditional right to be indemnified, as provided for in the contract.

In 2018, in seeking to define the amounts to be passed on to concessionaires as indemnity, Granting Power and the Regulatory Agency found the rule to be inapplicable. Thus, in 2019 ANEEL set up a Public Hearing to discuss with the agents the particularities associated with the indemnification of improvements. This process was materialized in REN No. 942/2021. Two important aspects of this rule should be highlighted: a) agents that had not yet requested compensation could do so within 30 days after the rule came into effect (Celesc G, which had already requested compensation, reinforced its request); and b) the supporting documentation for the improvements should be filed within one year of the rule's entry into effect. Regarding this point, Celesc G hired a company accredited by ANEEL and filed an Evaluation Report prepared in accordance with the REN no. 942/21.

Although a long discussion, the indemnification process is in progress at the Regulatory Agency. And that the infra legal aspects do not discuss the right defined in Decree No. 7,850. Moreover, it is important to note that on January 19, 2023, ANEEL requested the submission of complementary data, with a view to validating the report sent and defining the indemnity amount, through SDI No. 1/2023.

The balances of the assets required in the indemnification are presented in the following table:

		Consolidated
Plants	**03.31.2023**	**12/31/2022**
Bracinho HPP	85	85
Cedros HPP	195	195
Salto HPP	1,906	1,906
Palmeiras HPP	235	235
Total	**2,421**	**2,421**

14.3 Financial Asset - Project Pery Plant

	Consolidated
Description	**Pery Plant**
Balance as of December 31, 2018	**156,840**
Monetary Restatement	3,156
Interest	4,369
Amortization / Write-off	(4,646)
Balance as of December 31, 2018	**159,719**

Notes

As of July 1, 2021, Celesc G started to receive retroactive compensation to July 1, 2018, through RAG.

The balance of R$159.7 million as of March 31, 2023, refers to the amount recognized as compensation for the Basic Project of the Pery plant totaling R$114.5 million, approved by Order 2,018 of July 6, 2021, issued by ANEEL, updated by IPCA and monthly remuneration interest calculated based on the IRR.

The balance is amortized on a monthly basis, until the end of the concession period, which will occur in July 2047, according to amounts ratified annually in the RAG, and for the 2022/2023 cycle, R$18.6 million refer to compensation. Accounting recognition is based on CPC 48 – Financial Instruments.

15 MARKETABLE SECURITIES

Temporary investments, which are classified in non-current assets, are measured at fair value and their balances are shown below:

	Parent Company		Consolidated	
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
CASAN	-	-	-	-
Other Investments (i)	208	217	208	217
Current	-	-	-	-
Noncurrent	**208**	**217**	**208**	**217**

15.1 Catarinense Water and Sanitation Company – Casan

As of March 31, 2023, the Company held 56,713,251 Common Shares – ON, and 56,778,178 Preferred Shares – PN, representing 11.95% of Casan's Capital Stock.

As it does not have significant influence on this company, Celesc measured the fair value of its shareholding as a temporary investment, adopting the discounted cash flow method for the annual valuation of this investment, with the historical cost of acquisition being the amount of R$110.7 million.

In order to calculate the valuation, projections of revenue, costs and expenses were made, by municipality, up to the expiration date of each service provision agreement. As there is uncertainty related to whether or not to renew these contracts and, if renewed, under what conditions they would be, the premise of optimizing observable data to determine fair value was followed, disregarding the perpetuity of cash flows.

The assessment refers to the Company individually, considering a normal operation, according to the same parameters observed on the base date of the calculation and adjusted to the network expansion plan, disclosed by Casan to the market, on March 15, 2022, and built based on the Technical Certification Opinion of the Foundation for Research and Development of Administration, Accounting and Economics - Fundace, which aims to achieve the goals of universalization of water supply and sanitary sewage established in Federal Laws No. 11.445, of January 5, 2007, and No. 14,026, of July 15, 2020.

In order to obtain revenue and cost assumptions, the information extracted, by municipality, from the National Sanitation Information System – SNIS, was compared with the information obtained from Casan's audited Financial Statements and Quarterly Reports.

The tariff adjustments, in the period from 2023 to 2065, the last year of the concession, were considered according to the monthly expectation of the IPCA, published by Bacen, accumulated in the 12 months prior to the month of June of each year. For the year 2022, an adjustment of 16.01% was considered, applied in July of that year, by municipality, on the average tariffs practiced in 2021.
For the discount rate, the nominal WACC of 11.54% per year was considered, taking into account the expiration of each municipality's permit contracts. The after-tax cost of debt was 10.52% per annum and the cost of equity was 11.89% per annum.

There was a reduction in the interest in Casan's Capital Stock, because the Company did not accept the proposal to pay dividends to increase the capital.

The calculations were performed by an external consulting firm and, considering the assumptions for the assessment of the fair value of this investment, the value of this asset was reduced to zero on December 31, 2022, and its adjustment was recognized as a debit to shareholders' equity in a subgroup of the equity valuation adjustment, where it is currently located.

(i) Other Investments

As of March 16, 2023The Board of Directors approved the exercise of the right to withdraw from the company and the sale of CGT Eletrosul and Eletronorte shares. The value registered in the books was R$9.8 thousand and the receipt was R$117.9 thousand, with a gain on disposal of R$108.1 thousand.

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Notes

16 RELATED PARTIES

The Company has a policy of transactions with related parties and the balances in assets and liabilities, current and non-current, are shown in the following table:

Description	Parent Company			Consolidated		
	Assets	Liabilities		Assets	Liabilities	
	Accounts receivable from customers			Dividends and		Others
	Receber de	JCP a Customers	Débitos Payable	Receber de	JCP a Trade Receivables	Débitos DIVIDENDS Payable
Santa Catarina State Government						
Declared Dividends and IoE	-	32,571	-	-	32,571	-
Energy Billing	-	-	-	8,831	-	-
Personnel Available	-	-	-	256	-	-
CELOS						
Contribution Pension Plan, Healthcare Plan, and Others		-	83	-	-	1,862,612
DFESA						
Energy Purchase	-	-	-	-	-	1,356
Celesc G						
Dividends and IoE	38,724	-	-	-	-	-
Celesc D						
Agreement Collection Rate	-	-	102	-	-	-
Personnel Available	-	-	838	-	-	-
Dividends and IoE	154,806	-	-	-	-	-
Balance as of September 30, 2019	**193,530**	**32,571**	**1,023**	**9,087**	**32,571**	**1,863,968**
Santa Catarina State Government						
Declared Dividends and IoE	-	41,315	-	-	41,315	-
Energy Billing	-	-	-	10,883	-	-
Personnel Available	-	-	-	256	-	-
CELOS						
Contribution Pension Plan, Healthcare Plan, and Others		-	66	-	-	1,833,802
DFESA						
Energy Purchase	-	-	-	-	-	1,356
Celesc G						
Dividends and IoE	38,724	-	-	-	-	-
Celesc D						
Agreement Collection Rate	-	-	109	-	-	-
Personnel Available	-	-	709	-	-	-
Dividends and IoE	197,312	-	-	-	-	-
Balance as of September 30, 2019	**236,036**	**41,315**	**884**	**11,139**	**41,315**	**1,835,158**

Consolidated

Description	Other expenses	Financial Revenues	Other expenses	Sales revenue	Resale Costs Conventional
Santa Catarina State Government					
Selling Revenue	-	-	-	30,256	-
CELOS					
Pension and Assistance Plans	(7)	-	(39,295)	-	-
DFESA					
Energy Purchase	-	-	-	-	(3,572)
Celesc D					
Agreement Collection Fee	(429)	-	-	-	-
Available staff	(2,100)	1	-	-	-
Celesc D Loans	-	58	-	-	-
Balance as of September 30, 2019	**2,536**	**158**	**(39,295)**	**30,256**	**(3,572)**
Santa Catarina State Government:					
Selling Revenue	-	-	-	26,828	-
CELOS					
Pension and Assistance Plans	(1)	-	(39,986)	-	-
DFESA					
Energy Purchase	-	-	-	-	(3,572)
Celesc D					
Agreement Collection Fee	(465)	-	-	-	-
Available staff	(2,027)	-	-	-	-
Balance as of September 30, 2019	**(2,493)**	**-**	**(39,986)**	**26,828**	**(3,572)**

Notes

The remuneration of management (Board of Directors – CA, Fiscal Council – CF, Statutory Audit Committee – CAE and Executive Board) is shown below:

	Parent Company		Consolidated	
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Fees	1,517	5,987	1,517	5,987
Profit Sharing	-	1,752	-	1,752
Social Charges	412	1,717	412	1,717
Other	298	1,111	298	1,111
Total	**2,227**	**10,567**	**2,227**	**10,567**

17 INCOME WITH CORPORATE INCOME TAX – IRPJ AND WITH SOCIAL CONTRIBUTION WITHOUT NET INCOME – CSLL

17.1 Breakdown of Net Deferred IRPJ and CSLL

Deferred IRPJ and CSLL assets and liabilities were calculated from:

(i) CPC 25 – Provisions, Contingent Liabilities and Contingent Assets. Provision for contingencies of legal proceedings;
(ii) ICPC 10 – Interpretation on the initial application to fixed assets;
(iii) CPC 01 (R1) – Reduction to the recoverable value of assets on the provision for losses on property, plant and equipment;
(iv) CPC 33 (R1) – Employee benefits;
(v) CPC 27 – Fixed Assets. Adjustment to the fair value of property, plant and equipment, arising from the first adoption of the Technical Pronouncement
(vi) CPC 39 – Financial instruments in the recognition and measurement of the New Replacement Value – VNR;
(vii) Effects CPC 39 - Financial Instruments. The deferred taxes calculated on the Grant Bonus were calculated in accordance with the Normative Instruction of the Federal Revenue Service of Brazil – RFB 1,700, of March 14, 2017;
(viii) CPC 48 – Financial Instruments referring to the amounts of the Financial Asset related to the indemnification of Usina Pery;
(ix) CPC 04 (R1) – Intangible Assets referring to the values of the renegotiation of the GSF hydrological risk;
(x) CPC 06 – Leases. Expenses arising from lease agreements.

The following table presents the balances of the deferred IRPJ and CSLL accounts:

Description	**03.31.2023**	**12/31/2022**
Assets	688,479	709,023
Liabilities	(92,859)	(89,214)
Net Deferred Tax	**595,620**	**619,809**

						Consolidated
Temporary Differences	**Deferred Assets**		**Deferred Liabilities**		**Deferred Net**	
	03.31.2023	**12/31/2022**	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Provision for Contingencies	136,399	134,256	-	-	136,399	134,256
Provision for Losses on Assets	22,035	18,510	-	-	22,035	18,510
Post-Employment Benefits	590,583	596,621	-	-	590,583	596,621
Lease - CPC 06	187	176	-	-	187	176
Attributed Cost	-	-	6,863	6,939	(6,863)	(6,939)
IR and CS Deferred on Tax Losses	50,506	72,278	-	-	50,506	72,278
Effects ICPC 01 - Concession Agreements	-	-	47,151	47,681	(47,151)	(47,681)
Effects CPC 39 - Financial Instruments	-	-	58,097	58,749	(58,097)	(58,749)
Grant Bonus	-	-	56,731	54,139	(56,731)	(54,139)
Pery Plant Financial Asset	-	-	20,360	19,123	(20,360)	(19,123)
Hydrological Risk Renegotiation – GSF	-	-	14,807	14,938	(14,807)	(14,938)
Other Provisions	-	-	81	463	(81)	(463)
Total	**799,710**	**821,841**	**204,090**	**202,032**	**595,620**	**619,809**

17.2 Realization of Deferred Assets

The taxable base of IRPJ and CSLL arises not only from the income generated, but from the existence of non-taxable income, non-deductible expenses, tax incentives and other variables, with no immediate correlation between the Company's net income and the result of income tax and contribution Social. Thus, the expected use of tax credits should not be taken as the only indication of the Company's future results.

The realization of deferred taxes is based on budget projections approved by the Company's Board of Directors, with the objective of defining and presenting necessary actions to meet regulatory demands in order to also converge to the fulfillment of the concession contract.

The Company's Management considers that the deferred assets arising from temporary differences will be realized, in proportion to the final resolution of the contingencies and the events to which they refer, when they will be offset against taxable income.

Deferred taxes on the actuarial liability for employee benefits are being realized through the payment of contributions.

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Notes

The remaining balance of the initial recognition process of the 2014 contractual exposure by the regulator in the amount of R$83.7 million updated until March 31, 2023 is in judicial process with the federal court and had its amounts of IRPJ and CSLL deferred until a final sentence is handed down on the process in progress. In August 2019, ANEEL, through Ratifying Resolution No. 2,593, ratified the deferral of the financial effect of the contractual exposure of 2014, reflected in five subsequent annual tariff processes. Thus, the tariff adjustment for 2019, 2020,2021 and 2022 had a financial realization in the amount of R$65.7 million, R$68.5 million, R$70.2 million and R$76.8 million, respectively, and the consequent realization of deferred IRPJ and CSLL on this base.

The realization estimates for the balance of total assets as of March 31, 2023 are:

		Consolidated
Year	**03.31.2023**	**12/31/2022**
2023	101,131	117,194
2024	106,121	115,770
2025	34,687	34,687
2026	25,606	25,606
Above 2027	532,165	528,584
Total	**799,710**	**821,841**

17.3 Conciliation IRPJ and CSLL Recognized in Shareholders' Equity

Changes in deemed cost and IRPJ and CSLL amounts, recognized directly in shareholders' equity, are shown below:

	Consolidated
Description	**Total**
Balance on 12/31/2021	**25,176**
(-) Write-off of Attributed Cost	(953)
(+) Taxes (IRPJ/CSLL)	324
Balance on 12/31/2022	**24,547**
(-) Write-off of the Attributed Cost	(223)
(-) Taxes (IRPJ/CSLL)	76
Balance as of December 31, 2018	**24,400**

17.4 Conciliation IRPJ and CSLL Recognized in Other Comprehensive Income

The changes in actuarial liabilities and fair value of CASAN with the amounts of IRPJ and CSLL, recognized directly in other comprehensive income, is shown below:

	Consolidated
Description	**Total**
Balance on December 31, 20211,064,375	
(+) Change in Actuarial Liabilities	(44,435)
(+) CASAN fair value	137,261
(-) Taxes (IRPJ/CSLL)	15,108
Balance as of September 30, 20191,172,309	
(+) Change in Actuarial Liabilities	-
(+) CASAN fair value	
(-) Taxes (IRPJ/CSLL)	-
Balance as of September 30, 20191,172,309	

The non-accounting and disclosure of deferred IRPJ and CSLL related to the fair value of CASAN in Celesc H occurs due to the lack of expectation of future taxable income against which tax credits can be used in the coming years, according to the criteria provided for in CPC 32 - Taxes about profit. However, the company will continue to reassess annually the expectation of generating future tax profits, so that at the opportune moment it can account for the amounts of deferred IRPJ and CSLL.

17.5 Conciliation of Current and Deferred IRPJ and CSLL

The reconciliation of IRPJ and CSLL expenses, at the nominal and effective rate, is shown below:

		Parent Company		Consolidated
Description	**03.31.2023**	**03.31.2022**	**03.31.2023**	**03.31.2022**
Profit/(Loss) before IRPJ and CSLL	**218,063**	**259,859**	**299,565**	**369,973**
Combined Nominal Rate of IRPJ and CSLL	34%	34%	34%	34%
Income Tax and Social Contribution	**(74,141)**	**(88,352)**	**(101,852)**	**(125,791)**
Permanent Additions and Exclusions				
Equity Pickup	76,530	89,905	5,640	5,181
Tax Benefit	-	-	(250)	(454)
Tax Incentive	-	-	1,633	2,189
Interest on equity	(1,921)	(1,189)	15,081	11,798
Non-Deductible Provisions	(153)	(198)	(153)	(198)
Non-deductible Fines	-	-	(1,276)	(2,665)
IRPJ/CSLL w/o Tax Loss not recognized	(143)	(17)	(143)	(17)
Management Participation	(106)	(94)	(122)	(107)
Other Additions (Exclusions)	(66)	(55)	(60)	(50)
Total Current and Deferred IRPJ and CSLL	**-**	**-**	**(81,502)**	**(110,114)**
Current	-	-	(57,311)	(142,301)
Deferred	-	-	(24,191)	32,187
Effective Rate	**0.00%**	**0.00%**	**27.21%**	**29.76%**

17.6 Uncertainty about the treatment of IRPJ and CSLL

17.6.1 Tax action procedure no 0900100-2018-00117-1

On September 24, 2018, the Special Secretariat of the Federal Revenue of Brazil – SERFB initiated a tax action procedure under 0900100-2018-00117-1. This procedure resulted, on January 8, 2019, in the issuance of the assessment notice No. 10980.727742/2018-81 in the amount of R$306.8 million. The aforementioned notice of infraction is related to the calculation of the actual profit and the CSLL calculation base, thus attributing to the concessionaire:

a) Undue adjustments attributed to the Compensation Account for the Variation of Values of Portion A Items – CVA;

b) Failure to comply with the remaining term of the concession agreement for the purposes of the determinations provided for in article 69 of Federal Law No. 12,973/2014.

After analysis by the Administration, it was found that the amounts calculated by the tax entity are dissociated from tax rules, doctrine and judicial decisions in similar cases. Management, based on the position of its legal advisors, understands that the procedures adopted will probably be accepted in decisions of higher courts of last resort (probability of acceptance >50%), for their total value and, for this reason, did not record any liability of IRPJ/CSLL concerning these actions.

In 2020, the Administrative Council of Tax Appeals - CARF, in judgment of the Voluntary Appeal filed by the Company, partially granted the request, in order to cancel the requirements regarding the adjustments (additions) referred to in art. 69 of Law 12,973/2014, and the application of isolated fines for failure to collect estimates, maintaining the requirement to tax positive adjustments related to the CVA on an accrual basis. As a result, it is estimated that the granting of the appeal resulted in the reduction of the contingency to R$154 million. The process awaits the return to the first administrative instance for the adjustment of the assessment to the terms of the final decision rendered in the Administrative Process. In parallel, the Company is evaluating the other measures to be taken.

18 INVESTMENTS IN SUBSIDIARIES, JOINTLY SUBSIDIARIES AND AFFILIATES

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Subsidiaries	**2,630,785**	**2,468,490**	**-**	**-**
Celesc D	1,852,308	1,716,726	-	-
Celesc G	778,477	751,764	-	-
Joint Ventures	**141,309**	**135,965**	**141,309**	**135,965**
SCGÁS	141,309	135,965	141,309	135,965
Affiliates	**121,917**	**116,358**	**235,414**	**227,314**
ECTE	92,840	88,313	92,840	88,313
DFESA	29,077	28,045	29,077	28,045
SPEs	-	-	113,497	110,956
Total	**2,894,011**	**2,720,813**	**376,723**	**363,279**

Notes

18.1 Investment Information

Parent Company

Description	Shares of Company Common Shares	Share of Company Capital Stock	Capital Voter	Asset Current	Assets No Current	Liabilities Current	Liabilities No Current	Patrimony Liquid	Revenues	Profit
Balance on 12/31/2022										
Celesc D	630,000	100.00%	100.00%	3,432,655	6,881,685	3,765,969	4,831,645	1,716,726	9,908,754	403,099
Celesc G	43,209	100.00%	100.00%	140,062	815,408	73,332	130,374	751,764	183,022	113,774
ECTE	13,001	30.88%	30.88%	114,041	584,334	60,762	351,671	285,942	72,276	106,921
SCGÁS	1,827	17.00%	51.00%	422,334	618,331	290,833	133,562	616,270	2,579,155	169,638
DFESA	153,381	23.03%	23.03%	10,149	165,266	22,374	31,266	121,776	66,786	24,522
Balance as of December 31, 2018										
Celesc D	630,000	100.00%	100.00%	3,676,665	6,770,204	4,113,114	4,481,447	1,852,308	2,562,294	185,589
Celesc G	43,209	100.00%	100.00%	141,959	834,533	62,964	135,051	778,477	46,806	26,713
ECTE	13,001	30.88%	30.88%	117,999	590,762	57,089	351,072	300,599	14,904	14,657
SCGÁS	1,827	17.00%	51.00%	566,546	535,848	323,510	129,020	649,864	554,363	42,526
DFESA	153,381	23.03%	23.03%	10,544	161,393	17,955	27,727	126,256	16,468	4,479

Consolidated

Description	shares of Company Common Shares	participation of Company Capital Stock	Capital Voter	Asset Current	Assets No Current	Liabilities Current	Liabilities No Current	Patrimony Liquid	Revenues	Profit or (Loss)
Balance on 12/31/2022										
ECTE	13,001	30.88%	30.88%	114,041	584,334	60,762	351,671	285,942	72,276	106,921
SCGÁS	1,827	17.00%	51.00%	422,334	618,331	290,833	133,562	616,270	2,579,155	169,638
DFESA	153,381	23.03%	23.03%	10,149	165,266	22,374	31,266	121,776	66,786	24,522
Rondinha Energética S.A.	13,332	32.50%	32.50%	2,598	43,138	2,651	650	42,435	8,289	1,270
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	18,548	52,927	27,120	4,141	40,214	17,772	12,739
Xavantina Energética S.A.	271	40.00%	40.00%	3,301	31,703	3,406	4,058	27,540	11,984	1,767
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,289	57,276	4,008	15,164	39,393	5,149	(353)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	313,215	2,209,251	124,123	1,806,912	591,431	319,381	72,259
Balance as of December 31, 2018										
ECTE	13,001	30.88%	30.88%	117,999	590,762	57,089	351,072	300,599	14,904	14,657
SCGÁS	1,827	17.00%	51.00%	566,546	535,848	323,510	129,020	649,864	554,363	42,526
DFESA	153,381	23.03%	23.03%	10,544	161,393	17,955	27,727	126,256	16,468	4,479
Rondinha Energética S.A.	13,332	32.50%	32.50%	1,954	42,795	1,782	-	42,967	1,610	840
Cia Energética Rio das Flores S.A.	8,035	26.07%	26.07%	22,419	52,773	27,700	3,113	44,379	3,439	4,165
Xavantina Energética S.A.	271	40.00%	40.00%	4,209	31,290	4,898	3,446	27,155	2,348	776
Garça Branca Energética S.A.	24,669	49.00%	49.00%	1,414	56,732	3,509	14,846	39,791	1,001	(130)
EDP Transmissão Aliança SC	16,450	10.00%	10.00%	341,654	2,229,383	204,681	1,782,663	583,693	49,281	21,951

18.2 Changes in Investments

Parent Company

Description	Celesc D	Celesc G	ECTE	SCGÁS (i)	DFESA	Total
Investments	**1,716,726**	**751,764**	**88,313**	**104,766**	**28,045**	**2,689,614**
Goodwill	**-**	**-**	**-**	**31,199**	**-**	**31,199**
Balance as of December 31, 2018	**1,716,726**	**751,764**	**88,313**	**135,965**	**28,045**	**2,720,813**
Dividends and Interest on Equity Credited	(50,007)	-	-	(1,518)	-	(51,525)
Amortization Right to Use Concession	-	-	-	(367)	-	(367)
Equity Pickup	185,589	26,713	4,527	7,229	1,032	225,090
Balance as of December 31, 2018	**1,852,308**	**778,477**	**92,840**	**141,309**	**29,077**	**2,894,011**
Investments	**1,852,308**	**778,477**	**92,840**	**110,477**	**29,077**	**2,863,179**
Goodwill	**-**	**-**	**-**	**30,832**	**-**	**30,832**

Consolidated

Description	ECTE	SCGÁS (i)	DFESA	SPEs (ii)	Total
Investments	**88,313**	**104,766**	**28,045**	**110,674**	**331,798**
Goodwill	**-**	**31,199**	**-**	**282**	**31,481**
Balance as of December 31, 2018	**88,313**	**135,965**	**28,045**	**110,956**	**363,279**
Payments	-	-	-	152	152
Dividends and Interest on Equity - IoE Credited	-	(1,518)	-	(1,412)	(2,930)
Amortization Right to Use Concession	-	(367)	-	-	(367)
Equity Pickup	4,527	7,229	1,032	3,801	16,589
Balance as of December 31, 2018	**92,840**	**141,309**	**29,077**	**113,497**	**376,723**
Investments	**92,840**	**110,477**	**29,077**	**113,215**	**345,609**
Goodwill	**-**	**30,832**	**-**	**282**	**31,114**

18.3 Acquisition of the Concession Use Right

The balance of the concession right of use generated in the acquisition of SCGÁS on March 31, 2023 is R$30.8 million and on December 31, 2022 was R$31.2 million. The right to use the concession is amortized over the term of the concession for the provision of public services by the said company (until 2044).

19 PROPERTY, PLANT AND EQUIPMENT

19.1 Balance Breakdown

Parent Company

Description	Machines and equipment	Right of Use Assets	Total
Balance as of December 31, 2018	**6**	**132**	**138**
Property, Plant and Equipment Costs	6	132	138
Accumulated Depreciation	-	-	-
Balance as of December 31, 2018	**6**	**132**	**138**
Depreciation	(1)	(66)	(67)
Property, Plant and Equipment Costs	6	132	138
Accumulated Depreciation	(1)	(66)	(67)
Balance as of December 31, 2018	**5**	**66**	**71**
Average Depreciation Rate	**66.67%**	**50.00%**	

Consolidated

Description	Lands	Reservoirs Dams and Water Mains	Buildings and Constructions	Machines and equipment	Other	Construction in progress	Right of use assets	Total
Balance as of September 30, 20197,441		**8,813**	**77**	**18,918**	**696**	**90,155**	**7,765**	**133,865**
Property, Plant and Equipment Costs19,209		155,381	13,024	85,183	2,394	90,155	22,260	387,606
Provision for Losses(4,440)		(23,231)	(553)	(3,042)	7	-	-	(31,259)
Accumulated Depreciation	(7,328)	(123,337)	(12,394)	(63,223)	(1,705)	-	(13,737)	(221,724)
(-) PIS/Cofins Credit Depreciation	-	-	-	-	-	-	(758)	(758)
Balance as of September 30, 20197,441		**8,813**	**77**	**18,918**	**696**	**90,155**	**7,765**	**133,865**
Additions		-	-	-	-	6,187	-	6,187
Write-offs - Gross Balance		-	-	-	-	-	-	-
Depreciation		(87)	(9)	(276)	(56)	-	(616)	(1,044)
(+/-) Transfers		-	-	-	513	(513)	-	-
(-) PIS/Cofins Credit Depreciation	-	-	-	-	-	-	(37)	(37)
Property, Plant and Equipment Costs19,209		155,381	13,024	85,139	2,906	95,829	21,796	393,284
Provision for Losses(4,440)		(23,231)	(553)	(3,042)	7	-	-	(31,259)
Accumulated Depreciation	(7,328)	(123,424)	(12,403)	(63,455)	(1,760)	-	(13,889)	(222,259)
(-) PIS/Cofins Credit Depreciation	-	-	-	-	-	-	(795)	(795)
Balance as of September 30, 20197,441		**8,726**	**68**	**18,642**	**1,153**	**95,829**	**7,112**	**138,971**
Average Depreciation Rate		**3.40%**	**3.35%**	**3.01%**	**12.35%**	-	**8.33%**	

Notes

19.2 Depreciation

The average annual depreciation rates estimated for the current year are as follows:

	Consolidated
Approval	**Percentage (%)**
Buildings and Constructions	6.3
Machinery and Equipment	8.9
Vehicles	14.3
Furniture and Utensils	6.6

Operation	Percentage (%)
Buildings and Constructions	3.2
Machinery and Equipment	2.9
Reservoirs, Dams and Pipelines	3.4
Vehicles	13.9
Furniture and Utensils	5.9

The straight-line depreciation method, useful lives and residual values are reviewed at the end of each fiscal year and any adjustments are recognized as changes in accounting estimates.

The assets of the Pery, Celso Ramos, Garcia, Palmeiras, Salto Weissbach, Cedros and Bracinho plants are depreciated at the rates established in ANEEL Resolution No. 674, of August 11, 2015. The Caveiras, Ivo Silveira, Piraí, São Lourenço and Rio do Peixe CGHs are also depreciated by the same Resolution, as they have a registration agreement.

Central Administration assets (Buildings and Construction, Machinery and Equipment, Vehicles and Furniture and Utensils) are also depreciated at the rates established in Resolution 674/2015.

19.3 Fully Depreciated Fixed Assets Still in Operation

The gross book value of property, plant and equipment that are fully depreciated and still in operation on March 31, 2023 are:

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Reservoirs, Dams and Pipelines	121,993	121,992
Buildings, Civil Works and Improvements	11,400	11,401
Machinery and Equipment	45,382	45,178
Other	14,132	14,132
Total	**192,907**	**192,703**

19.4 Right of Use Assets - CPC 06 / IFRS 16 - Leases

Pursuant to CPC 06 (R2), the Company records the amounts payable for lease and rent agreements, as a contra entry to Fixed Assets as Right-of-Use Assets.

The amounts recorded in liabilities are adjusted to present value, at the discount rate of 8.09%, calculated by the Company.

ASSETS	Parent Company	Consolidated
Balance as of December 31, 2018	**132**	**7,765**
Current	**-**	**-**
Noncurrent	**132**	**7,765**
(+) Additions	-	-
(-) Depreciation	(66)	(616)
(-) PIS/COFINS Credit Depreciation Right to Use Assets	-	(37)
(-) Write-off	-	-
Balance as of December 31, 2018	**66**	**7,112**
Current	**-**	**-**
Noncurrent	**66**	**7,112**

LIABILITIES	Parent Company	Consolidated
Balance as of December 31, 2018	**141**	**8,295**
Current	**141**	**1,579**
Noncurrent	**-**	**6,716**
(+) Additions	-	-
(-) Write-offs	-	-
(+) Interest incurred	2	157
(-) Payment Principal	(70)	(629)
(-) Interest Paid	(2)	(157)
Balance as of December 31, 2018	**71**	**7,666**
Current	**71**	**1,267**
Noncurrent	**-**	**6,399**

19.4.1. Maturities of Long-Term Installments

	Consolidated	
Years	**03.31.2023**	**12/31/2022**
2024	1,194	1,194
2025	1,134	1,135
2026	1,112	1,112
2027	1,112	1,112
2027+	1,847	2,163
Total	**6,399**	**6,716**

The recognized assets have the following specialties:

a) Buildings: refer to rental agreements related to on-site service stores, located in the distributor's concession area;
b) Land: refers to land where telecommunication towers, substation and warehouse are installed;
c) Vehicles: refer to the rental agreement for fleet vehicles used in the provision of services and vehicles used by the Executive Board.

20. INTANGIBLES

	Parent Company
Description	**Goodwill (i)**
Balance on 12/31/2022	**3,938**
Amortization	(126)
Balance as of December 31, 2018	**3,812**
Total Cost	14,248
Accumulated amortization	(10,436)
Balance as of December 31, 2018	**3,812**
Average Amortization Rate	**0.2%**

Description	**Concession Asset Celesc D (i)**	**Software Acquired**	**Renegotiation Hydrological Risk GSF (ii)**	**Goodwill (iii)**	**Total Ongoing**	**Items**
Balance on 12/31/2022	**4,258,464**	**506**	**43,937**	**3,938**	**1,718**	**4,308,563**
Total Cost	6,916,773	7,445	45,879	14,248	1,718	6,986,063
Accumulated Amortization	(2,658,309)	(6,939)	(1,942)	(10,310)	-	(2,677,500)
Balance on 12/31/2022	**4,258,464**	**506**	**43,937**	**3,938**	**1,718**	**4,308,563**
Additions (iv)	161,813	-	-	-	-	161,813
Write-offs	(14,499)	-	-	-	-	(14,499)
Amortization	(71,723)	(48)	(388)	(126)	-	(72,285)
Balance as of December 31, 2018	**4,334,055**	**458**	**43,549**	**3,812**	**1,718**	**4,383,592**
Total Cost	7,064,087	7,445	45,879	14,248	1,718	7,133,377
Accumulated amortization	(2,730,032)	(6,987)	(2,330)	(10,436)	-	(2,749,785)
Balance as of December 31, 2018	**4,334,055**	458	**43,549**	**3,812**	**1,718**	**4,383,592**
Average Amortization Rate	**4.4%**	**20.0%**	**3.4%**	**0.2%**		

(i) The rates established by ANEEL are used in tariff review processes, calculation of compensation at the end of the concession and are recognized as a reasonable estimate of the useful life of the concession assets. Thus, these rates were used as a basis for the evaluation and amortization of the intangible asset.

(ii) The extension of the concession period by the granting authority for the plants renegotiated by the GSF hydrological risk, was calculated at fair value and recognized as an Intangible Asset. These assets will be amortized on a straight-line basis until the end of the new concession period for each renegotiated plant.

(iii) The goodwill generated on the acquisition of ECTE is amortized over the concession period for the provision of public services by said company, until 2042.

(iv) Refers to investments made by Celesc D, in the first quarter of 2023, bifurcated between intangible and financial assets.

21. SUPPLIERS

	Parent Company		Consolidated	
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Electric Power	-	-	502,093	594,114
Electricity Use Charges	-	-	190,660	195,642
Materials and Services	435	900	133,839	174,135
Electric Energy Trading Chamber - CCEE (i)	-	-	73,682	52,622
Total	**435**	**900**	**900,274**	**1,016,513**

(i) The CCEE has, among its attributions, to determine the accounting value of the agents. In the case of distributors, this value involves, in addition to the sale and purchase in the short term, charges, the effect of the dispatch of thermal plants and also the various impacts of hydrological risk.

The hydrological risk is associated with energy contracts (CCEAR-QT) that were renegotiated, physical guarantee quota contracts and the contract with Itaipu, in which the buyer assumes this condition.

22. LOANS AND FINANCING

Loans and Financing have five different classifications: (i) Bank Loans, (ii) Eletrobras Loans, (iii) Finame Type Loans and (iv) Loans - BID, and some of these are guaranteed by Company receivables and sureties, as per provisions contractual.

The Company understands that the loans are already at their fair value and indexed to market indexes.

			Consolidated
Description		**03.31.2023**	**12/31/2022**
Total National Currency		**655,306**	**676,836**
Bank Loans (i)	CDI + 1.65% p.a.	558,222	578,809
Bank Loans (i)	CDI + 0.8% p.a.	93,253	93,253
Eletrobras Loans (ii)	5% p.a.	1,892	2,110
Finame Loans (iii)	6% to 9.5% p.a.	1,939	2,664
Total Foreign Currency		**1,208,379**	**1,166,319**
Loans - IDB (iv)	CDI + 0.82% to 1.93% p.a	1,208,379	1,166,319
Total		**1,863,685**	**1,843,155**
Current		**455,593**	**297,229**
Noncurrent		**1,408,092**	**1,545,926**

i) Bank Loans

Bank Loans balances refer to contracting, whose funds were used exclusively to reinforce the Company's cash.

In April 2019, through a Bank Credit Note – CCB, R$335.0 million were contracted with Banco Safra, with remuneration equivalent to the CDI + 0.80% p.a. and monthly charge. The effective period was 36 months, with an 18-month grace period for the start of amortization of the principal amount. The beginning of amortization was in November 2020 and the end would be for April 2022, however, on December 2, 2021, the contract was amended and the deadline for settlement of the principal became May 2023. In addition, its settlement is now provided for in a single installment at the end of the contract (bullet). The interest rate was maintained at the same percentage as the original contract.

In February 2022, also through a Bank Credit Note – CCB, an additional R$550.0 million was contracted with Banco Safra, with remuneration equivalent to the CDI + 1.65% p.a. and semester requirement. The term was 36 months, with an 18-month grace period for the beginning of the amortization of the principal amount, which will be settled in 4 half-yearly installments, starting in August 2023 and ending in February 2025. There are no covenants related to these loans.

ii) Eletrobras

Resources from this contract were allocated, among other applications, to rural electrification programs and come from the Global Reversion Reserve – RGR and the Eletrobrás Financing Fund. The current agreement has a grace period of 24 months, amortization in 120 monthly installments, interest rate of 5% p.a. and management fee of 1% p.a. It has the consent of ANEEL and the end is scheduled for May 30, 2025. There are no covenants related to these loans.

iii) Finame

The funds from these contracts were used to make up for part of Celesc D's lack of funds and were used to purchase machinery and equipment. Each acquisition constitutes a contract, which is negotiated at interest rates ranging from 6% to 9.5% p.a. 96 monthly amortizations are foreseen for Finame of Banco do Brasil and 72 monthly amortizations for Finame of Caixa Econômica Federal. All contracts are approved by ANEEL. There are no covenants related to these loans.

Notes

iv) Inter-American Development Bank - IDB

On October 31, 2018, Celesc D and the Inter-American Development Bank - IDB signed an external credit operation called Loan 4404/OC-BR (BR-L1491).

The total value of the operation is US$276.1 million and the amortization period is 234 (two hundred and thirty-four) months, with a grace period of up to 66 (sixty-six) months, reaching a total period of 300 (three hundred) months.

Amortization is semi-annual using the constant system, plus a spread, with monetary restatement calculated based on the exchange variation. In addition, there is a requirement for a commitment fee of up to 0.5% per annum on the undisbursed US dollar balance and a supervisory fee of up to 1% of the loan amount, divided by the number of semesters comprised in the term. original 5 (five) year disbursement record.

The loan is guaranteed by the Federative Republic of Brazil and the State of Santa Catarina and is intended to partially finance the Investment Program in Energy Infrastructure in the area of jurisdiction of Celesc D.

The first releases took place on December 10, 2018 and January 28, 2019, in the amount of US$80.1 million. After that, on May 2, 2019, it was decided to convert the amounts released into national currency and to change the interest rate applied to the contract, already considering the BID costs, therefore, there is no longer the incidence of exchange variation.

Releases continued to occur and both the option of converting into local currency and the previously mentioned change in the contract's interest rate were maintained.

Below are all releases that occurred until March 31, 2023, with dates, amounts and interest rates currently applied:

Dates	Amounts in USD	Interest Rate
December 10, 2018	70,374,302.95	CDI + 0.94 p.a.
01/28/2018	9,704,328.10	CDI + 0.94 p.a.
October 7, 2019	26,210,755.00	CDI + 0.99 p.a.
December 10, 2019	9,767,891.73	CDI + 0.82 p.a.
June 9, 2020	7,273,169.76	CDI + 1.19 p.a.
October 13, 2020	35,000,000.00	CDI + 1.85 p.a.
March 19, 2021	25,000,000.00	CDI + 1.93 p.a.
December 14, 2021	50,000,000.00	CDI + 1.21 p.a.

All interest rates already consider IDB costs and may suffer some variation due to one of the components of the spread is variable and defined by the BID on a quarterly basis.

It should be noted that disbursements of the contracted financing are processed in accordance with the provisions of Loan Agreement No. 4404/OC-BR (BR-L1491), pursuant to Chapter IV of the General Rules.

The Program's financial statements are subject to independent auditing carried out by the Court of Auditors of the State of Santa Catarina – TCE/SC, under the terms of Clause 5.02, of the Special Provisions of the aforementioned Agreement.

22.1. Breakdown of Maturities

The amounts classified in non-current liabilities are broken down as follows, by year of maturity:

						Consolidated
Description	**National**		**Foreign**		**Total**	
	03.31.2023	**12/31/2022**	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
2024	138,306	276,139	56,596	56,596	194,902	332,735
2025	137,863	137,864	56,596	56,596	194,459	194,460
2026+	-	-	1,018,731	1,018,731	1,018,731	1,018,731
Total	**276,169**	**414,003**	**1,131,923**	**1,131,923**	**1,408,092**	**1,545,926**

22.2. Changes in Loans and Financing - National

			Consolidated
Description	**Current**	**Non current**	**Total**
Balances as of December 31, 2022	**262,833**	**414,003**	**676,836**
Provisioned Charges	23,557	-	23,557
Transfers	137,834	(137,834)	-
Principal Amortization	(939)	-	(939)
Charge Payments	(44,148)	-	(44,148)
Balances as of March 31, 2023	**379,137**	**276,169**	**655,306**

Notes

22.3. Changes in Loans and Financing - Foreign - BID

			Consolidated
Description	**Current**	**Non current**	**Total**
Balances as of December 31, 2022	**34,396**	**1,131,923**	**1,166,319**
Provisioned Charges	42,060	-	42,060
Balances as of March 31, 2023	**76,456**	**1,131,923**	**1,208,379**

23. DEBENTURES

23.1. 2018 Debentures – Celesc D

Celesc D issued, on July 13, 2018, 250,000 (two hundred and fifty thousand) debentures with a nominal unit value of R$1.0 thousand, totaling R$250.0 million, maturing on July 13, 2023, non-convertible in shares. The proceeds from this issuance were used to reinforce the issuer's cash for the ordinary management of its businesses.

The real guarantee is the fiduciary assignment of credit rights, present and/or future, arising from the gross supply of electricity to Celesc D's customers and the Company (Celesc Holding) will provide surety in favor of the debenture holders, pledging itself as guarantor and primarily responsible for the payment of all amounts due under the terms of the Deed of Issue.

The debentures will have a term of 5 years from the date of issuance, so that they will mature on July 13, 2023, with remuneration of interest corresponding to 100% of the accumulated variation of the average daily rates of DI - Interbank Deposits of one day, plus a surcharge or spread of 1.9% per year.

Amortization was provided for in 15 quarterly and consecutive installments, always on the 13th of January, April, July and October, starting on January 13, 2020, and the last one on the maturity date. Remuneration will occur in quarterly and consecutive installments, without grace period, as of October 13, 2018. Until March 31, 2023, R$56.5 million in remuneration, and R$216.6 million in principal were paid.

Annually, the Company, as guarantor, has a contractual commitment (covenants) linked to the issuance of debentures not to present a Net Debt/EBITDA ratio greater than 2.5. Failure to comply with this financial indicator may result in early maturity of the total debt. In the year ended December 31, 2022, the result of calculating this ratio was 1.51, thus fulfilling this obligation.

23.2. 2021 Debentures – Celesc D

Celesc D issued, on April 15, 2021, 550,000 (five hundred and fifty thousand) simple debentures, not convertible into shares, with a nominal unit value of R$1.0 thousand, totaling R$550.0 million, with maturity on April 15 April 2026. The proceeds from this issuance were used to reinforce cash.

The debentures are unsecured, without preference, therefore not granting any special or general privilege to their holders. Additionally, they have a personal guarantee. The Company will provide surety in favor of the debenture holders, acting as guarantor and primarily responsible for the payment of all amounts due pursuant to the Deed of Issue.

The remuneration interest corresponds to 100% of the accumulated variation of the average daily rates of Interbank Deposits - DI Over (Extra-Group), expressed as a percentage per year, based on 252 business days, calculated and published daily by B3, plus a surcharge or spread of 2.6% per year.

Remuneration is expected to be paid in two ways: the first, on a quarterly basis and from the issue date, with maturity every 15th of January, April, July and October, starting on July 15, 2021 and ending on October 15, 2022, and the second, on a monthly basis and from November 15, 2022, with the other maturities always occurring on the 15th of the subsequent months until the end of the term. Until March 31, 2023, R$123.3 million in remuneration, and R$76.7 million in principal were paid.

The amortization is foreseen in 43 (forty-three) consecutive monthly installments, always due on the 15th of each month, the first being due on October 15, 2022.

Annually, from the fiscal year ending on December 31, 2021 until the maturity date, the Company, as guarantor, has a contractual commitment (Covenants) linked to the issuance of debentures not to present a Net Debt/EBITDA ratio greater than 3. Failure to comply with this financial indicator may result in early maturity of the total debt. In the year ended December 31, 2022, the result of calculating this ratio was 1.51, thus fulfilling this obligation.

23.3. 2020 Debentures – Celesc G

On December 10, 2020, Celesc G issued 37,000 debentures with a face value of R$1,000, totaling R$37 million. Inflation adjustment was defined by the accumulated variation of the IPCA monthly disclosed by the Brazilian Institute of Geography and Statistics (IBGE). The issuance was carried out in a single series, of the simple type and not convertible into shares. The fidejussory guarantee

Notes

was established by guaranteeing the debentures in favor of the holders, in which it assumes the role of guarantor and primarily responsible for the payment of all amounts due under the terms of the Issue Deed. They have a term of ten years, counted from the date of issue, and remunerative interest of 4.30% p.a., until the effective payment date.

Interest payments began in June 2021 and amortization will begin in December 2023, both on a semi-annual and consecutive basis. Up to March 31, 2023, R$3.5 million in compensation had already been paid.

Annually, Celesc G, as an issuer, has a contractual commitment (covenant) linked to the issuance of debentures not to present a Net Debt/EBITDA ratio greater than 3.50. Failure to comply with this financial indicator may result in early maturity of the total debt. In the year ended December 31, 2022, cash and cash equivalents were greater than loans and financing debts by R$14.4 million, making the Net Debt result zero for the ratio.

23.4. Change in Debentures

	Consolidated
Description	**Total**
Balance as of December 31, 2018	**606,113**
Provisioned Charges	21,434
Payments Charges	(20,904)
Principal Payments	(55,039)
Costs to issue Celesc D Debentures	380
Costs to issue Celesc Debentures	33
Balance as of December 31, 2018	**552,017**
Current	**193,618**
Noncurrent	**358,399**

23.5. Costs of Obtaining Unearned Debentures

		Consolidated
Description	**03.31.2023**	**12/31/2022**
2023	971	1,384
2024	1,057	1,056
2025	1,054	1,054
2026+	927	927
Total	**4,009**	**4,421**

23.6 Reconciliation of Liabilities Resulting from Financing Activities

						Parent Company
Description	**12.31.2022**	**Payments**	**Total Financing Flow Financing**	**Payment of Interest (i)**	**Changes that that do not affect Cash (ii)**	**03.31.2023**
Dividends and IOE payable	157,602	-	-	-	41,694	199,296
Lease Liabilities – CPC 06 (Note 19.4)	141	(70)	(70)	(2)	2	71
Total	**157,743**	**(70)**	**(70)**	**(2)**	**41,696**	**199,367**

							Consolidated
Description	**12.31.2022 03.31.2023**	**Payments Resources**	**Principal**	**Total Interest Flow Variations**	**Variation (i)**	**that do not affect Cash (ii)**	
Loans and Financing	1,843,155	-	(939)	(939)	(44,148)	65,617	1,863,685
Debentures	606,113	-	(55,039)	(55,039)	(20,904)	21,847	552,017
Dividends and IoE	157,602	-	-	-	-	41,694	199,296
Lease Liabilities – CPC 06 (Note 19.4)	8,295	-	(629)	(629)	(157)	157	7,666
Total	**2,615,165**	**-**	**(56,607)**	**(56,607)**	**(65,209)**	**129,315**	**2,622,664**

(i) Interest paid is classified in the Operating Activities flow in the Statement of Cash Flows.

(ii) Accrued interest and monetary variations of Loans and Financing totaled R$65.6 million. The debentures totaled R$21.0 million.

24. LABOR AND SOCIAL SECURITY OBLIGATIONS

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
Payroll Provisions and Social Charges	1,173	1,241	113,462	115,144
Incentivized Termination Plan - PDI	-	-	92,882	108,854
Consignment in Favor of Third Parties	-	-	4,708	10,197
Provisão Participação nos Lucros e nos Resultados – PLR	-	-	36,850	27,070
Net Payroll	316	297	16,742	16,815
Total	**1,489**	**1,538**	**264,644**	**278,080**
Current	**1,489**	**1,538**	**223,456**	**227,670**
Noncurrent	**-**	**-**	**41,188**	**50,410**

24.1. Incentivized Termination Plan - PDI

The program is part of the Company's strategy to adapt its operating costs, optimize processes and improve indicators, with a view to adding value to shareholders.

On February 22, 2016, Celesc D approved the regulation of the Incentive Retirement Plan – PDI. This program was first implemented in December 2016. New editions were made in the following years with the same criteria and regulations. The only change was regarding the minimum time worked at the Company which became an eligibility rule.

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Plans	Minimum Time at the Company	Number of Installments	Number of Installments with adhesion to the CD Plan
2016 PDI	25 years	24-60	N/A
2017 PDI	25 years	24-60	N/A
2018 PDI	25 years	24-60	N/A
2019 PDI	25 years	24-60	N/A
2020 PDI	24 years	24-60	N/A
2021 PDI	15 years (i)	24-60	N/A

(i) As long as the employee is at least 50 years old.

On April 23, 2020, Celesc D obtained approval for the implementation of an Emergency Incentive Dismissal Plan, called PDI-E, for employees with more than 33 years of work. 86 employees left Celesc D.

Plan	Minimum Time at the Company	Number of Installments	Number of Installments with adhesion to the CD Plan

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In September 2021, the PDI 2021 (current edition) was approved. PDI 2021 shutdowns started in November and have a total of 159 exits so far.

From the implementation of the program until March 31, 2023, there were 1,187 dismissals, totaling expenses totaling R$488.5 thousand.

The following table demonstrates the number of employees dismissed and the amount of the expense, classified by year.

Years	Number of Dismissed Employees	PDI expense (R$/Thousand)
2016	61	16,183
2017	125	79,531
2018	181	68,737
2019	273	87,250
2020	303	112,847
2021	93	63,896
2022	141	60,084
2023	10	-
Total	**1,187**	**488,528**

In December of each year, installments are updated based on the INPC variation in the last 12 months.

25. TAXES

25.1. Federal Taxes

		Parent Company		Consolidated
Description	**03.31.2022**	**12/31/2022**	**03.31.2022**	**12/31/2022**
IRPJ and CSLL	-	2,863	54,547	30,996
IRRF on IOE	4,180	4,305	11,681	17,173
PIS and COFINS	4,948	9,659	48,066	49,419
Other	34	17,865	2,916	21,290
Total to collect	**9,162**	**34,692**	**117,210**	**118,878**
(-) Taxes to be Offset	(38,762)	(44,331)	(1,085,643)	(1,165,085)
Total, net	**(29,600)**	**(9,639)**	**(968,433)**	**(1,046,207)**

25.2. State Taxes

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
ICMS	-	-	219,740	168,346
Total to collect	**-**	**-**	**219,740**	**168,346**
(-) Taxes to offset	-	-	(57,688)	(57,941)
Total Net	**-**	**-**	**162,052**	**110,405**

25.3. Municipal Taxes

		Parent Company		Consolidated
Description	**03.31.2023**	**12/31/2022**	**03.31.2023**	**12/31/2022**
ISS	103	107	2,037	2,566
Municipal Property Tax (IPTU)	-	-	25	7
Total to collect	**103**	**107**	**2,062**	**2,573**
(-) Taxes to offset	-	-	(994)	(992)
Total Net	**103**	**107**	**1,068**	**1,581**

26. REGULATORY FEES

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Energy Efficiency Program - PEE (i)	64,973	61,094
R&D (i)	56,956	54,759
Energy Development Account - CDE	19,472	19,472
ECE Installment (ii)	22,451	26,254
ANEEL Inspection Fee	823	824
Other	447	306
Total	**165,122**	**162,709**
Current	**61,138**	**56,066**
Noncurrent	**103,984**	**106,643**

Notes

i) R&D and PEE – Pursuant to Law No. 9991, of July 24, 2000, concessionaires of public electricity distribution services, generation concessionaires and companies authorized to independently produce electricity, with the exception of some modalities, must invest, annually, a minimum percentage of their net operating revenues – NOR in Technological Research and Development projects in the Electric Energy Sector – R&D. Distributors must also apply in Energy Efficiency Programs - PEE, according to the regulation established by ANEEL.

On March 30, 2021, ANEEL published Normative Resolution No. 229 and Order No. 904, defining the form and amounts to be transferred to the Energy Development Account – CDE. Payments to the CDE correspond to the balances not committed to the liabilities of the R&D and PEE programs on the base date of August 31, 2020 and 30% of the current values referring to the period from September 1, 2020 to December 31, 2025. Until December 2025, the calculated amounts will be transferred monthly, on the 10th of the second subsequent month.

ii) Emergency Capacity Charge - ECE - It was established by Law 10,438, of April 26, 2002, to cover the cost of contracting emergency thermoelectric plants installed in the country, available to generate energy in the event of a risk of shortages. This cost was paid by all consumers of the National Interconnected System, with the exception of those classified as low income.

27. PROVISION FOR CONTINGENCIES AND COURT DEPOSITS

As of March 31, 2023, the Company had the following liabilities and their corresponding escrow deposits related to contingencies:

27.1. Probable Contingencies

				Parent Company
Description				
	03.31.2023	**12/31/2022**	**03.31.2023**	**12/31/2022**
Tax	47,582	47,578	19,222	19,222
Labor	4,686	4,686	2,298	2,298
Civil	3,045	3,027	537	575
Regulatory	22,111	22,111	3,358	3,358
Total	**77,424**	**77,402**	**25,415**	**25,453**

				Consolidated
Description		**C ourt Deposits**		**P ovision for Risks**
	03.31.2023	**12/31/2022**	**03.31.2023**	**12/31/2022**
Tax (i)	48,853	48,849	31,022	30,847
Labor (ii)	21,846	22,757	47,091	45,704
Civil (iii)	99,563	108,513	201,493	199,019
Regulatory (iv)	179,751	179,751	123,664	121,027
Environmental (v)	-	-	2,015	2,423
Total	**350,013**	**359,870**	**405,285**	**399,020**

Changes in provisions and deposits are shown below:

		Parent Company		Consolidated
Description	**Court Deposits**	**Provisions**	**Court Deposits**	**Provisions**
Balance as of December 31, 2022	**77,402**	**25,453**	**359,870**	**399,020**
Creation	103	-	20,919	38,638
Financial Restatement	-	-	-	2,636
Write-offs	(81)	(38)	(30,776)	(35,009)
Balance as of December 31, 2023	**77,424**	**25,415**	**350,013**	**405,285**

At the Parent Company, the most relevant court deposit refers to Tax Execution No. 5000685-32.2022.404.7200, in which it is a party, in the amount of R$28.0 million, as a form of guarantee of the tax credit. The Company filed an Embargo on the Tax Execution, maintaining the unenforceability of the debt, due to the existence of a credit eligible for compensation. The process awaits instruction by judicial expertise.

Another judicial deposit, also relevant in the Company, refers to the Declaratory Action of Unenforceability of Tax Credit nº 5012891-49.2020.4.04.7200, in the amount of R$15.1 million, proposed by Celesc aiming to declare unenforceable CDA's nº 91.2.18.003117-26, 91.2.18.003118-07, 91.6.18. 017006-01, 91.6.18.017009-46 and 91.7.18.002962-43, from balance remainder of the REFIS and PAES programs, which remained included in the installment payment of Law No. 11,941/2009. The process was dismissed at first instance, awaiting analysis of the appeal at the Superior Instance.

At Celesc D, the most relevant judicial deposit refers to case nº 1005589- 77.2017.4.01.3400, in the amount of R$119.1 million. The discussion, at the judicial level, is about the 2014 subcontracting process, where there are two impacts: the first on the issue of non-referral of tariff calculated by ANEEL and the second on the penalty assessed by CCEE. It should be noted that the subcontracting penalty has a specific and multilateral procedure, which must include ex-post discussions.

In 2020, the sentence of the 6th Federal Civil Court of the Federal District dismissed the case in the first instance. In the action, Celesc D sought to annul the penalty imposed by the CCEE due to the lack of contractual ballast in 2014. Celesc D filed a civil appeal and continues the discussion, considering that such decision did not take into account several aspects of the penalty calculation. In order to obtain a suspensive effect and not be considered in default, the distributor offered a judicial deposit in the full amount of the penalty. Considering the peculiarity of the case and the assessment of the concrete fact, there is a reasonable possibility of annulling the sentence and, thus, the process was classified with an estimate of possible loss.

The most relevant casualties due to losses in judicial deposits are related to indemnities to tobacco growers in the north of the state, environmental damages due to oil leaking from a transformer, insurance reimbursements, termination payments, intra-day and inter-day work breaks, exploration of the domain strip, no debt, late payment damage, contract termination, consumption class change, and material damage.

The changes in court deposits in the period is due to payments made for new actions and also for existing actions.

The Company is a party to labor, civil, tax, regulatory and environmental proceedings in progress and is discussing these issues both at the administrative and judicial levels.

These proceedings, when applicable, are supported by judicial deposits. Provisions for possible losses arising from these lawsuits are estimated and updated by management, supported by the opinion of its internal and external legal advisors.

The nature of likely contingencies can be summarized as follows:

i) Probable Contingencies

They are related to contingencies of a tax nature at the federal level, related to the collection of COFINS and Social Security Contribution, and at the municipal level, associated with tax notices issued by the Municipality of Florianópolis for the requirement of ISS.

The most relevant lawsuit, at the federal level, has an estimated loss of R$15.1 million and refers to debts registered in active debt and subject to Tax Foreclosure No. 50290494820214047200, originating from PIS, IRPJ, IRRF, COFINS and CSLL, which were excluded from the extraordinary installment program. Celesc filed an Embargo on the Tax Execution, maintaining the unenforceability of the tax credit. The embargoes were dismissed and an appeal was filed. The Court dismissed the Company's appeal, and an appeal to the higher court was filed.

ii) Labor Contingencies

They are related to complaints filed by employees and former employees of the Group and service providers (outsourced) regarding issues of overtime payment, mainly those arising from violation of intraday and interjourney breaks, as well as review of the calculation basis of salary allowances, additional, severance pay, among other labor rights.

iii) Civil Contingencies

These are related to civil actions in general, with the purpose, in short, of compensation for damages (material and/or moral) resulting from: undue suspension of the supply of electricity, registration of the names of consumers with credit protection agencies, damages electrical, poultry production, accidents involving third parties.

There are, likewise, other types of claims that generate the payment of amounts by Celesc D, such as: damages involving loss of production by tobacco growers around R$73.0 million, revision of billings around R$2.6 million, tariff reclassification of R$1.1 million, revision of bidding contracts (economic-financial rebalancing) in approximately R$18.1 million, fires in the amount of R$20.4 million, undue collection in the amount of R$3.4 million, suspension undue supply of electricity in the amount of R$10.0 million, occupation of the BR-101 highway right-of-way with electricity distribution infrastructure equipment in the amount of R$6.1 million, among others.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative processes arising from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory transgressions in the electricity sector. Also constituting regulatory contingencies are legal actions in which Celesc D discusses, with other sectoral agents (concessionaires for the generation, commercialization, transmission or distribution of electric energy, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME), related matters to the application of sectoral regulation. The most significant regulatory contingency refers to the contractual exposure in 2014 (Note 2.1.1.1). item d).

v) Environmental Contingencies

These are lawsuits related to legal discussions regarding the payment of material and moral indemnities due to an environmental accident that occurred in the concession area of Celesc D.

27.2. Possible Contingencies

The Company also has tax, labor, civil, regulatory and environmental lawsuits, involving risks of loss classified by Management as possible, based on the assessment of its legal advisors, for which there is no provision constituted, according to the composition and estimate below:

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Taxes (i)	437,595	150,602
Labor (ii)	22,424	20,596
Civil (iii)	404,809	432,505
Regulatory (iv)	190,427	190,529
Environmental (v)	26,035	28,432
Total	**1,081,290**	**822,664**

The nature of possible contingencies can be summarized as follows:

i) Probable Contingencies

They are related to contingencies of a tax nature at the federal level, related to the payment of PIS/COFINS, and IRPJ/CSLL on revenues recognized in sectoral financial assets (CVA), offered for taxation in the calculation period in which the positive differences were verified and recorded in the bookkeeping (Note 17.6.1).

Celesc received Tax Execution nº 5032049-22.2022.4.04.7200, proposed by the Union and which aims at charging various taxes in the amount of R$40.7 million. The Company opposed to the Embargoes to the Execution with the presentation of a judicial guarantee insurance and made a partial payment of the amount executed in the amount of R$17.9 million.

ii) Labor Contingencies

They are related, for the most part, to claims filed by employees and former employees of the Group and service providers (outsourced) regarding issues of subsidiary/joint and several liability, overtime, severance pay, among other labor rights.

iii) Civil Contingencies

They are related to several civil actions filed by individuals and legal entities, related to indemnities caused by material damages, moral damages and loss of profits, accidents, bidding processes and others.

As more relevant values, there are R$15.2 million related to the illegal use of the CDI-Over index as a way of correcting installments granted by Celesc D, R$20.1 million on discussion of unenforceability of debt by the consumer, R$4.7 million of moral/material damages, R$12.0 million of financial rebalancing in contracts.

iv) Regulatory Contingencies

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or CCEE in punitive administrative processes that imply fines for breaching contractual or regulatory provisions of the electricity sector, which the Company appealed at the administrative and judicial level. At the same time, regulatory contingencies are legal actions in which the Company discusses, with sectoral agents (other electricity generation, commercialization, transmission or distribution concessionaires, in addition to institutional agents such as ANEEL, CCEE, ONS, EPE and MME), matters relating to the application of regulation in the electricity sector.

v) Environmental Contingencies

They are related to administrative and judicial environmental contingencies filed by individuals and legal entities, consisting mostly of claims for material damages, moral damages and loss of profits.

28. ACTUARIAL LIABILITIES

		Consolidated
Description	**03.31.2023**	**12/31/2022**
Social Security Plans	**713,982**	**740,746**
Mixed Plan and Transitional Plan (a)	713,982	740,746
Assistance Plans	**1,158,781**	**1,161,429**
CELOS Health Plan (b)	1,104,329	1,106,999
Other Benefits (c)	54,452	54,430
Total	**1,872,763**	**1,902,175**
Current	**242,760**	**242,238**
Noncurrent	**1,630,003**	**1,659,937**

Celesc D is a sponsor of Fundação Celesc de Seguridade Social – CELOS, a closed non-profit supplementary pension entity whose

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main objective is to manage pension benefit plans for its participants, basically represented by Celesc D's employees.

a) Mixed Plan and Transitional Plan

The Mixed Plan has defined benefit characteristics for the portion of the mathematical reserve already existing on the transition date and for the benefits granted, and defined contribution characteristics for contributions after the transition, related to the scheduled retirement benefits to be granted. The previous defined benefit plan, called "Transitory Plan" continues to exist, covering exclusively retired participants and their beneficiaries.

Of this total, R$376.8 million refer to the balance of the debt agreed with CELOS on November 30, 2001, for the payment of 277 additional monthly contributions, with interest of 6% p.a. and restated by the IPCA, to cover the actuarial liabilities of the Mixed and Transitory Plan.

As this debt must be paid even in the event of a surplus for the Foundation, Celesc D recorded, as of 2015, the monetary restatement and interest as a financial result, in accordance with CPC 33 (R1) – Employee Benefits.

b) CELOS Health Plan

Celesc D offers a health plan (medical, hospital and dental assistance) to its active employees, retirees and pensioners.

c) Other Benefits

These are amounts referring to disability assistance, funeral assistance, compensation for natural or accidental death and minimum benefit to retirees.

28.1. Results of the Actuarial Valuation

28.1.1. Actuarial Obligations

Consolidated

Description	Plan Mixed	Plans Transitional	Plans CELOS Health	Plans Savings	Other Benefits	Total
Balance on 12/31/2021	**2,509,028**	**682,813**	**1,128,787**	**1,655**	**58,891**	**4,381,174**
Net Current Service Cost	1,503	-	(39,756)	136	-	(38,117)
Contribution of Participants Accomplished in the Year	26,397	17,349	67,372	-	-	111,118
Interest w/o Actuarial Obligation	259,463	68,033	116,387	160	5,975	450,018
Benefits Paid in the Year	(217,539)	(90,657)	(112,544)	(310)	(5,071)	(426,121)
(Gains) Losses on Actuarial Obligations	(97,178)	(28,790)	(621)	36	(5,365)	(131,918)
Balance on 12/31/2022	**2,481,674**	**648,748**	**1,159,625**	**1,677**	**54,430**	**4,346,154**

28.1.2. Calculation of Net Liabilities (Assets)

Consolidated

Description	Plan Mixed	Plan Transitional	Plan CELOS Health	Plan Savings	Others Benefits	Total
Liabilities (Assets) on 12/31/2021	**567,108**	**313,574**	**1,078,690**	**-**	**58,891**	**2,018,263**
Fair Value of Assets at the End of the Year	(1,998,714)	(390,962)	(52,626)	(13,529)	-	**(2,455,831)**
Actuarial Obligations at the End of the Year	2,481,674	648,748	1,159,625	1,677	54,430	4,346,154
Effect of the Asset and Liability Ceiling Add End of Year	-	-	-	11,852	-	11,852
Liabilities (Assets) on 12/31/2022	**482,960**	**257,786**	**1,106,999**	**-**	**54,430**	**1,902,175**

28.1.3. Reconciliation of the Fair Value of Assets

Consolidated

Description	Plan	Plan	Plan CELOS Health	Plan	
Balance on 12/31/2021	**1,941,920**	**369,239**	**50,097**	**12,800**	**2,374,056**
Benefits Paid in the Year Using Plan Assets	(217,539)	(90,657)	(112,544)	(310)	(421,050)
Participant Contributions Made in the Year	26,397	17,349	67,372	-	111,118
Employer Contributions Made in the Year	87,566	78,562	65,669	-	231,797
Expected Returns on Assets	203,257	38,936	6,287	1,352	249,832
Gain (Loss) on the Fair Value of Plan Assets	(42,887)	(22,467)	(24,255)	(313)	(89,922)
Balance on 12/31/2022	**1,998,714**	**390,962**	**52,626**	**13,529**	**2,455,831**

28.1.4. Costs Recognized in the Income Statement for the Quarter

Consolidated

Description	03.31.2023	03.31.2022
Transitional Plan	6,433	7,275
Mixed Plan	13,326	14,427
Health Plan	20,226	17,586

Other Benefits	1,561	1,528
Total	**41,546**	**40,816**
Personnel Expense	33,595	28,916
Financial Expense	7,951	11,900
Total	**41,546**	**40,816**

28.1.5. Estimated Expense for the Year 2023

The estimated expenditure for the year 2023 is shown below:

	Consolidated
Plans	Expenses to Recognize in 2023
Transitional Plan	25,730
Mixed Plan	53,303
Savings Plan	153
Health Plan	80,905
Other	6,093
Total	**166,184**

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28.1.6. Change in Actuarial Liabilities

Description	Mixed/Transitional Plan	CELOS Plan Health	Other Benefits	Total
Balance on 12/31/2022	**740,746**	**1,106,999**	**54,430**	**1,902,175**
Payment	(46,523)	(22,896)	(1,539)	(70,958)
Provision	19,759	20,226	1,561	41,546
Balance as of December 31, 2023	**713,982**	**1,104,329**	**54,452**	**1,872,763**

29. PIS/COFINS TO BE REFUNDED TO CONSUMERS

On April 1, 2019, according to the narrative already described in Note 11 of Recoverable Taxes, Celesc D obtained the final and unappealable decision of the favorable decision in court proceedings filed under No. 5006834-93.2012.4.04.7200, in which the right to recover amounts paid in excess of PIS/COFINS due to the inclusion of ICMS in the calculation basis of paid taxes. The decision limited the effects to the period from April 13, 2007 to December 31, 2014.

Celesc D adopted the understanding that all amounts recovered in the lawsuit will be reimbursed to consumers through mechanisms to be defined by ANEEL. Due to the system adopted, the accounting records were made between Assets (Taxes to be recovered) and Liabilities (PIS/COFINS to be refunded to Consumers).

With regard to Liabilities and the respective form of return, the topic is still the subject of administrative discussion by the ANEEL collegiate, via the opening of Public Consultation No. 005/2021, published on February 10, 2021. The contribution period was defined until March 29, 2021, with a view to obtaining subsidies for the improvement of the proposed refund of tax credits arising from the exclusion of ICMS from the aforementioned PIS/COFINS calculation base.

Public Consultation No. 005/2021, despite its deadline for contributions having ended on March 29, 2021, is still under consideration by the regulatory agency.

As for the return proposal, the main points addressed by the regulatory agency were the following: i) how the values should be returned; ii) how long the return must take place; iii) measures of incentives for the action of the distributors in the judicial sphere in the resolution of the matter and iv) what are the alternatives for the operationalization of the return of credits and possible implications.

Taking into account the preamble of the discussion, Celesc D pondered in its contribution that there is a need, among others, for an evaluation also regarding the prescription as a limiting framework for refunds to consumers, fundamental to not incur in repetition of overpayment. In this sense, the assessment of the regulatory body was considered relevant, concerning the statute of limitations of the respective credits, considering the discussion of the form of return due to the long period covered in the processes and the clear definition of the statute of limitations, which may fact be relegated to the judiciary, eventually, depending on the recommendation of the regulatory agency.

It should be noted that in the Periodic Tariff Review of Celesc D of August 22, 2021, the distributor advanced R$795.0 million to consumers in the area of its concession as an extraordinary negative financial component based on part of the authorized amount and in the process of approval with the Federal Revenue Service of Brazil.

Celesc D highlighted the prerogative of claiming future adjustments that equalize any financial differences between the aforementioned amount and the regulation to be edited by ANEEL, as well as financial adjustments in subsequent tariff processes, in the case of actions proposed by individual consumers that may not benefit from the return of PIS/COFINS.

On June 28, 2022, Law No. 14,385/2022 was published in the Federal Official Gazette, referring to the return of credits due to the reduction of ICMS from the PIS/Cofins base to Distributor customers.

Such enactment amended Law No. 9,427, of December 26, 1996, which was then in force with item II, of Article 3 B, in which it was defined that the entire amount of credits required from the Special Secretariat of Federal Revenue of Brazil to be offset until the subsequent tariff process. Furthermore, in paragraph 8 of article 3, it was also established that ANEEL will formulate equitable criteria, considering tariff procedures and applicable contractual provisions.

The refund of the entire amount of credits already offset by Celesc D, totaling R$806.3 million, was included in the Annual Tariff Adjustment – RTA of 2022, leading to a negative effect of 8.32% to the consumers.

Accordingly, the amounts to be refunded to consumers were adjusted under Law 14,385/2022, which equalized the adjustments of the amounts to be refunded to consumers at the same rule applied by the tax legislation, linked to the

Notes

SELIC rate for federal notes, monthly accrued, calculated as of the date of the undue payment or over-payment until the month before the compensation or refund, and 1% related to the month it is made.

In line with the adopted accounting policy, Celesc D, just as it updated tax credits until their effective use through PERDCOMP, also updated the credits to be returned to its consumers.

However, the amount entered in the 2022 RTA was greater than the amount updated by Celesc D and, accordingly, the updated balance in August 2022, in the amount of R$778.4 million, was transferred from the Other Liabilities account - PIS /Cofins to be refunded to Consumers from Non-Current Liabilities to the Financial Liabilities account – CVA of Current Liabilities. On the difference, in the amount of R$27.9 million, a Financial Asset - CVA was constituted against the Financial Liability - CVA, both in Current, since Celesc D's understanding is that the amounts were unduly discounted in the last precarious tariff process, due to the fact that the update made by ANEEL is not in line with current tax legislation, as recommended by Law No. 14,385/2022.

Management sent a letter to ANEEL in the scope of the RTA process and also of CP05/2021 stating its disagreement with the provisional methodology adopted by the Agency regarding the adjustment of the amounts and is awaiting the definition of the equitable criteria that are being claimed in lawsuits 48500.001747/2020-22 and 8500.004897/2021-79 and, additionally, stated in Technical Note 161/2022-SGT/ANEEL, of 8/12/2022:

> *56. Through the Letter CELESC S/N of August 11, 2022, the concessionaire expressed its opinion regarding divergences in the way of updating and accounting for the amounts of reversal to the consumer of PIS/COFINS credits. We emphasize that the topic is still under discussion within the scope of CP nº 05/2021 and CELESC's notes will be taken into account when closing the normative. Once the regulatory methodology for the treatment of amounts is defined and ratified, any future adjustments to amounts may be made.*

30. SHAREHOLDERS' EQUITY

30.1. Capital Stock

The Authorized Capital Stock in the Company's Bylaws is R$2.6 billion, represented by registered shares, with no par value, divided into common and preferred shares.

Of the Authorized Capital, R$2.48 billion are subscribed and paid up, represented by 38,571,591 registered shares with no par value, of which 15,527,137 are common shares with voting rights and 23,044,454 are preferred shares without voting rights.

30.2. Legal Reserve and Profit Retention

The Legal Reserve is constituted annually with the allocation of 5% of the Net Income for the Year and cannot exceed 20% of the Share Capital. The purpose of the Legal Reserve is to ensure the integrity of the Capital Stock and can only be used to offset losses and increase capital.

The Earnings Retention Reserve refers to the retention of the remaining balance of Retained Earnings, in order to meet the business growth project established in the Company's investment plan, according to the Capital Budget proposed and approved by the managers, resolved at the General Meeting of Shareholders.

30.3. Basic and Diluted Earnings per Share

The calculation of basic and diluted earnings per share on March 31, 2023 and 2022 was based on net income for the period and the weighted average number of common and preferred shares outstanding during the periods presented.

As of March 31, 2023 and 2022, the amounts of the Company's shares did not change. During this fiscal year, there were no transactions involving common shares or potential common shares between the balance sheet date and the date of completion of the Annual Financial Statements.

In the first quarter, as of March 31, 2023 and 2022, the Company had no convertible instruments that would have a dilutive impact on earnings per share.

Notes

30.4. Basic and Diluted Earnings per Share

Description	03.31.2023	03.31.2022
Weighted Average of Shares (thousand)		
Registered common shares - ON	15,527	15,527
Registered preferred shares - PN	23,044	23,044
Basic and Diluted Earnings per Share attributable to Company Shareholders (R$)		
Registered common shares - ON	5.3347	6.3572
Registered preferred shares - PN	5.8682	6.9930
Basic and Diluted Earnings attributable to Company Shareholders		
Registered common shares - ON	82,833	98,710
Registered preferred shares - PN	135,230	161,149
Total Basic and Diluted Earnings Attributed to Company Shareholders	**218,063**	**259,859**

30.5. Interest on Equity

The Company has chosen, in 2023, to deliberate on interim Interest on Equity on a quarterly basis, the approval of which is shown in the following table:

Description	Board of Directors Approval	Gross amount:	Net Income of Income tax
First Quarter	March 16, 2023	45,874	41,693
Total		**45,874**	**41,693**

The Interest on Equity capital was subject to income tax, according to the applicable legislation, will not be subject to monetary correction, will be imputed to the minimum mandatory dividends and should be paid in two installments, in accordance with the Company's Dividend Distribution Policy, the dates of which will be defined in due course by the Board of Directors.

30.6. Equity Valuation Adjustment

The effect of this group on Stockholders' Equity is R$1.16 billion at March 31, 2023, and R$1.16 billion at December 31, 2022, composed as follows:

	Consolidated	
Description	**03.31.2023**	**12/31/2022**
Attributed Cost – Celesc G (a)	13,323	13,470
Passive Actuarial Adjustment - Celesc D (b)	(1,035,048)	(1,035,048)
Fair Value Adjustment Other Comprehensive Income (c)	(137,261)	(137,261)
Total	**1,158,986**	**(1,158,839)**

a) The deemed cost, measured at fair value on the date of initial adoption of the CPCs in 2009, was recognized in the equity valuation adjustment, in shareholders' equity, net of deferred income tax and social contribution, with a contra entry to fixed assets. Its realization is recorded against the retained earnings account to the extent that the depreciation of the fair value of property, plant and equipment is recognized in profit or loss.

b) Actuarial gains and losses arising from adjustments based on experience and changes in actuarial assumptions are recorded directly in equity, as other comprehensive income – equity valuation adjustment.

c) Adjustment to fair value of the temporary investment in Companhia Catarinense de Águas e Saneamento – Casan, evaluated through other comprehensive income (Note 15).

31. INSURANCE

Insurance coverage, March 31, 2023, was contracted for the following amounts, according to insurance policies:

				Consolidated
Company	**Industry**	**Covered Assets**	**Term**	**Insured Amount (i)**
Celesc D	Surety Bond	Guarantee of Judicial/Administrative Proceedings	September 01, 2022 to September 01, 2023	500,000
Celesc D	Named Risks	Substations	From 11/10/2022 to 11/10/2023	27,000
Celesc G	Fire/Lightning/Explosion	Power Plants and Substations	From 09/01/2022 to 09/01/2023	147,126
Celesc G	Flooding and Inundation	Power Plants and Substations	From 09/01/2022 to 09/01/2023	30,000
Celesc G	Electrical Damage	Power Plants and Substations	From 09/01/2022 to 09/01/2023	41,443
Celesc G	Machine Fall	Power Plants and Substations	From 09/01/2022 to 09/01/2023	41,443
Celesc G	Containment of Claims	Power Plants and Substations	From 09/01/2022 to 09/01/2023	10,000
Celesc G	Errors and Omissions	Power Plants and Substations	From 09/01/2022 to 09/01/2023	2,000
Celesc G	Debris Removal	Power Plants and Substations	From 09/01/2022 to 09/01/2023	4,000
Celesc G	Riot and Strikes	Power Plants and Substations	From 09/01/2022 to 09/01/2023	30,000
Celesc G	Aircraft Crash and Thunderstorms	Power Plants and Substations	From 09/01/2022 to 09/01/2023	73,563
Parent Company	D&O insurance	Civil Liability D&O (Directors & Officers)	From 08/05/2022 to 08/05/2023	100,000
Parent Company	Surety Bond	Guarantee of Judicial Proceedings - Tax Foreclosures	From 11/18/2022 to 11/18/2024	40,740

(i) The assumptions and risks adopted, given their nature, are not part of the scope of an audit of the Financial Statements, consequently they were not examined by our independent auditors.

32. INFORMATION BY BUSINESS SEGMENT

The information by business segment, reviewed by Management and corresponding to the quarters ended March 31, 2023 and 2022, is as follows:

03.31.2023

Description	Parent Company	Celesc D	Celesc G	settings of Consolidation		Total
Net Operating Income - ROL	**-**	**2,562,294**	**46,806**	**(2,115)**		**2,606,985**
Cost of Sales	-	(2,102,418)	(10,484)	2,115	(i)	(2,110,787)
Gross Operating Income	**-**	**459,876**	**36,322**	**-**		**496,198**
Selling Expenses	-	(59,778)	(211)	-		(59,989)
General and Administrative Expenses	(5,980)	(140,029)	(4,229)	-		(150,238)
Other Net Income/Expenses	1,886	48,182	(167)	-		49,901
Equity Pickup	225,090	-	3,801	(212,302)	(ii)	16,589
Results of Activities	**220,996**	**308,251**	**35,516**	**(212,302)**		**352,461**
Financial revenues	(2,881)	287,046	4,501	(3,045)	(iii)	285,621
Financial Expenses	(52)	(340,000)	(1,510)	3,045	(iii)	(338,517)
Financial Result, Net	**(2,933)**	**(52,954)**	**2,991**	**-**		**(52,896)**
Income Before IRPJ and CSLL	**218,063**	**255,297**	**38,507**	**(212,302)**		**299,565**
IRPJ and CSLL	-	(69,708)	(11,794)	-		(81,502)
Net Income for the Year	**218,063**	**185,589**	**26,713**	**(212,302)**		**218,063**
Total Assets	**3,292,527**	**10,446,869**	**976,492**			
Total Liabilities	**237,162**	**8,594,561**	**198,015**			

03.31.2022

Description	Parent Company	Celesc D	Celesc G	settings of Consolidation	Total
Net Operating Income - ROL	**-**	**2,624,502**	**55,008**	**(2,356)**	**2,677,154**
Cost of Sales	-	(2,129,782)	(8,866)	2,356	(2,136,292)
Gross Operating Income	**-**	**494,720**	**46,142**	**-**	**540,862**
Selling Expenses	-	(58,981)	156	-	(58,825)
General and Administrative Expenses	(5,481)	(108,067)	(4,778)	-	(118,326)
Other Net Income/Expenses	3,788	6,728	1	-	10,517
Equity Pickup	264,425	-	1,246	(250,433)	15,238
Results of Activities	**262,732**	**334,400**	**42,767**	**(250,433)**	**389,466**
Financial revenues	(2,826)	99,398	3,608	(2,257)	97,923
Financial expenses	(47)	(116,395)	(3,231)	2,257	(117,416)
Financial Result, Net	**(2,873)**	**(16,997)**	**377**	**-**	**(19,493)**
Income Before IRPJ and CSLL	**259,859**	**317,403**	**43,144**	**(250,433)**	**369,973**
IRPJ and CSLL	-	(95,875)	(14,239)	-	(110,114)
Net Income for the Period	**259,859**	**221,528**	**28,905**	**(250,433)**	**259,859**
Total Assets	**3,043,353**	**11,552,907**	**956,138**		
Total Liabilities	**196,826**	**9,886,055**	**235,810**		

(i) Energy purchase and sale transactions between Celesc D and Celesc G.
(ii) Equity pickup of wholly-owned subsidiaries Celesc D and Celesc G.
(iii) Interest related to the loan agreement entered into between Celesc D and Celesc G

Notes

32.1. Consolidated Operating Income

Description	03.31.2023	03.31.2022
Gross Operating Income - ROB	**4,003,404**	**4,446,330**
Electric Power Supply (a)	1,676,188	2,670,866
Unbilled supply (a)	1,140	65,590
Electric Power Supply (a)	113,345	138,824
Unbilled supply (a)	335	(183)
Availability of the Electric Network (i)	1,815,391	1,425,928
Updating of Indemnifiable Financial Assets - Concession	8,056	6,258
Financial income	24,482	28,850
Income from Provision of Services	261	423
Short-Term Electricity	37,685	69,586
Income from Financial Assets/(Liability) (Portion A - CVA)	(115,249)	(401,839)
Other Operating Income	3,015	2,481
Donations and Grants (ii)	163,247	182,314
Construction Revenue - CPC 47	275,508	257,232
Deductions from Gross Operating Revenue	**(1,396,419)**	**(1,769,176)**
ICMS	(565,637)	(898,201)
PIS	(51,949)	(53,847)
COFINS	(239,279)	(248,027)
Electricity Development Account – CDE	(513,283)	(542,478)
Research and Development - R&D	17,405	(12,219)
Energy Efficiency Program - PEE	(5,706)	(11,844)
Inspection Fee - ANEEL	(2,470)	(2,213)
Financial Compensation for the Use of Water Resources - CFURH	(684)	(347)
Other Charges	(6)	-
Net Operating Income - ROL	**2,606,985**	**2,677,154**

(i) In compliance with the Electricity Sector Accounting Manual - MCSE, approved by Normative Resolution 933, of May 18, 2021, Celesc D performed the segregation of TUSD's revenue from Captive Consumers of Electricity Supply for Availability of the Electrical network.

(ii) Amount passed on by Eletrobras, referring to the reimbursement of discounts levied on the tariffs applicable to users of the public electricity distribution service. The amount of revenue recorded as CDE Subsidy (Decree No. 7,891/2013), in the first quarter of 2023, was R$141.3 million. The other amounts refer to the Low Income Program, totaling R$8.4 million, the supply of CCRBT Brands, totaling R$11.8 million and the difference in CDE reimbursement, totaling R$1.7 million.

a) Supply of Electric Energy

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	03.31.2023	**03.31.2022**	**03.31.2023**	**03.31.2022**	**03.31.2023**	**03.31.2022**
Residential	2,638,480	2,565,332	2,079,319	1,975,605	1,451,474	1,743,867
Industrial	134,748	128,428	2,629,066	2,628,659	373,004	512,229
Commercial	312,209	302,004	1,383,481	1,293,378	705,547	912,647
Rural	226,468	230,043	298,371	297,564	195,873	255,443
Government	25,493	24,422	127,148	121,316	87,185	105,494
Public Lighting	1,117	1,012	145,180	167,716	57,704	90,101
Public Service	4,179	4,008	111,285	94,465	52,258	79,227
Availability Revenue Reclassification	-	-	-	-	(1,245,717)	(962,552)
Total	**3,342,824**	**3,255,372**	**7,512,829**	**7,347,469**	**1,791,008**	**2,875,097**

32.2. Consolidated Operating Costs and Expenses

					03.31.2023
	Costs of Goods	General Description	and Other	Expenses Net	Total
Electric Power Purchased for/Resale	1,171,278	-	-	-	1,171,278
Electricity Use Charges (b)	449,850	-	-	-	449,850
Personnel (c)	85,412	70,989	7,058	308	163,767
Management	-	2,227	-	-	2,227
Actuarial Expense	-	33,595	-	-	33,595
Private Pension Entity (c)	4,157	2,984	271	-	7,412
Materials	9,315	2,034	-	3,810	15,159
Construction Cost	275,508	-	-	-	275,508
Third-Party Costs and Services	43,146	30,223	14,297	387	88,053
Depreciation and Amortization	66,415	6,658	103	493	73,669
Net Provisions	-	-	30,556	31,881	62,437
Lease and Rents	335	3,990	66	(136)	4,255
Infrastructure Sharing (d)	-	-	-	(63,604)	(63,604)
Other Income/Expenses	5,371	(2,462)	7,638	(23,040)	(12,493)
Total	**2,110,787**	**150,238**	**59,989**	**(49,901)**	**2,271,113**

					03.31.2022
	Costs of Goods General Description		and Other	Expenses Net	
Electric Power Purchased for/Resale	1,157,852	-	-	-	1,157,852
Electricity Use Charges (b)	526,559	-	-	-	526,559
Personnel (c)	83,697	53,689	16,162	205	153,753
Management	-	2,115	-	-	2,115
Actuarial Expense	-	28,916	-	-	28,916
Private Pension Entity (c)	4,098	2,151	590	-	6,839
Materials	7,032	1,881	-	4,894	13,807
Construction Cost	257,232	-	-	-	257,232
Third-Party Costs and Services	36,087	21,330	11,097	347	68,861
Depreciation and Amortization	60,118	6,768	101	493	67,480
Net Provisions	-	-	22,227	45,077	67,304
Lease and Rents	165	2,285	69	(90)	2,429
Infrastructure Sharing (d)	-	-	-	(49,976)	(49,976)
Other Revenue/ Expenses	3,452	(809)	8,579	(11,467)	(245)
Total	**2,136,292**	**118,326**	**58,825**	**(10,517)**	**2,302,926**

a) Electricity Purchased for Resale

		Consolidated
Description	**03.31.2023**	**03.31.2022**
Energy Purchase in the Regulated Environment - CCEAR	830,839	771,944
Electric Energy Trading Chamber - CCEE (i)	15,177	1,962
Itaipu Binacional	155,823	235,765
Bilateral Contracts	32,584	(136)
Nuclear Energy Quotas	52,522	55,256
Physical Guarantee Quotas	126,564	126,260
Proinfa	73,736	85,774
PIS/COFINS	(115,967)	(119,967)
Total	**1,171,278**	**1,156,858**

b) Electricity Use Charges

		Consolidated
Description	**03.31.2023**	**03.31.2022**
System Use Charge	361,547	292,315
System Services Charges - ESS	3,700	209,555
Itaipu Transport Charges	24,867	21,673
Reserve Energy Charge - EER	105,589	56,687
PIS/COFINS	(45,853)	(53,671)
Total	**449,850**	**526,559**

c) Personal and Private Pension

	Parent Company		Consolidated	
Description	**03.31.2023**	**03.31.2022**	**03.31.2023**	**03.31.2022**
Personnel	**2,288**	**2,297**	**163,767**	**153,753**
Remuneration	2,143	2,212	78,079	75,774
Social Charges	50	54	37,634	32,407
Profit Sharing	-	-	9,639	9,649
Assistance Benefits	-	-	24,614	21,294
Provisions and Indemnities	53	-	13,755	14,592
Other	42	31	46	37
Private Pension - CELOS	**1**	**2**	**7,412**	**6,839**
Total	**2,289**	**2,299**	**171,179**	**160,592**

d) Infrastructure Sharing

Refers to the use of fixing points on Celesc D poles, carried out by third parties, for the provision of telecommunications services of collective interest, such as telephony, internet, cable TV and others.

32.3. Financial Result

	Parent Company		Consolidated	
Description	**03.31.2023**	**03.31.2022**	**03.31.2023**	**03.31.2022**
Financial Revenues	**(2,881)**	**(2,826)**	**285,621**	**97,923**
Income from Financial Investments	1,132	290	24,139	21,711
Interest on Restricted Deposits	4	-	4	-
Additions on Mortgage without Electricity Bills	-	-	26,069	30,843
Monetary Variations	-	158	8,129	12,978
Monetary Restatement of/Financial Assets - CVA	-	-	25,099	37,281
Income from Dividends	52	(161)	52	(161)
Interest on Equity	51,525	38,197	1,518	38,197
Reversal of Interest on Equity	(51,525)	(38,197)	(1,518)	(38,197)
Other Financial Income	786	463	221,202	3,866
(-) PIS/COFINS w/o Financial Revenue	(4,855)	(3,576)	(19,073)	(8,595)
Financial Expenses	**(52)**	**(47)**	**(338,517)**	**(117,416)**
Debt Charges	-	-	(61,575)	(48,926)
Update Mathematical Reserve to Amortize	-	-	(7,951)	(11,900)
Tax on Financial Operations - IOF	-	-	(629)	(3,239)
Monetary Variations	-	-	(20,065)	(20,000)
R&D and Energy Efficiency Update	-	-	(4,144)	(2,930)
Monetary Update without Financial Liabilities - CVA	-	-	(22,068)	(22,563)
Interest on equity	(45,874)	(34,701)	(45,874)	(34,701)
Reversal of Interest on Equity	45,874	34,701	45,874	34,701
Interest and Costs with Debentures	-	-	(1,807)	(3,584)
Rent Interest Payable (CPC 06)	(2)	(6)	(157)	(279)
Other Financial Expenses	(50)	(41)	(220,121)	(3,995)
Financial Result	**(2,933)**	**(2,873)**	**(52,896)**	**(19,493)**

33. COMPLEMENTARY INFORMATION ON CELESC D

33.1. Statement of Financial Position – Assets

Assets	**03.31.2023**	**12/31/2022**
Current	**3,676,665**	**3,432,655**
Cash and Cash Equivalents	794,757	835,653
Trade receivables	1,939,180	1,743,436
Inventory	23,103	19,946
Recoverable taxes	743,285	652,607
CDE - Subsidy Decree No. 7,891/2013	47,086	47,086
Water Scarcity Bonus	1,138	1,138
Other	128,116	132,789
Noncurrent	**6,770,204**	**6,881,685**
Achievable in the Long Term	**2,429,103**	**2,615,588**
Trade receivables	16,579	16,775
Deferred taxes	688,479	709,023
Recoverable taxes	356,167	524,012
Court Deposits	271,377	281,256
Indemnifiable Financial Asset - Concession	1,093,856	1,005,617
Financial Asset - CVA	-	76,448
Other	2,645	2,457
Fixed Assets	**7,046**	**7,633**
Intangibles	**4,334,055**	**4,258,464**
Total Assets	**10,446,869**	**10,314,340**

Notes

33.2. Balance Sheet - Liabilities

Liabilities	03.31.2023	12/31/2022
Current	**4,113,114**	**3,765,969**
Suppliers	892,233	1,008,600
Loans - National Currency	379,137	262,833
Loans - Foreign Currency	76,456	34,396
Debentures	190,243	207,621
Labor and Social Security Obligations	221,967	226,132
Taxes to collect	319,075	233,759
Dividends and Interest on Equity - IoE Declared	197,312	154,806
Regulatory Fees	60,488	55,568
Loans - Affiliates, Subsidiaries or Parent Companies (i)	84,746	81,701
Lease Liabilities	1,196	1,438
Actuarial Liabilities (CPC 33)	242,760	242,238
Financial Liabilities - CVA	669,912	753,564
Water Scarcity Bonus	1,124	1,144
PIS/COFINS refundable to Consumers	639,887	366,981
Other	136,578	135,188
Noncurrent	**4,481,447**	**4,831,645**
Loans - National Currency	276,169	414,003
Loans - Foreign Currency	1,131,923	1,131,923
Debentures	317,887	356,032
Labor and Social Security Obligations	41,188	50,410
Regulatory Fees	102,304	105,094
Lease Liabilities	6,399	6,716
Actuarial Liabilities (CPC 33)	1,630,003	1,659,937
Provision for Contingencies	379,870	373,567
Financial Liabilities - CVA	116,758	
PIS/COFINS refundable to Consumers	478,946	733,963
Shareholders' Equity	**1,852,308**	**1,716,726**
Capital Stock	1,580,000	1,580,000
Profit Reserves	1,171,774	1,171,774
Equity Valuation Adjustment	(1,035,048)	(1,035,048)
Retained Earnings	135,582	-
Total Liabilities	**10,446,869**	**10,314,340**

(i) Mutual payments between Celesc D and Celesc G

On October 28, 2021, the Company's Board of Directors approved the transfer of R$70.0 million from Celesc G to Celesc D in the form of a loan agreement. ANEEL's consent was given through Order No. 3,316, of October 19, 2021, with the contract signed between the parties on November 1, 2021, the date on which the funds were transferred. The agreement provides for the addition of interest to the principal amount, based on CDI remuneration + 2.1% per year, and was effective for 12 months.

The funds transferred were intended to mitigate cash flows, especially in view of the challenges of complying with the concession contract and all regulatory requirements to achieve quality indicators.

In a meeting of the Board of Directors, held on October 5, 2022, the extension of this contract was approved for another 12 months, aiming to adjust Celesc D's cash flow to operational and investment needs, mitigating the risks of non-compliance with obligations financial statements in the years 2022 and 2023.

By March 31, 2023, R$13.6 million (R$10.5 million for 2022 and R$3.1 million for 2023) of remuneration interest has already been recognized.

Celesc Centrais Elétricas de Santa Catarina S.A. GOVSC

Notes

33.3. Income Statement

Description	03.31.2023	03.31.2022
Net Operating Income - ROL	**2,562,294**	**2,624,502**
Net Revenue from Electric Energy Sales and Service	2,393,979	2,762,851
Revenue from Financial Assets (Liabilities) - CVA	(115,249)	(401,839)
Construction Revenue - CPC 47	275,508	257,232
Updating of Indemnifiable Financial Assets - Concession	8,056	6,258
Costs of Sales/Services Provided	**(2,102,418)**	**(2,129,782)**
Cost of goods sold	(1,616,432)	(1,680,689)
Cost of Services Provided	(210,478)	(191,861)
Construction Cost - CPC 47	(275,508)	(257,232)
Gross Operating Income	**459,876**	**494,720**
Operating Expenses	**(151,625)**	**(160,320)**
Selling expenses	(59,778)	(58,981)
General and Administrative Expenses	(140,029)	(108,067)
Other Operating Income and Expenses	48,182	6,728
Operating Result before Financial Result	**308,251**	**334,400**
Financial Result	**(52,954)**	**(16,997)**
Financial Income	287,046	99,398
Financial expenses	(340,000)	(116,395)
Income Before IRPJ and CSLL	**255,297**	**317,403**
Income Tax and Social Contribution	**(69,708)**	**(95,875)**
Current	(49,163)	(131,338)
Deferred	(20,545)	35,463
Net Income for the Year	**185,589**	**221,528**

33.3.1. Operating Income

Description	03.31.2023	03.31.2022
Gross Operating Income - ROB	**3,953,640**	**4,387,738**
Electric Power Supply (a)	1,669,446	2,662,983
Unbilled Supply (a)	1,658	64,748
Electric Power Supply (a)	94,592	116,880
Financial Assets and (Liabilities) - CVA	(115,249)	(401,839)
Availability of Electric Network	1,816,274	1,426,672
Short-Term Energy	36,832	69,586
Income from Provision of Services	261	423
Donations and Grants	163,247	182,314
Construction Revenue	275,508	257,232
Updating of Indemnifiable Financial Assets - Concession	8,056	6,258
Other Operating Income	3,015	2,481
Deductions from Gross Operating Revenue	**(1,391,346)**	**(1,763,236)**
ICMS	(565,637)	(898,201)
PIS	(51,251)	(52,956)
COFINS	(236,064)	(243,921)
Energy Development Account - CDE	(513,283)	(542,478)
R&D	(17,119)	(11,844)
Energy Efficiency Program - PEE	(5,706)	(11,844)
Inspection Fee - ANEEL	(2,280)	(1,992)
Other Charges	(6)	-
Net Operating Income - ROL	**2,562,294**	**2,624,502**

Supply: the decrease is due, mainly, to the reduction in the ICMS rate imposed by Complementary Law no. 194/2022, as well as the reduction in the billing of Tariff Flags, due to the revocation of Resolution no. 03, issued by the MME on August 31, 2021, which established the creation of the Hydric Shortage Tariff Flag, in the amount of R$142.00/MWh.

Short-term Electricity: reduction in the sale of Excess Energy (MVE).

Availability of network use: the increase is due to the application of the average tariff adjustment of 11.32%, as of August 22, 2022 (2022/2023 cycle) and the average consumption increase of 3.3% (free consumers). There is also the segregation of the TUSD revenue of Captive Consumers from Electricity Supply to Electricity Network Availability

Regulatory financial assets (liabilities) revenue: the decrease occurred due to the reduction of costs with the variation of non-manageable costs (Part A) and the reduction of the revenue from the tariff flags.

a) Supply of Electric Energy

The breakdown of Gross Revenue from electricity supply and supply by consumer class is as follows:

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	03.31.2023	03.31.2022	03.31.2023	03.31.2022	03.31.2023	03.31.2022
Residential	2,638,480	2,565,332	2,079,319	1,975,605	1,451,474	1,743,867
Industrial	134,736	128,418	2,607,637	2,599,157	367,878	504,973
Commercial	312,208	302,003	1,378,296	1,286,495	704,449	911,178
Rural	226,468	230,043	298,371	297,564	195,873	255,443
Government	25,493	24,422	127,148	121,316	87,185	105,494
Public Lighting	1,117	1,012	145,180	167,716	57,704	90,101
Public Service	4,179	4,008	111,285	94,465	52,258	79,227
Availability Revenue Reclassification	-	-	-	-	(1,245,717)	(962,552)
Total Supply	**3342681**	**3255238**	**6747236**	**6542318**	**1671104**	**2727731**
Total	**3,342,735**	**3,255,291**	**7,319,063**	**7,167,570**	**1,765,696**	**2,844,611**

Electricity Grid Captive Consumers

33.3.2. Operating Costs and Expenses

Description	Cost of Goods and/or Services	Despesas Gerais e Administrativas	Despesas com Vendas	Other Expenses/Revenues Net	03.31.2023 Total
Electric Power Purchased for Resale	1,616,432	-	-	-	1,616,432
Personnel	84,721	65,218	7,050	308	157,297
Actuarial Expense	-	33,595	-	-	33,595
Private Pension Entity	4,157	2,983	271	-	7,411
Materials	9,239	2,027	-	3,645	14,911
Construction Cost	275,508	-	-	-	275,508
Third-Party Costs and Services	41,344	28,802	14,200	387	84,733
Depreciation and Amortization	65,687	6,483	103	-	72,273
Net Provisions	-	-	30,466	31,919	62,385
Other	5,330	921	7,688	(84,441)	(70,502)
Total	**2,102,418**	**140,029**	**59,778**	**(48,182)**	**2,254,043**

Description	Costs of Goods	General and	Other	Expenses Net	03.31.2022
Electric Power Purchased for Resale	1,680,689	-	-	-	1,680,689
Personnel	83,107	47,915	15,996	205	147,223
Actuarial Expense	-	28,916	-	-	28,916
Private Pension Entity	4,098	2,149	590	-	6,837
Materials	6,903	1,852	-	4,894	13,649
Construction Cost	257,232	-	-	-	257,232
Third-Party Costs and Services	34,798	19,936	11,041	347	66,122
Depreciation and Amortization	59,375	6,631	101	-	66,107
Net Provisions	-	-	22,620	44,987	67,607
Other	3,580	668	8,633	(57,161)	(44,280)
Total	**2,129,782**	**108,067**	**58,981**	**(6,728)**	**2,290,102**

Updating of financial assets and liabilities: Update is by Selic. Variations occur, depending on whether the amounts constituted are Financial Assets (income) or Liabilities (expense).

Most of the variation in debt charges refers to charges and interest on the loan agreement with Banco Safra, in the amount of R$550.0 million in February 2022, for working capital.

Debt charges: The Charges for Loans in national currency, from the IDB and the debentures, are updated by the CDI rate. In the first quarter of 2023 the accumulated CDI was 3.24%, while in the same period of 2022 it was 2.42%.

33.3.3. Financial Result

Description	03.31.2023	03.31.2022
Financial Revenues	**287,046**	**99,398**
Income from Financial Investments	21,348	19,768
Monetary Variations	8,129	12,978
Monetary Restatement on Regulatory Assets	25,099	37,281
Interest and Delayed Payments on Energy Sold	26,068	30,842
Other Financial Income	220,400	3,372
(-) Taxes on Financial Revenue	(13,998)	(4,843)
Financial Expenses	**(340,000)**	**(116,395)**
Debt Charges	(61,575)	(48,926)
Interest and Monetary Update Mathematical Reserve	(7,951)	(11,900)
IOF – Tax on Financial Operations	(629)	(3,239)
Mutual Charges	(3,045)	(2,257)
Update R&D and Energy Efficiency	(4,094)	(2,905)
Debenture Issue Costs	(380)	(380)
Monetary Variations - Debentures	(20,040)	(19,855)
Other Monetary Variations	(25)	(145)
Monetary Restatement on Regulatory Assets	(22,068)	(22,563)
Interest on equity	(50,007)	(38,197)
Reversal of Interest on Equity	50,007	38,197
Rent Interest Payable (CPC 06)	(155)	(273)
Other Financial Expenses	(220,038)	(3,952)
Financial Result	**(52,954)**	**(16,997)**

34. SUPPLEMENTARY INFORMATION ON CELESC G

34.1. Balance Sheet - Assets

Assets	03.31.2023	12/31/2022
Current	**141,959**	**140,062**
Cash and Cash Equivalents	57,685	56,826
Trade receivables	15,224	15,800
Inventory	72	73
Recoverable taxes	5,406	2,300
Prepayment to Suppliers	1,805	1,805
Prepaid Expenses	652	1,043
Dividends and IoE to Receive	2,624	4,656
Financial Asset - Grant Bonus	40,668	40,019
Financial Asset - Indemnity Basic Project Pery Plant	17,820	17,536
Other	3	4
Noncurrent	**834,533**	**815,408**
Achievable in the Long Term	**543,457**	**532,197**
Loans (Note 33.2)	84,746	81,701
Court Deposits	1,212	1,212
Recoverable taxes	706	768
Indemnifiable Financial Asset - Concession	2,421	2,421
Financial Asset - Grant Bonus	312,473	306,791
Financial Asset - Indemnity Basic Project Pery Plant	141,899	139,304
Investments	**113,497**	**110,956**
Fixed Assets	**131,854**	**126,094**
Intangibles	**45,725**	**46,161**
Total Assets	**976,492**	**955,470**

34.2. Balance Sheet - Liabilities

Liabilities	03.31.2023	12/31/2022
Current	**62,964**	**73,332**
Suppliers	7,944	7,316
Debentures	3,375	2,849
Taxes to collect	10,672	21,239
Regulatory Fees	650	498
Dividends and Interest on Equity	38,724	38,724
Other	1,599	2,706
Noncurrent	**135,051**	**130,374**
Debentures	40,512	39,611
Deferred taxes	92,859	89,214
Regulatory Fees	1,680	1,549
Shareholders' Equity	**778,477**	**751,764**
Capital Stock	450,000	450,000
Profit Reserves	35,679	272,975
Retained Earnings Reserve	237,296	-
Dividends Available at the ASM	15,319	15,319
Equity Valuation Adjustment	13,323	13,470
Retained Earnings	26,860	-
Total Liabilities	**976,492**	**955,470**

34.3. Results report

Description	03.31.2023	03.31.2022
Net Operating Income - ROL	**46,806**	**55,008**
Net Revenue from Electric Energy Sales	46,806	55,008
Sales Costs	**(10,484)**	**(8,866)**
Cost of operation	(10,484)	(8,866)
Gross Profit	**36,322**	**46,142**
Operating Expenses	**(806)**	**(3,375)**
With sales	(211)	156
General and Administrative	(4,229)	(4,778)
Other Operating Income and Expenses	(167)	1
Equity Pickup	3,801	1,246
Operating Result before Financial Result	**35,516**	**42,767**
Financial Result	**2,991**	**377**
Financial Income	4,501	3,608
Financial expenses	(1,510)	(3,231)
Income Before IRPJ and CSLL	**38,507**	**43,144**
Income Tax and Social Contribution	**(11,794)**	**(14,239)**
Current	(8,148)	(10,963)
Deferred	(3,646)	(3,276)
Net Income for the Year	**26,713**	**28,905**

34.3.1. Operating Income

Description	03.31.2023	03.31.2022
Gross Operating Income - ROB (a)	**51,879**	**60,948**
Electric Power Supply - Industrial	5,660	6,434
Electricity Supply - Industrial - Unbilled	(518)	842
Electric Power Supply – Commercial	1,098	1,469
Electric Power Supply	19,969	21,439
Electric Power Supply - Not Billed	335	(183)
Short-Term Electricity	853	2,097
Grant Bonus Financial Income	16,957	19,673
Pery Plant Financial Revenue	7,525	9,177
Deductions from Operating Income	**(5,073)**	**(5,940)**
PIS	(698)	(891)
COFINS	(3,215)	(4,106)
Inspection Fee	(190)	(221)
Research and development - R&D	(286)	(375)
Financial Compensation for the Use of Water Resources	(684)	(347)
Net Operating Income - ROL	**46,806**	**55,008**

Financial Revenue - The reduction in financial revenue, when comparing the first quarter of 2022 and 2023, is justified by the reduction in the IPCA. In the first quarter of 2022 the accumulated IPCA was 3.2%, and in the same period of 2023, the IPCA was 2.09%.

a) Supply of Electric Energy

Description	Number of Consumers (i)		MWh (i)		Gross Revenue	
	03.31.2023	03.31.2022	03.31.2023	03.31.2022	03.31.2023	03.31.2022
Industrial	12	10	21,429	29,502	5,142	7,276
Commerce, Services and Others	1	1	5,185	6,883	1,098	1,469
Power Supply	76	70	167,152	143,156	20,304	21,256
Short-Term Electric Energy (CCEE)	-	-	2,262	358	853	2,097
Total	**89**	**81**	**196,028**	**179,899**	**27,397**	**32,098**

(i) Unrevised information

34.3.2. Operating Costs and Expenses

03.31.2023

Description	Costs of Goods and/or Services	Despesas Gerais e Administrative	Expenses with Sales	Other Expenses/Revenues Net	Total
Electric Power Purchased for Resale	4,996	-	-	-	4,996
Electric Energy Purchased for Resale CP	916	-	-	-	916
Electricity Use Charges	883	-	-	-	883
Personnel	691	3,483	8	-	4,182
Materials	76	7	-	165	248
Third-Party Costs and Services	1,818	547	97	-	2,462
Depreciation and Amortization	728	108	-	-	836
Insurance	391	-	-	-	391
Net Provisions	-	-	90	-	90
Taxes	14	40	16	-	70
Rents	-	31	-	-	31
Other	29	13	-	2	(14)
Total	**10,484**	**4,229**	**211**	**167**	**15,091**

03.31.2022

Description	Cost of Goods and/or Services	General and Administrative Expenses	Selling Expenses	Other expenses Net Revenues	Total
Electric Power Purchased for Resale	4,320	-	-	-	4,320
Electricity Purchased for Resale CP	994	-	-	-	994
Electricity Use Charges	744	-	-	-	744
Personnel	590	3,477	166	-	4,233
Materials	129	29	-	-	158
Third-Party Costs and Services	1,309	750	56	-	2,115
Depreciation and Amortization	743	81	-	-	824
Insurance	53	220	-	-	273
Net Provisions	-	-	(393)	-	(393)
Taxes	(11)	33	15	-	37
Rents	-	31	-	(1)	30
Other	(5)	157	-	-	152
Total	**8,866**	**4,778**	**(156)**	**(1)**	**13,487**

Amortized With the renegotiation of the hydrological risk in September 2021, there was the recognition of the Intangible Assets referring to the new concession period of the HPPs that were renegotiated. This Intangible Asset is amortized on a straight-line basis until the end of the new concession period.

34.3.3. Financial Result

The financial revenue of R$3.05 million is due to the recognition of interest on the loan agreement with Celesc D. The reduction in debenture interest is justified by the discharge of the 2018 debentures that occurred in November 2022.

Description	03.31.2023	03.31.2022
Financial Revenues	**4,501**	**3,608**
Income from Financial Applications	1,659	1,653
Loan Agreement Interest	3,045	2,099
Moratorium Additions w/o Electricity Invoices	1	1
Other Financial Income	(204)	(145)
Financial Expenses	**(1,510)**	**(3,231)**
Interest w/o Debentures	(1,394)	(3,048)
Debenture Issue Costs	(33)	(156)
R&D Upgrade	(50)	(25)
Other Financial Expenses	(33)	(2)
Financial Result	**2,991**	**377**

35. SUBSEQUENT EVENTS

35.1. Forecast of inflow of resources of the Account for Energy Developm

ANEEL, by means of Order 1,120 of April 24, 2023, fixed the amounts of resources of the Energy Development Account - CDE referring to the amounts contributed by Eletrobras or its subsidiaries, under the terms of the Resolution 15 of the National Energy Policy Council, of August 31, 2021, to be transferred to the electric power distribution concessionaires and permissionaires, by May 2, 2023, in the current accounts linked to the transfer of the Tariff Modicity of the Energy Development Account - CDE.

Notes

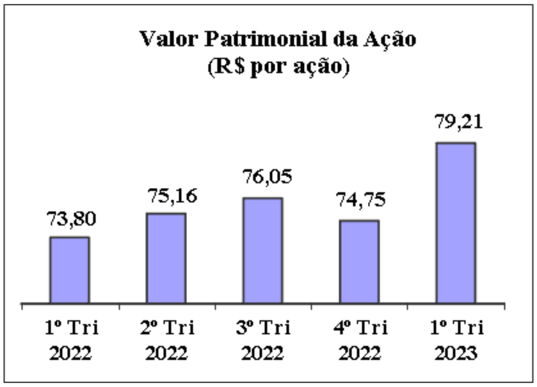
The amount to be transferred to Celesc D is R$27,411,649.17 (twenty-seven million, four hundred and eleven thousand, six hundred and forty-nine reais and seventeen cents), which corresponds to 4.41696% of the total amount to be transferred, as set forth in the attachment to the abovementioned Order.

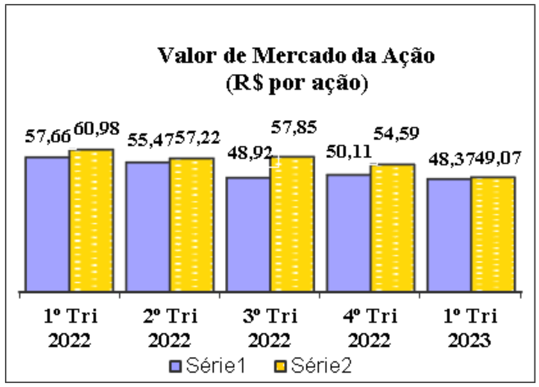
Other information that the considers relevant

1. QUARTERLY FINANCIAL INDICATORS

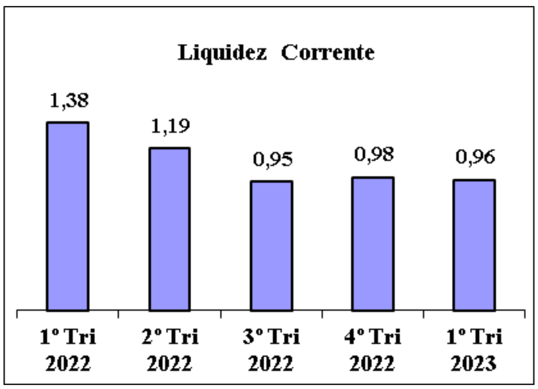
(Unrevised information)

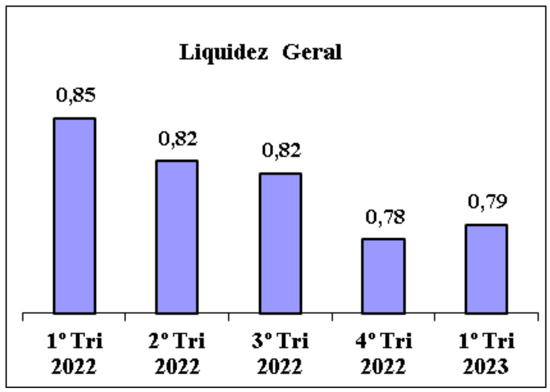
1.1. Equity



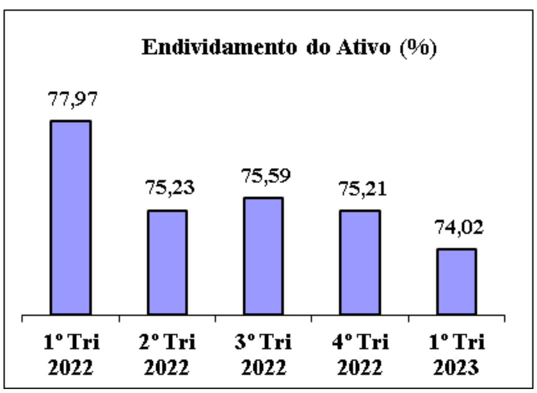


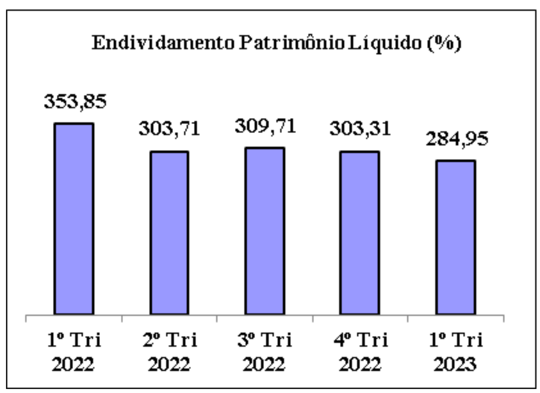
1.2. Liquidity





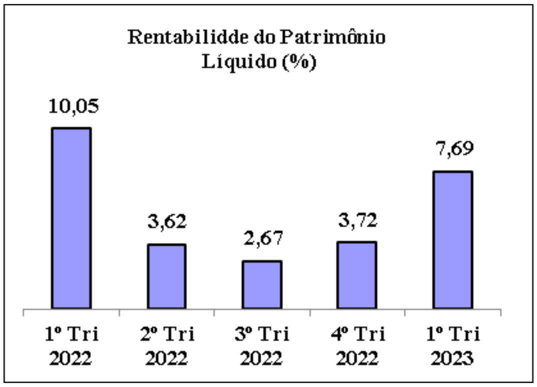
1.3. Indebtedness

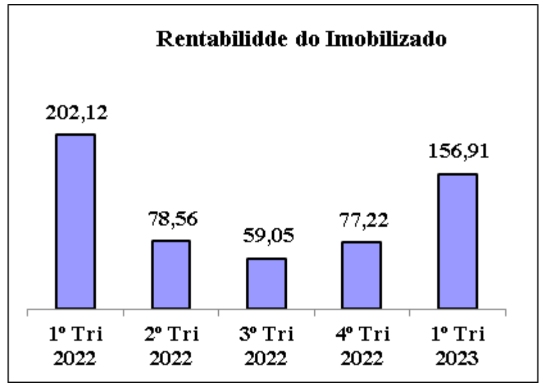


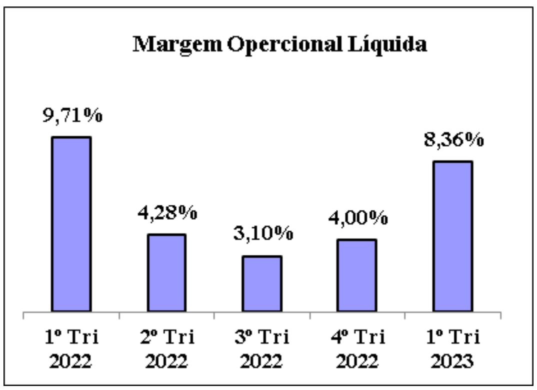


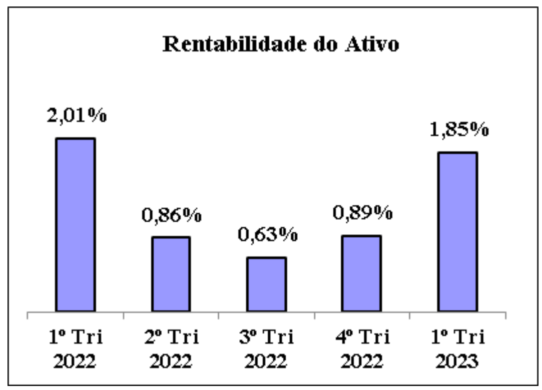
Other information that the considers relevant

1.4. Profitability

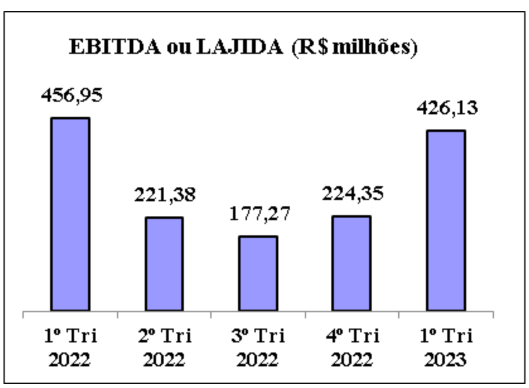


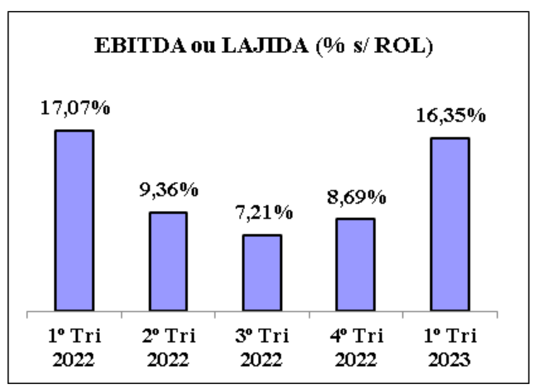






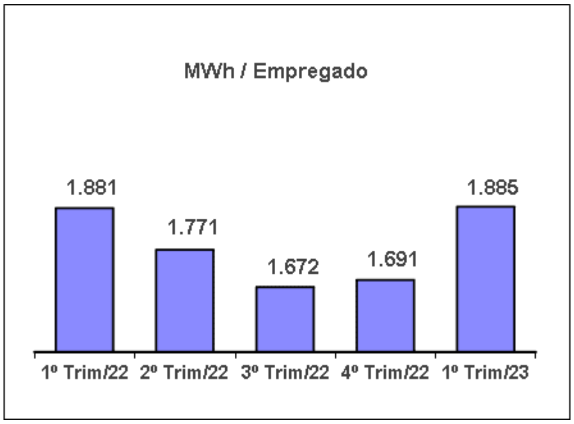
1.5. EBITDA or LAJIDA

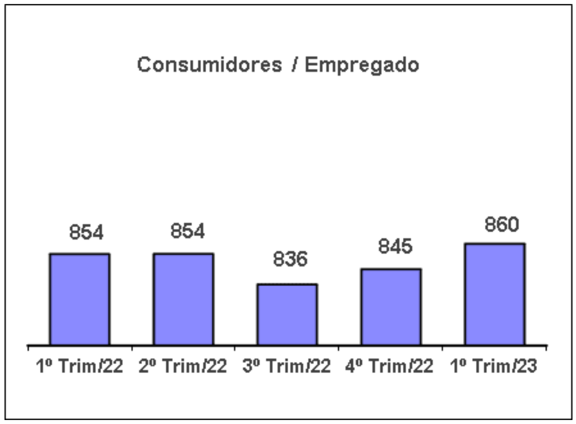


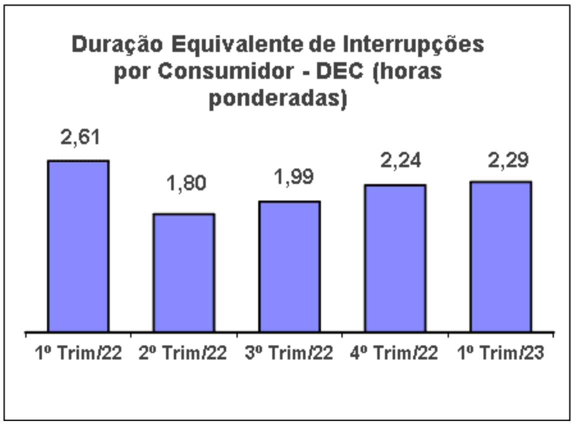


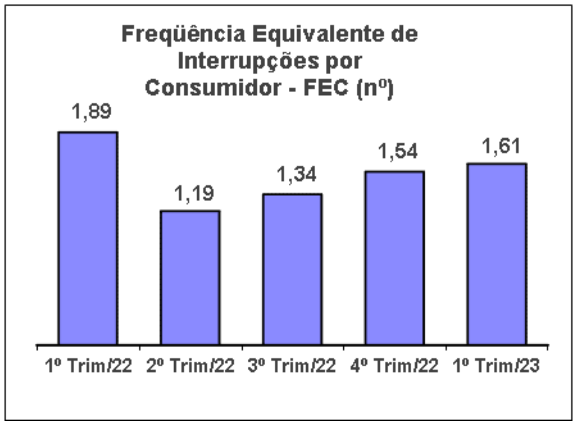
Other information that the considers relevant

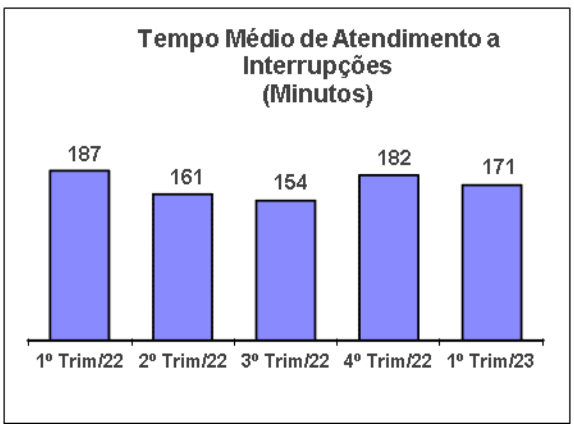
1.6. Efficiency











Opinions and Statements Special Review Report - Unqualified

Report on the review of quarterly information To

Management and Shareholders of
Centrais Elétricas de Santa Catarina S.A.

Introduction

We have reviewed the parent company and consolidated interim financial information of Centrais Elétricas de Santa Catarina S.A.. (“Company”), included in the Quarterly Information Form - (ITR) for the quarter ended March 31, 2023, comprising the statements of financial position as of March 31, 2023 and corresponding statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, as well as the summary of the main accounting policies and the other explanatory notes.

Management is responsible for preparing the parent company and consolidated quarterly financial information according to Technical Pronouncement CPC 21 - “Interim Financial Reporting” and the international accounting standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as for presenting this information in compliance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to draw a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and International Standards for the review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The scope of a review is significantly narrower than that of an audit conducted in accordance with auditing standards and therefore does not enable us to obtain assurance that we would be cognizant of all significant matters that could be identified in an audit. As a result, we do not express an audit opinion.

Conclusion on the quarterly information

Based on our review, nothing has come to our attention that causes us to believe that the parent company and consolidated quarterly information included in the quarterly information form referred to above has not been prepared, in all material aspects, under CPC 21 and IAS 34, applicable to the preparation of the Quarterly Information Form (ITR) and presented under the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Value added statements

The quarterly information referred to above includes the parent company and consolidated statements of value added (DVA) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company’s management and presented as additional information under IAS 34. These statements were subject to review procedures performed together with the review of the quarterly information, with the purpose of evaluating whether they are reconciled to the interim financial information and accounting records, as applicable, and whether their form and content are under the criteria established in Technical Pronouncement CPC 09 – Value Added Statement. Based on our review, nothing has come to our attention that causes us to believe that the value added statements referred to above have not been prepared, in all material respects, according to the criteria defined in this Technical Pronouncement consistently to the parent company and consolidated quarterly information taken as a whole.

Florianópolis, May 12, 2023

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Leandro Sidney Camilo da Costa
Accountant CRC 1SP236051/O-
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Opinions and Statements Statement from the executive officers on the financial statements

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE INTERIM FINANCIAL STATEMENTS

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed, and agreed with all information in the Company’s Interim Financial Statements for the first quarter of 2023.

Tarcísio Estefano Rosa
Chief Executive Officer

Júlio Cesar Pungan
Chief Financial and Investor Relations Officer

Cláudio Varella do Nascimento
-Distribution Officer

Ivécio Pedro Felisbino Filho
Generation, Transmission and New Business Officer

Marcos Penna
Planning, Control and Compliance Officer

Pedro Augusto Schmidt de Carvalho
Júnior-Energy Regulation and
Management Officer

Pilar Sabino da Silva
Corporate Management Officer

Vitor Lopes Guimarães
Chief Commercial
Officer

Rogéria Rodrigues Machado –
CRC/SC 024.797/O-0

Opinions and Statements Executive Officers' Statement on the Independent Auditor's Report

STATEMENT FROM THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITORS' REPORT

The Executive Officers of Centrais Elétricas de Santa Catarina S.A. - Celesc have examined, reviewed and agreed with all information included in the Independent Auditors' Report on the Company's Interim Financial Statements for the first quarter of 2023.

Tarcísio Estefano Rosa
Chief Executive Officer

Júlio Cesar Pungan
Chief Financial and Investor Relations Officer

Cláudio Varella do Nascimento
-Distribution Officer

Ivécio Pedro Felisbino Filho
Generation, Transmission and New Business Officer

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