

*(Convenience Translation into English from the Original
Previously Issued in Portuguese)*

Neoenergia S.A.

Report on Review of Interim Financial Information for the
Three-month Period Ended March 31, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Neoenergia S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Neoenergia S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended March 31, 2023, which comprises the statement of financial position as of March 31, 2023, and the related statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management's Company is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review 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. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the ITR referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of added value

The interim financial information referred to above includes the individual and consolidated statements of added value (“DVA”) for the three-month period ended March 31, 2023, prepared under the responsibility of the Company’s Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Added value. Based on our review, nothing has come to our attention that causes us to believe that these statements of added value were not prepared, in all material respects, in accordance with CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole.

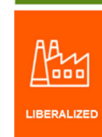
Rio de Janeiro, April 25, 2023

DELOITTE TOUCHE TOHMATSU
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Auditores Independentes Ltda.



Jônatas José Medeiros de Barcelos
Engagement Partner

HIGHLIGHTS (R\$ MM) 1Q23	1Q23	1Q22	Δ %
Net Operating Revenue	11,107	9,882	12%
Gross Margin	4,760	4,180	14%
Operating Expenses	(970)	(889)	9%
EBITDA	3,620	3,169	14%
Financial Income (Loss)	(1,272)	(917)	39%
Profit assigned to controlling shareholders	1,215	1,212	0%
Financial Asset (Concession)	649	532	22%
IFRS 15	362	210	72%
Adjusted EBITDA	2,609	2,427	7%



OPERATING INDICATORS			
Distributed Energy (GWh) (1)	16,732	16,828	(0.6%)
Injected Energy (GWh) (1)	19,510	19,477	0.2%
Number of Customers (thousand) (1)	16,111	15,804	2%

Financial Debt Indicators	1Q23	2022	Variation
Net Debt(2)/EBITDA(3)	3.06	3.15	(0.09)
Corporate Rating (S&P)	AAA	AAA	-

(1) Merely for the purpose of comparison, Neoenergia Brasília considers data between 01/01/21 and 03/01/2021, period prior to its merger.

(2) Net Debt of cash and cash equivalents, short-term investments and securities

(3) EBITDA 12 months

EBITDA grew by +14% and Adjusted EBITDA reached R\$ 2.6 billion in the 1Q23, a 7% increase vs. 1Q22.

- Injected energy of 19,510 GWh in the 1Q23, +0.2% vs. 1Q22, due to improved market conditions in Bahia and Brasília, which offset the impacts of lower temperatures and the energy distributed in the other concessions;
- Profit of R\$ 1,215 million in the 1Q23, in line with the 1Q22;
- Capex of R\$ 2.1 billion in the 1Q23 (-13% vs. 1Q22), higher realization in Networks and lower realization in Renewables due to the conclusion of the projects;
- Net Debt/EBITDA of 3.06x in the 1Q23 impacted by the de-consolidation of the financial debt from operational transmission assets in -0.14 p.p.;
- Losses continue to drop, with three of the five distributors within the regulatory limit;
- Full start of commercial operation of the 149MWp of the Luzia Solar Complex;
- Neoenergia Coelba Tariff Review, with an average effect to be perceived by consumers of 8.18%, recognition of a Net RAB of R\$ 15.3 billion and Parcel B of R\$ 5.5 billion (+2.5% vs. the one verified in the last 12 months);
- Neoenergia Cosern Tariff Review, with an average effect to be perceived by consumers of 4.26%, recognition of a Net RAB of R\$ 3.4 billion and Parcel B of R\$ 1.2 billion (+0.25% vs. the one verified in the last 12 months).

1Q23 TELECONFERENCE

Wednesday, April 26th 2023

Time: 10:00 (BRT) | 9:00 (ET)

(with simultaneous translation into English)

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Access to Webcast: <https://choruscall.com.br/neoenergia/1q23.htm>

NEOENERGIA S.A. DISCLOSES THE RESULTS FOR THE FIRST QUARTER 2023 (1Q23) BASED ON MANAGEMENT ANALYSES THAT THE BOARD OF DIRECTORS UNDERSTANDS TO TRANSLATE THE COMPANY'S BUSINESS IN THE BEST MANNER AND RECONCILED WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS.

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1. ECONOMIC-FINANCIAL PERFORMANCE

1.1. Consolidated

CONSOLIDATED STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Operating Revenue (1)	11,107	9,882	1,225	12%
Costs with Energy (2)	(6,996)	(6,234)	(762)	12%
Gross Margin w/out Concession Financial Assets	4,111	3,648	463	13%
Concession Financial Assets (VNR)	649	532	117	22%
GROSS MARGIN	4,760	4,180	580	14%
Operating Expenses	(970)	(889)	(81)	9%
Provisions for Delinquency (PECLD)	(176)	(130)	(46)	35%
(+) Equity Accounting / Fair Value Adj.	6	8	(2)	(25%)
EBITDA	3,620	3,169	451	14%
Depreciation	(609)	(527)	(82)	16%
Financial Income (Loss)	(1,272)	(917)	(355)	39%
IR/CS	(505)	(487)	(18)	4%
Minority shareholdings	(19)	(26)	7	(27%)
NET INCOME	1,215	1,212	3	0%

(1) Considers Construction Revenue

(2) Considers Construction Costs

As expressed in Technical Guidance CPC 08, the recognition and measurement of variations between non-manageable costs effectively incurred in relation to approved tariffs are always classified in the Operating Revenue line as Amounts Receivable/Returnable from Parcel A and Other Financial Items. Considering that a large part of Parcel A is recorded as energy cost, the isolated analysis of revenue and cost variations can lead to distortions in the interpretation of the result for the period. Thus, the Company believes that it is more appropriate to explain the variations in the result based on the Gross Margin.

Neoenergia ended the 1Q23 with a Gross Margin of R\$ 4,760 million, +14% vs. 1Q22, impacted by the effects of: (i) the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern effective as of the end of April/22 (variation of parcel B: +14.14%, +14.82% and +14.75% respectively), of Neoenergia Elektro, in effect as of the end of August/22 (variation of parcel B: +9.32%) and of Neoenergia Brasilia, in effect as of the beginning of November/22 (variation of parcel B: + 5.2%); (ii) higher Concession Financial Assets, due to a one-off adjustment to the remuneration base of Neoenergia Coelba and Neoenergia Cosern for the Tariff Review, mitigating the impact of the lower IPCA; (iii) higher Capex in transmission; and (iv) increased income from Renewables due to the start of operation of the Chafariz and Oitis Wind Complexes and the Luzia Solar Complex.

Operating expenses amounted to R\$ 970 million in the 1Q23, +9% vs. 1Q22. Normalizing the effect of the new transmission and renewable businesses, this variation is reduced to +8%.

PECLD was R\$ 176 million in the 1Q23, +R\$ 46 million vs. 1Q22. Neoenergia's PECLD/ROB indicator was 1.63% in the 1Q23, vs. 1.19% in the 4Q22 and 1.15% at the regulatory level.

As a result of these effects, EBITDA was R\$ 3,620 million in the 1Q23 (+14% vs. 1Q22). Adjusted EBITDA was R\$ 2,609 million (+7% vs. 1Q22).

The Consolidated Financial Income (Loss) was -R\$ 1,272 million in the 1Q23, worse by R\$ 355 million vs. 1Q22. This variation is mainly explained by higher expenses with debt charges, higher CDI, in addition to the increase in the average debt balance due to funding used for Capex of new transmission, wind and solar projects, in addition to the Distributors.

Net income ended the quarter at R\$ 1,215 million, in line with the 1Q22.

1.2. Networks

The result of the Networks segment contemplates the performance of both distributors and transmission assets.

NETWORKS STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	10,760	9,541	1,219	13%
Costs with energy	(7,171)	(6,467)	(704)	11%
Gross Margin w/out Concession Financial Assets	3,589	3,074	515	17%
Concession Financial Assets (VNR)	649	532	117	22%
Gross Margin	4,238	3,606	632	18%
Operating Expenses	(808)	(758)	(50)	7%
Provisions for Delinquency (PCE)	(176)	(130)	(46)	35%
EBITDA	3,254	2,718	536	20%
Depreciation	(471)	(384)	(87)	23%
Financial Income (Loss)	(1,102)	(686)	(416)	61%
IR CS	(446)	(419)	(27)	6%
NET INCOME	1,235	1,229	6	0%

The Networks segment ended the 1Q23 with Gross Margin of R\$ 4,238 million, +18% vs. 1Q22, impacted by the effects of: (i) the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern in effect as of the end of April/22 (variation of parcel B: +14.14%, +14.82% and +14.75% respectively), of Neoenergia Elektro, in effect as of the end of August/22 (variation of parcel B: +9.32%) and of Neoenergia Brasilia, in effect as of the beginning of November/22 (variation of parcel B: + 5.2%); (ii) higher Concession Financial Assets, due to a one-off adjustment to the remuneration base of Neoenergia Coelba and Neoenergia Cosern for the Tariff Review, mitigating the impact of the lower IPCA; and (iii) higher Capex in transmission;

Operating expenses amounted to R\$ 808 million in the 1Q23, +7% vs. 1Q22. Normalizing the effect of new transmission businesses, this variation is reduced to +6%.

PECLD was R\$176 million in the 1Q23, +R\$46 million vs. 1Q22. Neoenergia's PECLD/ROB indicator was 1.63% in the 1Q23, vs. 1.19% in the 4Q22 and 1.15% at the regulatory level.

As a result of these effects, EBITDA amounted to R\$ 3,254 million in the 1Q23 (+20% vs. 1Q22) and Adjusted EBITDA was R\$ 2,243 million (+14% vs. 1Q22).

Net income ended the quarter at R\$ 1,235 million, in line with the 1Q22, impacted by the worsening of the financial income (loss) due to the increase in the CDI rate and its impact on debt charges.

S/I TRANSMISSION (R\$ MM)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	1,236	686	550	80%
Cosntruction Costs	(735)	(355)	(380)	107%
Gross Margin	501	331	170	51%
Operating Expenses	(37)	(26)	(11)	42%
EBITDA	464	305	159	52%
Depreciation	(2)	-	(2)	-
Financial Income (Loss)	(128)	(98)	(30)	31%
IR CS	(107)	(62)	(45)	73%
NET INCOME	227	145	82	57%
IFRS15	362	210	152	72%

Transmission companies showed Gross Margin of R\$ 501 million in the quarter (+51% vs. 1Q22), explained by higher IFRS due to higher Capex.

Operating expenses amounted to R\$ 37 million in the 1Q23, +R\$ 11 million in excess of the amount recorded in the 1Q22, mainly due to the new lots in operation.

Transmission EBITDA ended the quarter at R\$ 464 million (+52% vs. 1Q22) and Adjusted EBITDA was R\$ 102 million (+7% vs. 1Q22).

Net Income was R\$ 227 million in the 1Q23 (+57% vs. 1Q22).

1.2.1. NEOENERGIA COELBA

STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	3,641	3,357	284	8%
Costs with Energy	(2,247)	(2,154)	(93)	4%
Gross Margin w/out Concession Financial Assets	1,394	1,203	191	16%
Concession Financial Assets (VNR)	368	271	97	36%
Gross Margin	1,762	1,474	288	20%
Operating Expenses	(336)	(305)	(31)	10%
Provisions for Delinquency (PECLD)	(54)	(57)	3	(5%)
EBITDA	1,372	1,112	260	23%
Depreciation	(204)	(173)	(31)	18%
Financial Income (Loss)	(446)	(285)	(161)	56%
IR CS	(152)	(136)	(16)	12%
NET INCOME	570	518	52	10%

Neoenergia Coelba ended the 1Q23 with Gross Margin of R\$ 1,762 million (+20% vs. 1Q22) impacted by the +14.14% variation in Parcel B in April/22, the increase in the customer base and higher Concession Financial Assets

(VNR) in the period due to a one-off adjustment to the remuneration base for the Tariff Review, mitigating the impact of the lower IPCA, in addition to the higher volume compared to the 1Q22.

Operating expenses were R\$ 336 million in the 1Q23 (+10% vs. 1Q22).

In the quarter, PECLD was R\$ 54 million (-R\$3 million vs. 1Q22). When we analyze the default indicator (PECLD/ROB), it ended the 1Q23 at 1.39%, lower than the 1Q22 level of 1.41% and the regulatory limit of 1.52%.

As a result of the aforementioned variations, EBITDA was R\$ 1,372 million in the 1Q23 (+23% vs. 1Q22). Adjusted EBITDA (ex-VNR) in the period was R\$ 1,004 million, +19% vs. 1Q22.

Net Income was R\$ 570 million in the 1Q23, +10% vs. 1Q22.

1.2.2. NEOENERGIA PERNAMBUCO

STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	2,072	1,870	202	11%
Energy costs	(1,525)	(1,380)	(145)	11%
Gross Margin w/out Concession Financial Assets	547	490	57	12%
Concession Financial Assets (VNR)	96	103	(7)	(7%)
Gross Margin	643	593	50	8%
Operating Expenses	(169)	(171)	2	(1%)
Provisions for Delinquency (PECLD)	(70)	(57)	(13)	23%
EBITDA	404	365	39	11%
Depreciation	(97)	(86)	(11)	13%
Financial Income (Loss)	(245)	(157)	(88)	56%
IR CS	(21)	(39)	18	(46%)
NET INCOME	41	83	(42)	(51%)

Neoenergia Pernambuco ended the 1Q23 with a Gross Margin of R\$ 643 million (+8% vs. 1Q22), driven by the variation in Parcel B of +14.82% in April/22 and by the increase in the customer base, despite the reduction of the Concession Financial Assets due to the impact of a lower IPCA.

Operating expenses amounted to R\$ 169 million in the 1Q23 (-1% vs. 1Q22), in line with the previous period.

In the quarter, PECLD totaled R\$ 70 million, R\$13 million in excess of that for the same period of the previous year. In general, PECLD was impacted by the pressure of default in retail (Residential and Rural class), in addition to a one-off effect on Government Agencies, which will be recovered in the coming months.

As a result of the abovementioned variations, EBITDA for the quarter was R\$ 404 million, an increase of 11% vs. 1Q22. Adjusted EBITDA (ex-VNR) in the 1Q23 was R\$ 308 million, +18% vs. 1Q22.

Net Income was R\$ 41 million in the 1Q23 (-R\$42 million vs. 1Q22), impacted by the worsening of the financial income (loss) due to the increase in the CDI rate and its impact on debt charges.

1.2.3. NEOENERGIA COSERN

STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	870	806	64	8%
Costs with Energy	(578)	(558)	(20)	4%
Gross Margin w/out Concession Financial Assets	292	248	44	18%
Concession Financial Assets (VNR)	92	54	38	70%
Gross Margin	384	302	82	27%
Operating Expenses	(63)	(59)	(4)	7%
Provisions for Delinquency (PECLD)	(2)	2	(4)	(200%)
EBITDA	319	245	74	30%
Depreciation	(40)	(33)	(7)	21%
Financial Income (Loss)	(75)	(35)	(40)	114%
IR CS	(44)	(35)	(9)	26%
NET INCOME	160	142	18	13%

Neoenergia Cosern ended the 1Q23 with a Gross Margin of R\$ 384 million, +27% vs. 1Q22, reflecting the variation of Parcel B of +14.75% of the April/22 reset, higher Concession Financial Assets – VNR, due to a one-off adjustment to the remuneration base for the Tariff Review, mitigating the impact of the lower IPCA, in addition to the increase in the customer base.

Operating expenses amounted to R\$ 63 million in the 1Q23 (+7% vs. 1Q22).

PECLD amounted to -R\$2 million in the 1Q23 (vs. +R\$2 million in 1Q22). When we analyze the default indicator (PECLD/ROB), the year ended at 0.25%, below the regulatory limit of 0.61%.

As a result of the abovementioned variations, EBITDA in the 1Q23 was R\$ 319 million, an increase of +30% vs. 1Q22. Adjusted EBITDA (ex-VNR) in the 1Q23 was R\$ 227 million, +19% vs. 1Q22.

Net Income was R\$160 million in the 1Q23 (+13% vs. 1Q22).

1.2.4. NEOENERGIA ELEKTRO

STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	2,138	2,032	106	5%
Costs with Energy	(1,373)	(1,364)	(9)	1%
Gross Margin w/out Concession Financial Assets	765	668	97	15%
Concession Financial Assets (VNR)	88	99	(11)	(11%)
Gross Margin	853	767	86	11%
Operating Expenses	(143)	(132)	(11)	8%
Provisions for Delinquency (PECLD)	(36)	(23)	(13)	57%
EBITDA	674	612	62	10%
Depreciation	(90)	(71)	(19)	27%
Financial Income (Loss)	(157)	(92)	(65)	71%
IR CS	(144)	(135)	(9)	7%
NET INCOME	283	314	(31)	(10%)

Neoenergia Elektro ended the 1Q23 with a Gross Margin of R\$ 853 million (+11% vs. 1Q22) impacted by the +9.32% variation in Parcel B in August/22 and by the increase in the customer base, despite the reduction in Concession Financial Assets due to the impact of the lower IPCA.

Operating expenses amounted to R\$ 143 million in the 1Q23 (+8% vs. 1Q22).

In the quarter, PECLD totaled R\$ 36 million, +R\$13 million vs. 1Q22, negatively impacted by the non-recurring effect of two large clients who filed for chapter 11, which added R\$ 14.3 million to the PECLD for the quarter. Without this impact, PECLD would have been R\$ 22 million, in line with the previous period.

As a result of the abovementioned variations, EBITDA totaled R\$ 674 million in the quarter (+10% vs. 1Q22) and Adjusted EBITDA (ex-VNR) for the quarter was R\$ 586 million, +14% vs. 1Q22.

Net Income was R\$ 283 million in the 1Q23, -10% vs. 1Q22, impacted by the worsening of the financial income (loss), due to the increase in the CDI rate and its impact on debt charges.

1.2.5. NEOENERGIA BRASILIA

STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	813	793	20	3%
Costs with Energy	(713)	(657)	(56)	9%
Gross Margin w/out Concession Financial Assets	100	136	(36)	(26%)
Concession Financial Assets (VNR)	5	5	-	-
Gross Margin	105	141	(36)	(26%)
Operating Expenses	(70)	(65)	(5)	8%
Provisions for Delinquency (PECLD)	(13)	5	(18)	N/A
EBITDA	22	81	(59)	(73%)
Depreciation	(38)	(15)	(23)	153%
Financial Income (Loss)	(49)	(20)	(29)	145%
IR CS	20	(17)	37	N/A
NET INCOME	(45)	29	(74)	N/A

Neoenergia Brasilia ended the 1Q23 with a Gross Margin of R\$ 105 million (-26% vs. 1Q22) due to over contracting, which had an impact of -R\$37 million.

Operating expenses amounted to R\$ 70 million in the quarter (+8% vs. 1Q22), explained by R\$ 8 million of a one-off reversal of contingencies in the 1Q22. Disregarding this effect, the variation is 4%.

In the quarter, PECLD was R\$ 13 million, R\$ 18 million in excess of that of the 1Q22 explained by reversals that took place in the previous year.

EBITDA in the 1Q23 was R\$ 22 million (-73% vs. 1Q22) and Adjusted EBITDA (ex-VNR) was R\$ 17 million (-78% vs. 1Q22).

As a result of the abovementioned variations, in addition to the worsening of the financial income (loss), the Company showed a loss of R\$ 45 million in the 1Q23, vs. a profit of R\$ 29 million in the 1Q22.

1.3. Renewables

The result of the Renewables segment contemplates the performance of the wind farms and hydroelectric plants of the Neoenergia Group.

RENEWABLES STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	461	406	55	14%
Costs with Energy	(116)	(119)	3	(3%)
GROSS MARGIN	345	287	58	20%
Operating Expenses	(78)	(60)	(18)	30%
(+) Equity Accounting / Fair Value Adj.	6	8	(2)	(25%)
EBITDA	273	235	38	16%
Depreciation	(85)	(72)	(13)	18%
Financial Income (Loss)	(75)	(72)	(3)	4%
IR/CS	(38)	(28)	(10)	36%
NET INCOME	75	63	12	19%

HYDRO PLANTS STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net revenue	161	167	(6)	(4%)
Costs with Energy	(27)	(20)	(7)	35%
GROSS MARGIN	134	147	(13)	(9%)
Operating Expenses	(28)	(26)	(2)	8%
(+) Equity Accounting / Fair Value Adj.	6	8	(2)	(25%)
EBITDA	112	129	(17)	(13%)
Depreciation	(19)	(24)	5	(21%)
Financial Income (Loss)	(17)	(18)	1	(6%)
IR/CS	(19)	(16)	(3)	19%
NET INCOME (LOSS)	57	71	(14)	(20%)

WIND FARMS STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net revenue	286	239	47	20%
Costs with Energy	(85)	(99)	14	(14%)
GROSS MARGIN	201	140	61	44%
Operating Expenses	(50)	(34)	(16)	47%
EBITDA	151	106	45	42%
Depreciation	(62)	(48)	(14)	29%
Financial Income (Loss)	(57)	(54)	(3)	6%
IR/CS	(19)	(12)	(7)	58%
NET INCOME	13	(8)	21	N/A

SOLAR FARMS STATEMENT OF INCOME (R\$ MN)	1T23	1T22	Variation	
			R\$	%
Net revenue	14	-	14	-
Costs with Energy	(4)	-	(4)	-
GROSS MARGIN	10	-	10	-
Operating Expenses	-	-	-	-
EBITDA	10	-	10	-
Depreciation	(4)	-	(4)	-
Financial Income (Loss)	(1)	-	(1)	-
IR/CS	-	-	-	-
NET INCOME	5	-	5	-

The Renewables segment ended the 1Q23 with a gross margin of R\$ 345 million (+R\$ 58 million vs. 1Q22) positively impacted by wind farms (+R\$ 61 million vs. 1Q22) and solar plants (+R\$10 million vs. 1Q22), due to higher wind power in the quarter, the start of commercial operations in the 3Q22 of the Oitis Wind Complex and the completion of the Luzia Solar Complex in the quarter, in addition to full generation at Chafariz.

Operating expenses ended the 1Q23 at R\$ 78 million (+30% vs. 1Q23), mainly due to the start of commercial operation of new wind farms.

Due to the aforementioned effects, EBITDA of the Renewables segment in the quarter was R\$ 273 million (+16% vs. 1Q22).

The result recorded in the 1Q23 was R\$ 75 million (+19% vs. 1Q22).

1.4. Liberalized

LIBERALIZED STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	777	770	7	1%
Costs with Energy	(590)	(471)	(119)	25%
Gross Margin	187	299	(112)	(37%)
Operating Expenses	(34)	(34)	-	-
EBITDA	153	265	(112)	(42%)
Depreciation	(11)	(16)	5	(31%)
Financial Income (Loss)	(8)	(38)	30	(79%)
IR CS	(21)	(36)	15	(42%)
NET INCOME	113	175	(62)	(35%)

TERMOPERNAMBUCO STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	406	355	51	14%
Costs with Energy	(240)	(70)	(170)	243%
Gross Margin	166	285	(119)	(42%)
Operating Expenses	(21)	(20)	(1)	5%
EBITDA	145	265	(120)	(45%)
Depreciation	(11)	(16)	5	(31%)
Financial Income (Loss)	(8)	(38)	30	(79%)
IR CS	(19)	(35)	16	(46%)
NET INCOME	107	176	(69)	(39%)

COMERC. STATEMENT OF INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Revenue	367	410	(43)	(10%)
Costs with Energy	(347)	(396)	49	(12%)
Gross Margin	20	14	6	43%
Operating Expenses	(13)	(13)	-	-
EBITDA	7	1	6	600%
IR CS	(2)	(1)	(1)	100%
NET INCOME	5	-	5	-

The Liberalized segment consolidated a gross margin of R\$ 187 million in the 1Q23 (-37% vs. 1Q22), impacted by the lower margin in Termopernambuco (-R\$ 119 million vs. 1Q22) explained by higher costs, given that in the 1Q22, extraordinarily, there was no gas supply, which allowed the plant not to pay for gas and its transportation, honoring its energy sales contracts by purchasing energy at the Spot Price. The trading company, on the other hand, contributed with R\$ 20 million to gross margin in the quarter (+R\$6 million vs. 1Q22).

Operating expenses amounted to R\$ 34 million in the 1Q23, in line with the 1Q22.

As a result of these variations, EBITDA from the Liberalized segment was R\$ 153 million in the 1Q23 (-R\$112 million vs. 1Q22).

Net income was R\$ 113 million in the quarter (-R\$62 million vs. 1Q22). This result was also impacted by the improvement in the quarter's financial income (loss), arising from the higher profitability of financial investments and better debt service results.

2. EBITDA

In compliance with CVM Resolution nº 156/22, the table below displays the reconciliation of EBITDA (earnings before interest, taxes, depreciation and amortization), and we add that the calculations shown are in line with the criteria of that same resolution:

EBITDA (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Net Income for the Period (A)	1,215	1,212	3	0%
Profit assigned to minority shareholders (B)	(19)	(26)	7	(27%)
Financial Expenses (C)	(1,394)	(1,056)	(338)	32%
Financial Revenues (D)	344	341	3	1%
Other net financial income (loss) (E)	(222)	(202)	(20)	10%
Income tax and social contribution (F)	(505)	(487)	(18)	4%
Depreciation and amortization (G)	(609)	(527)	(82)	16%
EBITDA = (A-(B+C+D+E+F+G))	3,620	3,169	451	14%
Financial Asset (Concession) (H)	649	532	117	22%
IFRS 15 (I)	362	210	152	72%
Adjusted EBITDA = (EBITDA -(H+I))	2,609	2,427	182	7%

3. FINANCIAL INCOME (LOSS)

NET FINANCIAL INCOME (R\$ MN)	1Q23	1Q22	Variation	
			R\$	%
Revenue from financial investments	203	123	80	65%
Charges, monetary and exchange variations and debt derivative financial Instruments	(1,442)	(1,080)	(362)	34%
Other financial income (loss) not related to debt	(33)	40	(73)	(183%)
Interest, commissions and arrears interest	82	135	(53)	(39%)
Monetary and exchange variations - other	81	(12)	93	(775%)
Adjustment to provision for contingencies / judicial deposits	(47)	(49)	2	(4%)
Adjustment to sector financial assets / liabilities	38	73	(35)	(48%)
Post-employment liabilities	(23)	(19)	(4)	21%
Other net financial revenues (expenses)	(164)	(88)	(76)	86%
Total	(1,272)	(917)	(355)	39%

The Consolidated Financial Loss amounted to -R\$ 1,272 million in the 1Q23, -R\$ 355 million vs. 1Q22, mainly explained by higher expense with debt charges (+R\$ 362 million) due to the 15% increase in the average debt balance arising from funding allocated to Capex of new transmission and wind farm projects, in addition to Distributors. Additionally, in the period we noted an increase in the CDI (56% of the company's debt), which was partially offset by the increase in income from financial investments (+R\$ 80 million), resulting from the increase in the average yield and in 13% of the amount invested.

4. INVESTMENTS


Neoenergia Capex ended the 1Q23 at R\$ 2.1 billion, as shown below:

CAPEX Neoenergia (R\$ million)	1Q23	1Q22	Δ %
Networks	1,978	1,635	21%
Distributors	1,241	1,278	(3%)
Transmission Lines	737	357	106%
Renewables	138	808	(83%)
Liberalized	6	4	65%
TOTAL	2,129	2,446	(13%)

4.1. Networks

4.1.1. Distribution

In the 1Q23, the distributors' Capex amounted to R\$ 1.2 billion, of which R\$ 787 million were used for the expansion of the networks. Below is a table with the breakdown of Capex by distributor.

INVESTMENTS MADE (amounts in R\$ MN)	    					CONSOLIDATED	
	1Q23					1Q23	
Network Expansion	(423)	(121)	(71)	(145)	(27)	(787)	61%
Program Luz para Todos	(78)	-	-	-	-	(78)	
New Connections	(241)	(84)	(50)	(86)	(12)	(473)	
New SE's and RD's	(105)	(35)	(21)	(59)	(15)	(234)	
ECV Commitment	-	(3)	-	-	-	(3)	
Assets Renewal	(91)	(44)	(25)	(54)	(25)	(239)	19%
Network Improvement	(32)	(16)	(12)	(29)	(12)	(101)	8%
Losses and Default	(28)	(33)	(9)	(5)	(3)	(79)	6%
Other	(17)	(9)	(6)	(26)	(11)	(68)	5%
Movement of Material (Inventory x Works)	(87)	(43)	(15)	(14)	(17)	(176)	
(=) Gross Investment	(679)	(266)	(138)	(274)	(94)	(1,450)	
GRANTS	13	4	1	12	3	33	
(=) Net Investment	(665)	(262)	(136)	(262)	(91)	(1,417)	
Movement of Material (Inventory x Works)	87	43	15	14	17	176	
(=) CAPEX	(578)	(219)	(121)	(248)	(75)	(1,241)	
Regulatory Annuity Basis	(17)	(9)	(6)	(26)	(11)	(68)	5%
Regulatory Remuneration Basis	(574)	(214)	(117)	(234)	(67)	(1,206)	95%

4.1.2. Transmission

In the 1Q23, Capex of transmission companies amounted to R\$ 737 million, 106% higher than in the 1Q22, fully used for the construction of lines and substations of the lots acquired in recent auctions.

4.2. Renewables

4.2.1. Wind Farms

Investments made in wind farms amounted to R\$ 130 million in the 1Q23, R\$ 283 million less than in the 1Q22 due to the actual Capex of the Chafariz Complex in the 1Q22. The Oitis Complex is in the final stages of construction.

4.2.2. Solar parks

Investments made in the Luzia parks amounted to R\$ 1.6 million in the 1Q23. The works were concluded in March 2023.

4.2.3. Hydroelectric Plants

Investments of R\$ 6.3 million in the 1Q23, compared to the amount of R\$ 29.9 million invested in the 1Q22.

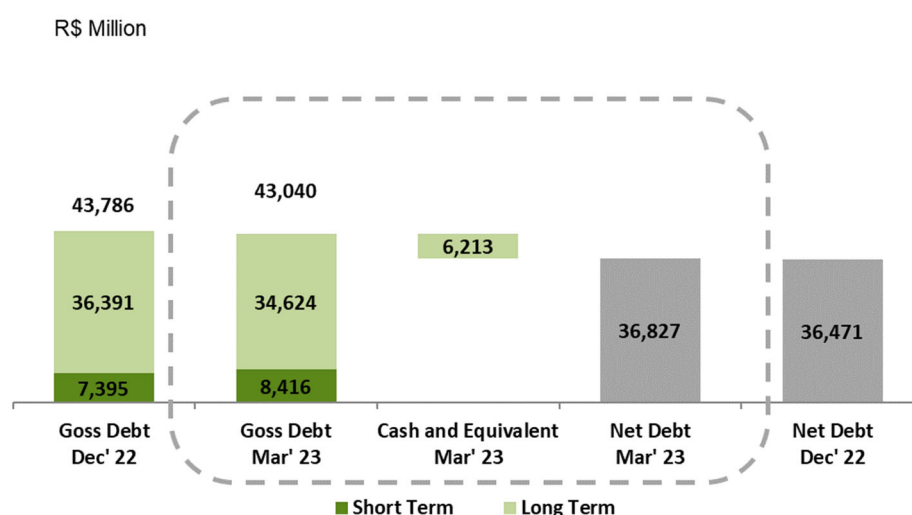
4.3. Liberalized

Termopernambuco invested R\$ 6.1 million in the 1Q23, R\$ 2 million in excess of the amount invested in the 1Q22, in line with its maintenance schedule.

5. INDEBTEDNESS

5.1. Debt Situation and Financial Leverage

In March 2023, Neoenergia's consolidated net debt, including cash, cash equivalents and marketable securities reached R\$ 36,827 million (gross debt of R\$ 43,040 million), representing a growth of 1% (R\$ 356 million) compared to December 2022, mainly explained by the actual CAPEX of the networks and renewable projects. Regarding the segregation of the outstanding balance, Neoenergia has 80% of the debt accounted for in the long term and 20% in the short term. We highlight the sale transaction of operational transmission assets, which contributed to the de-consolidation of R\$ 2 billion in gross debt and R\$ 1.7 million in net debt, still remaining the cash inflow.



The financial indicator Total Net Debt/EBITDA went from 3.15x in December 2022 to 3.06x in March 2023, impacted by the de-consolidation of the financial debt from operational transmission assets in -0.14 p.p.



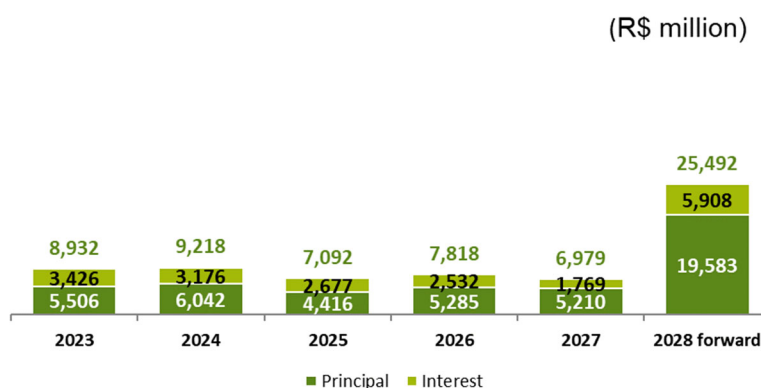
5.2. Debt amortization schedule

The Company seeks to structure its debt in line with the financial cycle of its business, observing the peculiarities of each company and the characteristics of its concessions and authorizations. In order to reduce the cost of debt and extend its amortization profile, the Company also actively manages its financial liabilities in order to avoid concentration of debt maturities, resulting in effective extension. Amounts falling due in the coming years are not concentrated in any specific period, and are consistent with volumes matured in recent years.

In 2023, amortizations foreseen by Neoenergia Coelba amount to R\$ 1,929 million, payments by Neoenergia Pernambuco in the estimated amount of R\$ 549 million, by the Holding in the estimated amount of R\$ 690 million, by Neoenergia Lagoa dos Patos in the amount of R\$ \$580 million and by Neoenergia Elektro in the amount of R\$512 million. The total amortization of the Holding, the three distributors and the transmission company represents 77% of the consolidated volume to be amortized in this period.

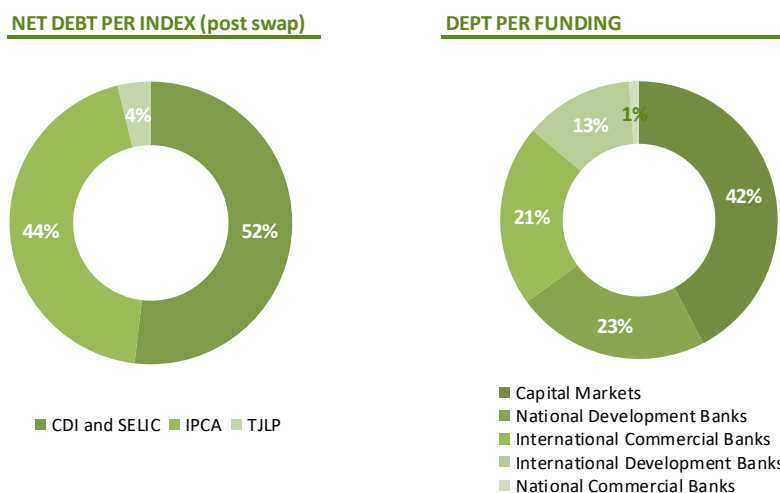
In 2024, amortizations are expected by Neoenergia Coelba in the estimated amount of R\$ 2,157 million, by Neoenergia Pernambuco in the estimated amount of R\$ 1,376 million and by Neoenergia Elektro in the amount of R\$ 597 million. The total amortization of these three distributors represents 67% of the consolidated volume to be amortized in the period in question.

Neoenergia's average debt term in March 2023 was 5.44 years (vs. 5.29 years in December 2022). The chart below displays the maturity schedule of the debt principal and interest, using market forward curves for the indexes and currencies linked to the indebtedness in effect at the end of the 1Q23.



5.3. Debt Profile

The charts below show the debt balance broken down by funding source and index. The average cost of the consolidated debt in the 1Q23 was 11.8% (vs. 11.4% in December 2022) due to the increase in the Selic rate.



In the 1Q23 Neoenergia raised a total of R\$1,579 million. We highlight the lines of debt payout that follow:

- i. BNDES disbursement for Neoenergia Guanabara, totaling R\$ 350 million with a 24-year term;
- ii. Disbursement of 4131 with Bank of America for Neoenergia Morro do Chapéu (R\$ 300 million) with a term of 1 year;
- iii. Disbursement of 4131 with Scotia Bank for Neoenergia Coelba (R\$ 500 million) with a 3-year term;
- iv. Release of 4131 with Bank of America for Neoenergia Brasilia (R\$ 200 million) with a term of 4 years;
- v. BNB disbursement for Oitis Complex, in the amount of R\$ 69 million with a 24-year term;
- vi. BNDES release for Neoenergia Itabapoana, totaling R\$ 160 million with a 24-year term.

Additionally, credit lines were contracted in the 1Q23 in the total amount of R\$ 1,454 million, with disbursements planned (or already made) for the 2Q23:

- i. Contracting of 4131 with BNP for Neoenergia Coelba (R\$ 500 million) with a 2-year term and actual release on April 4;
- ii. Financing line contracted with JICA for Neoenergia Pernambuco (R\$ 465 million) with a 10-year term and release date scheduled for April 20;
- iii. Financing line contracted with MUFG for Neoenergia Pernambuco (R\$ 239 million) with a 5-year term and release date scheduled for April 20th;
- iii. Contracting of 4131 with Bank of America for Neoenergia Morro do Chapéu (R\$ 250 million) with a term of 1 year and release date scheduled for May 5th.

6. RECONCILIATION NOTE

Neoenergia S.A. discloses the first quarter (1Q23) results based on managerial analyzes that management understands to best translate the company's business, reconciled with the International Financial Reporting Standards – IFRS.

Calculation Memory (CONSOLIDATED)	1Q23	1Q22	Corresponding Explanatory Notes
(+) Net Revenue	11,926	10,548	Incoment Statement
(-) Estimated Replacement Value of Concession	(649)	(532)	Note 5
(-) Other revenues	(199)	(157)	Note 5
(+) Gain/Loss on RAP	(15)	(16)	Note 5.3
(+) Revenue from Operation and Maintenance	38	33	Note 5.3
(+) Photovoltaic Operations	2	5	Note 5.3
(+) Other revenues - Other revenues	4	1	Note 5.3
= Net Operating REVENUE	11,107	9,882	
(+) Costs with electric energy	(4,765)	(4,577)	Incoment Statement
(+) Fuel for energy production	(119)	(2)	Note 8
(+) Construction costs	(2,107)	(1,651)	Incoment Statement
(+) Operações fotovoltaicas	(5)	(4)	Note 8
= Energy costs	(6,996)	(6,234)	
(+) Estimated replacement value of concession	649	532	Note 5
= GROSS MARGIN	4,760	4,180	
(+) Operating costs	(1,229)	(984)	Incoment Statement
(+) Sales expenses	(79)	(89)	Incoment Statement
(+) Other general and administrative revenues/expenses	(565)	(422)	Incoment Statement
(-) Fuel for energy production	119	2	Note 8
(-) Operações fotovoltaicas	5	4	Note 8
(-) Depreciation	609	466	Note 8
(+) Gain/Loss on RAP	199	157	Note 5
(-) Gain/Loss on RAP	15	16	Note 5.3
(-) Revenue from operation and maintenance	(38)	(33)	Note 5.3
(-) Photovoltaic Operations	(2)	(5)	Note 5.3
(-) Other revenues - Other revenues	(4)	(1)	Note 5.3
= Operating Expenses (PMSO)	(970)	(889)	
Provision for Delinquency (PECLD)	(176)	(130)	Incoment Statement
(+) Equity Accounting/ Fair value Adjustment - Investment	6	8	Incoment Statement
EBITDA	3,620	3,169	
(+) Depreciation and Amortization	(609)	(527)	Note 8
(+) Financial Income/Loss	(1,272)	(917)	Incoment Statement
(+) IR/CS	(505)	(487)	Incoment Statement
(+) Minority shareholders	(19)	(26)	Incoment Statement
NET INCOME	1,215	1,212	Incoment Statement



DISCLAIMER

This document was prepared by NEOENERGIA S.A. with a view at indicating the general situation and progress of the Company's business. The document is a property of NEOENERGIA and should not be used for any purpose without prior written consent of NEOENERGIA.

The information contained in this document reflects current conditions and our view to date, and is subject to change. The document contains statements that represent NEOENERGIA expectations and projections about future events, which the Company cannot guarantee will materialize, since they involve a number of risks and uncertainties and may have results or consequences other than those discussed and anticipated herein.

All relevant information regarding the period and used by the Management in the running of the Company is evidenced in this document and in the Financial Statements.

Further information about the Company can be obtained on the Reference Form available on CVM website and on the Neoenergia Group Investor Relations website (ri.neoenergia.com).



NEOENERGIA

Interim Financial Statements

March 31, 2023



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STATEMENT OF INCOME

For the three-month period ended March 31, 2023 and 2022

(Amounts expressed in millions of Reais, except for earnings per share)

	Notes	Consolidated		Parent Company	
		03/31/2023	03/31/2022	03/31/2023	03/31/2022
Operating income, net	5	11,926	10,548	-	-
Costs		(8,101)	(7,212)	-	-
Energy costs	6	(4,765)	(4,577)	-	-
Construction costs	7	(2,107)	(1,651)	-	-
Operating costs	8	(1,229)	(984)	-	-
Gross profit		3,825	3,336	-	-
Expected credit loss	12.2	(176)	(130)	-	-
Sales expenses	8	(79)	(89)	-	-
Other general and administrative revenues (expenses)	8	(565)	(422)	(64)	(49)
Fair value adjustment of assets classified as held for sale		(12)	-	-	-
Equity in income (losses) of subsidiaries	15	18	(53)	1,367	1,386
Operating income		3,011	2,642	1,303	1,337
Financial income (expenses)	9	(1,272)	(917)	(87)	(133)
Financial income		344	341	95	52
Financial expenses		(1,394)	(1,056)	(109)	(148)
Other financial income (expenses), net		(222)	(202)	(73)	(37)
Income before taxes		1,739	1,725	1,216	1,204
Income taxes	10.1.1	(505)	(487)	-	-
Current		(229)	(253)	-	-
Deferred		(276)	(234)	-	-
Net income for the period		1,234	1,238	1,216	1,204
Attributable to:					
Controlling interest		1,215	1,212	1,216	1,204
Non-controlling interest		19	26	-	-
Basic and diluted earnings per share – R\$:	23.2	1.00	1.02	1.00	0.99

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended March 31, 2023 and 2022
(Amounts expressed in millions of Reais)

	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income for the period	1,234	1,238	1,216	1,204
Other comprehensive income				
Items that will not be classified to profit or loss:				
Cash flow hedge	1	(34)	-	-
Equity in income (losses) of subsidiaries	-	-	1	(34)
Sum of the items that will not be classified to profit or loss	1	(34)	1	(34)
Items that will be classified to profit or loss:				
Cash flow hedge	52	(215)	15	(91)
Deferred taxes on comprehensive income	(13)	53	-	-
Equity in income (losses) of subsidiaries	-	-	24	(68)
Sum of the items that will be classified to profit or loss	39	(162)	39	(159)
Other comprehensive income for the period, net of taxes	40	(196)	40	(193)
Comprehensive income for the period	1,274	1,042	1,256	1,011
Attributable to:				
Controlling interest	1,255	1,019	1,256	1,011
Non-controlling interest	19	23	-	-

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS
For the three-month period ended March 31, 2023, and 2022
(Amounts expressed in millions of Reais)

	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Cash flow from operating activities				
Net income for the period	1,234	1,238	1,216	1,204
Adjusted by:				
Depreciation and amortization	618	475	2	3
Write-off of non-current assets	36	42	-	-
Equity in income (losses) of subsidiaries	(18)	53	(1,367)	(1,386)
Fair value adjustment of assets classified as held for sale	12	-	-	-
Income taxes	505	487	-	-
Financial income (expenses), net	1,272	917	87	134
Concession's estimated replacement value	(649)	(532)	-	-
Others	-	(3)	-	-
Changes in working capital:				
Trade accounts and other receivables	(431)	118	-	-
Public service concession (Contract assets - transmission)	(1,128)	(615)	-	-
Suppliers and accounts payable to contractors and operations of invoice discounting	(446)	(1,367)	26	14
Wages, employment benefits and charges payable, net	(77)	(95)	(8)	(15)
Sectoral financial assets and liabilities, net (Portion A and others)	(109)	490	-	-
Other recoverable (payable) taxes and sectoral charges, net	53	(99)	(10)	(10)
Provisions, net of judicial deposits	(10)	(11)	-	(2)
Other assets and liabilities, net	(103)	(418)	11	213
Cash flow from operating activities	759	680	(43)	155
Dividends and interest on own capital received	-	-	159	229
Payment of debt charges	(462)	(372)	(39)	(83)
Derivative financial instruments paid, net	(278)	(212)	-	(26)
Income from financial investments	203	123	15	16
Payment of interest – Leases	(5)	(6)	-	-
Income taxes paid	(151)	(36)	-	-
Cash flow generated by (used in) operating activities	66	177	92	291
Cash flow from investing activities				
Acquisition of fixed and intangible assets	(146)	(813)	(7)	-
Capital increase in investees	-	-	(516)	(951)
Public service concession (Contract assets - distribution)	(1,398)	(1,314)	-	-
Investments in securities and marketable securities	(112)	(119)	(9)	-
Redemption of securities and marketable securities	82	69	-	-
Loan contract received (invested)	-	-	(5)	-
Reclassification of cash from non-current assets held for sale	(251)	-	-	-
Cash flow generated by (used in) investing activities	(1,825)	(2,177)	(537)	(951)
Cash flow from financing activities				
Funds raised through loans and financing	1,579	3,129	-	550
Payment of fundraising costs	(15)	(11)	-	-
Amortization of principal from loans and financing	(956)	(1,143)	-	(500)
Collateral deposits	(18)	(2)	-	-
Public Service Concessions obligations	41	(49)	-	-
Payment of principal – leases	(11)	(10)	-	-
Derivative financial instruments received, net	(7)	26	-	-
Dividends and interest on own capital paid to Neoenergia's shareholders	-	(145)	-	(145)
Dividends and interest on own capital paid to non-controlling interest	(2)	(5)	-	-
Cash flow generated by (used in) financing activities	611	1,790	-	(95)
Increase (decrease) in cash and cash equivalents for the period	(1,148)	(210)	(445)	(755)
Cash and cash equivalents at the beginning of the period	6,802	5,545	777	1,131
Cash and cash equivalents at the end of the period	5,654	5,335	332	376

The explanatory notes are an integral part of these interim financial statements.



STATEMENT OF FINANCIAL POSITION
As of March 31, 2023 and December 31, 2022
(Amounts expressed in millions of Reais)

	Notes	Consolidated		Parent Company	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Assets					
Current					
Cash and cash equivalents	11	5,654	6,802	332	777
Trade accounts receivable and others	12	8,289	7,805	-	-
Securities and marketable securities		102	99	-	-
Derivative financial instruments	19.3	168	183	-	-
Recoverable income taxes		965	1,040	211	259
Other recoverable taxes		1,991	1,876	1	1
Dividends and interest on own capital receivable		49	49	722	763
Sectoral financial asset (Portion A and others)	13	163	252	-	-
Public Service Concession (Contract asset)	14.2	419	715	-	-
Other current assets		1,042	1,037	91	87
		18,842	19,858	1,357	1,887
Non-current assets held for sale	15.3	7,276	1,730	3,809	1,577
Total current assets		26,118	21,588	5,166	3,464
Non-current					
Trade accounts receivable and others	12	324	340	-	-
Securities and marketable securities		457	414	71	61
Derivative financial instruments	19.3	694	774	-	-
Recoverable income taxes		28	30	-	-
Other recoverable taxes		3,331	3,749	-	-
Deferred income taxes	10.1.2	624	611	-	-
Judicial deposits	20	1,282	1,244	63	62
Sectoral financial asset (Portion A and others)	13	55	-	-	-
Public Service Concession (Financial asset)	14.1	24,891	23,493	-	-
Public Service Concession (Contract asset)	14.2	12,571	15,980	-	-
Other non-current assets		95	102	85	75
Investments in subsidiaries, associates and joint ventures	15	376	359	29,024	29,487
Right of use		187	182	-	-
Property, Plant & Equipment ("PP&E")	16	10,888	10,846	32	26
Intangible assets	17	12,424	12,606	3	3
Total non-current assets		68,227	70,730	29,278	29,714
Total assets		94,345	92,318	34,444	33,178

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF FINANCIAL POSITION
As of March 31, 2023 and December 31, 2022
(Amounts expressed in millions of Reais)

Liabilities	Notes	Consolidated		Parent Company	
		03/31/2023	12/31/2022	03/31/2023	12/31/2022
Current					
Suppliers and trade accounts payable to contractors and operations of invoice discounting	18	3,804	4,287	184	158
Loans and financing	19.2	8,153	7,289	736	720
Lease liabilities		50	48	-	-
Derivative financial instruments	19.3	431	289	112	41
Wages, employment benefits and charges payable	22	668	806	10	18
Payable income taxes	10.1.3	187	132	-	-
Other taxes and sectoral charges payable	10.2.2	1,200	1,222	42	96
Sectoral Financial Liability (Portion A and others)		420	124	-	-
Reimbursements to consumers – Federal taxes	10.3	1,517	1,451	-	-
Dividends and interest on own capital		1,004	1,001	987	985
Provisions and other obligations	20	385	378	-	-
Other current liabilities	21	1,361	1,236	53	125
		19,180	18,263	2,124	2,143
Liabilities directly associated to non-current assets held for sale		3,322	153	-	-
Total current liabilities		22,502	18,416	2,124	2,143
Non-current					
Suppliers and trade accounts payable to contractors and operations of invoice discounting	18	169	164	-	-
Loans and financing	19.2	34,324	36,214	3,855	3,881
Lease liabilities		165	158	-	-
Derivative financial instruments	19.3	994	951	517	467
Wages, employment benefits and charges payable	22	827	744	-	-
Payable income taxes	10.1.3	28	28	8	7
Deferred income taxes	10.1.2	1,243	1,524	3	3
Other taxes and sectoral charges payable	10.2.2	1,048	1,438	-	-
Sectoral financial liability (Portion A and others)	13	225	702	-	-
Reimbursement to consumers – Federal taxes	10.3	2,693	3,134	-	-
Provisions and other obligations	20	1,694	1,639	1	1
Other non-current liabilities	21	219	269	21	23
Total non-current liabilities		43,629	46,965	4,405	4,382
Shareholders' equity	23				
Attributable to controlling interest		27,999	26,739	27,915	26,653
Attributable to non-controlling interest		215	198	-	-
Total shareholders' equity		28,214	26,937	27,915	26,653
Total liabilities and shareholders' equity		94,345	92,318	34,444	33,178

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the three-month period ended March 31, 2023 and 2022
(Amounts expressed in millions of Reais)



	Consolidated										
	Share Capital	Capital reserve	Shareholders' transactions and others	Other comprehensive income	Profit reserves			Retained earnings	Attributed to controlling interest	Attributed to non-controlling interest	Total
					Legal reserve	Unrealized profit reserve	Profit retention reserve				
Balance as of December 31, 2022	12,920	159	(1,735)	(766)	1,434	247	14,480	-	26,739	198	26,937
Net income for the period	-	-	-	-	-	-	-	1,215	1,215	19	1,234
Other comprehensive income	-	-	-	40	-	-	-	-	40	-	40
Remuneration to non-controlling interest	-	-	-	-	-	-	-	-	-	(2)	(2)
Shareholders' transactions:											
Share-based payments	-	5	-	-	-	-	-	-	5	-	5
Balance as of March 31, 2023	12,920	164	(1,735)	(726)	1,434	247	14,480	1,215	27,999	215	28,214
Balance as of December 31, 2021	12,920	129	(1,579)	(281)	1,200	284	11,213	-	23,886	352	24,238
Net income for the period	-	-	-	-	-	-	-	1,212	1,212	26	1,238
Other comprehensive income	-	-	-	(193)	-	-	-	-	(193)	(3)	(196)
Remuneration to non-controlling interest	-	-	-	-	-	-	-	-	-	(3)	(3)
Shareholders' transactions:											
Share-based payments	-	8	-	-	-	-	-	-	8	-	8
Balance as of March 31, 2022	12,920	137	(1,579)	(474)	1,200	284	11,213	1,212	24,913	372	25,285

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 For the three-month period ended March 31, 2023 and 2022
 (Amounts expressed in millions of Reais)

	Parent Company								
	Share Capital	Capital reserve	Shareholders' transactions and others	Other comprehensive income	Profit reserves			Retained earnings	Total
					Legal reserve	Unrealized profit reserve	Profit retention reserve		
Balance as of December 31, 2022	12,920	156	(1,805)	(766)	1,434	234	14,480	-	26,653
Net income for the period	-	-	-	-	-	-	-	1,216	1,216
Other comprehensive income	-	-	-	40	-	-	-	-	40
Shareholders' transactions:									
Share-based payments	-	6	-	-	-	-	-	-	6
Balance as of March 31, 2023	12,920	162	(1,805)	(726)	1,434	234	14,480	1,216	27,915
Balance as of December 31, 2021	12,920	129	(1,579)	(281)	1,200	234	11,213	-	23,836
Net income for the period	-	-	-	-	-	-	-	1,204	1,204
Other comprehensive income	-	-	-	(193)	-	-	-	-	(193)
Shareholders' transactions:									
Share-based payments	-	8	-	-	-	-	-	-	8
Balance as of March 31, 2022	12,920	137	(1,579)	(474)	1,200	234	11,213	1,204	24,855

The explanatory notes are an integral part of these interim financial statements.

STATEMENT OF ADDED VALUE
For the three-month period ended March 31, 2023 and 2022
(Amounts expressed in millions of Reais)

	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Revenues				
Sales of energy, services and others	16,294	15,340	-	-
Revenue from the construction of own assets	21	267	-	-
Expected credit loss	(176)	(130)	-	-
	16,139	15,477	-	-
Inputs acquired from third parties				
Electricity purchased for resale	(3,788)	(3,462)	-	-
Transmission network use charges	(1,511)	(1,720)	-	-
Consumed raw materials	(119)	(2)	-	-
Materials, third-party services and others	(2,691)	(2,419)	(41)	(26)
	(8,109)	(7,603)	(41)	(26)
Gross added value	8,030	7,874	(41)	(26)
Depreciation and amortization	(618)	(475)	(2)	(3)
Fair value adjustment of assets classified as held for sale	(12)	-	-	-
Net added value produced by the Company	7,400	7,399	(43)	(29)
Added value received through transfer				
Financial income	1,252	2,278	203	298
Equity in income (losses) of subsidiaries	18	(53)	1,367	1,386
	1,270	2,225	1,570	1,684
Total added value for distribution	8,670	9,624	1,527	1,655
Added value distribution				
Wages	339	255	16	14
Provision for vacation and 13th salary	58	55	-	-
Social charges (except INSS)	28	23	-	-
Employee benefits	177	204	1	1
Others	(137)	(113)	-	-
Subtotal	465	424	17	15
Taxes, fees and contributions				
National Institute of Social Security (INSS) (on payroll)	85	77	3	3
State VAT (ICMS)	2,064	2,529	-	-
Taxes on revenue (PIS/COFINS)	637	511	5	3
Income taxes	505	487	-	-
Intra-sectoral obligations	1,135	1,156	-	-
Others	32	27	1	1
Subtotal	4,458	4,787	9	7
Lenders and lessors				
Interest and foreign exchange rate variations	2,505	3,176	285	429
Leases	8	(1)	-	-
Subtotal	2,513	3,175	285	429
Shareholders				
Retained earnings	1,215	1,212	1,216	1,204
Non-controlling interest	19	26	-	-
	1,234	1,238	1,216	1,204
Distributed added value	8,670	9,624	1,527	1,655

The explanatory notes are an integral part of these interim financial statements.

1. OPERATIONAL CONTEXT

Neoenergia S.A. (“Parent Company”) based in Praia do Flamengo, 78 - 3rd floor- Flamengo - Rio de Janeiro - RJ, is a publicly-held company, (NEOE3) with shares traded on the stock market at B3 S.A. – Brasil, Bolsa, Balcão (“B3”), in the “Novo Mercado, Bolsa, Balcão” segment, and was established for the main purpose of acting as a holding company, thus investing in other companies.

Neoenergia S.A and its direct and indirect subsidiaries (“Company“ or “Group“) are mainly engaged in activities of distribution, transmission, generation and commercialization of electrical energy, represented by three strategic business segments (i) Networks, (ii) Renewable and (iii) Liberalized.

1.1 Public Service Concessions and authorizations for services related to electrical energy

During the first quarter ended March 31, 2023, the following changes in the structures regarding the concession contracts and authorizations of the Public Services operated by the Company occurred.

a) Public Service Concessions

Networks

On January 29, 2023, the transmission line of Rio Formoso began its commercial operation (Batch 9 – Transmission Auction 02/2019, from December 2019). It is located in Bahia and comprehends one transmission line of 210km and 2 substations. The batch has a total RAP of R\$ 22 and was delivered with an anticipation of 14 months and a Capex saving of 25%, both concerning the estimated by ANEEL.

On February 08 and March 16, 2023, the following equipment from Neoenergia Lagoa dos Patos began their commercial operations: the Synchronous Compensator 3 from substation Marmeleiro 2 and the Synchronous Compensator 2 from substation Livramento 3. Their deliveries were made with anticipations of 14 and 12 months with an annual RAP of R\$ 9 and R\$ 8, respectively and both concerning the estimated by ANEEL.

Solar Power Plants

On March 22, 2023, the last generating units from the photovoltaic plant Luzia 2 began their commercial operation and the Renewable Complex Neoenergia was inaugurated, which resulted from the association of the Complex Luzia and Complex EOL Chafariz, approved by ANEEL as per dispatch 2,382/2022.

The complete information about the Company’s concession contracts is disclosed in the consolidated financial statements for the year ended December 31, 2022, therefore, the current interim financial statements for the quarter ended March 31, 2023, must be jointly read with the aforementioned financial statements.

1.2 Financial and operational risk management

As per the provided review process, there were no relevant changes concerning the Group’s Policy of Financial and Operational Risks in comparison with the policies disclosed in the consolidated financial statements of December 31, 2022.

The Financial Risk Policy applies to every business that is part of the Neoenergia group, within the projected limits and applicable to the regulated activities that generate exposure to financial risks; therefore, they must also be applied by its subsidiaries and in accordance with their bylaws and applicable legislation. The

following guidelines and specific limits for risk management are included: exchange rate and commodities risk; interest rate and price index risks; liquidity and solvency risk, as well as the use of derivative instruments for protection purpose, whose application for speculative purpose is strictly prohibited. The Operational Risk Policy related to Market Transactions establishes the control and management of risks in long- and short-term transactions regarding the management of energy and treasury.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The Company's consolidated and individual interim financial statements have been prepared and are disclosed according to IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”) and CPC 21 – Interim Financial Statements (accounting practices adopted in Brazil) and must be read together with the Group's consolidated annual financial statements for December 31, 2022, that were previously disclosed. The financial statements are presented in compliance with the laws issued by CVM and applicable to quarterly information.

The interim financial statements disclose the main variations for the period, thus avoiding repetition of certain notes related to the previously disclosed annual financial statements and in comparison, are presented on the same basis of consolidation and order of tables and explanatory notes.

The Company also uses the guidelines contained in the Brazilian Electricity Sector Accounting Manual and the standards defined by ANEEL, when those do not conflict with the accounting practices adopted in Brazil and/or IFRS.

The interim financial statements have been prepared based on the historical cost and adjusted to reflect (i) the fair value of the financial instruments measured by fair value; (ii) the losses due to assets' reduction to their recoverable value (impairment); and (iii) fair value of non-current assets classified as held for sale.

During the preparation of these interim financial statements, the subsidiaries are consolidated from the date on which the Company assumes control until the date on which this control ceases. All transactions between Neoenergia S.A and its direct and indirect subsidiaries are fully eliminated. The Company's share of the gain (loss) on the investments in joint ventures and associates is included in the financial statements from the date on which the significant influence or joint control begins until the date on which this significant influence or control ceases.

All relevant information in the interim financial statements, and only this information, is being disclosed and correspond to the information used by Management in the Company's management.

The disclosure of these interim financial statements was authorized by the Board of Directors on April 25, 2023.

2.2 Functional and presentation currency

The interim financial statements are expressed in millions of R\$, unless otherwise indicated.

Transactions in foreign currency are initially recorded at the exchange rate of the functional currency in force on the date of the transaction and are translated using the exchange rate in force on the respective balance sheet dates. Foreign exchange gains and losses resulting from the adjustment to these assets and liabilities are recognized in financial income (expenses).

2.3 Accounting policies and critical estimates

The standards, accounting practices and critical estimates applied to these interim financial statements are the same as those applied to the complete financial statements for the year ended December 31, 2022; therefore, they must be read together.

2.4 New effective and non-effective standards and interpretations

The main regulations amended, issued or under discussion by the International Accounting Standards Board ('IASB') and the Accounting Pronouncements Committee ('CPC') that comply with the Company's operational and financial context are as follows:

a) Amendments to accounting pronouncements effective as from 2024:

Standard	Amendment description	Effective date
IAS 1/ CPC 26: Presentation of Financial Statements	The amendments establish requirements for the classification and disclosure of liabilities with covenant clauses as current or non-current. According to the amendments, the liability should be classified as current when the entity has no right at the end of the reporting period to defer the settlement of the liability at least twelve months after the reporting period. Moreover, only covenants whose fulfilment is mandatory before or at the end of the reporting period should affect the classification of a liability as current or non-current.	01/01/2024, retrospective application
IFRS 16/ CPC 6 (R2). Leases	The amendments establish requirements which specify that the lessee-seller must subsequently measure lease liabilities that originated from the transfer of an asset – which fulfils the requirements to be recognized as sales revenue - and Sale and Leaseback in a way that the gain or loss concerning the right of use retained in the transaction is not recognized.	01/01/2024, retrospective application

There was no issuance of new standards or revision of those already in existence that could produce an applicable effect in 2023. The Company is monitoring the discussions of standards at IASB and the ones with an established effective date in a future period and, until the current moment, did not identify the possibility of significant impacts.

3. RECONCILIATION OF THE NET INCOME FOR THE YEAR AND SHAREHOLDERS' EQUITY

The reconciliation of the net income for the period attributed to Neoenergia S/A's shareholders between the consolidated and individual financial statements is presented as follows:

	Net income		Shareholders' equity	
	03/31/2023	03/31/2022	03/31/2023	12/31/2022
Parent Company	1,216	1,204	27,915	26,653
Capitalization of financial charges, net ⁽¹⁾	-	8	93	93
Others	(1)	-	(9)	(7)
Consolidated	1,215	1,212	27,999	26,739

(1) Capitalization of financial charges from loans and financing by the Parent Company and transferred to its subsidiaries, through a capital increase to fund the construction of wind parks.

In the individual statements, the investment in equity interests did not meet the criteria to be a qualifying asset for the capitalization of financial charges.

4. SEGMENT INFORMATION

The Company operates the following reportable segments: Networks, Renewable, Liberalized and Others. The segments were defined based on products and services provided and reflect the structure used by the Management to assess the Company's performance in the normal course of its operations. The bodies responsible for making operational, resource allocation and performance evaluation decisions are the Executive Boards and the Board of Directors.

The main activities of the operating segments are as follows: (i) Networks – comprise the business regarding the service concession arrangements related to energy distribution and transmission services; (ii) Renewable – comprise the activities regarding the service concession arrangements related to energy generation services from natural renewable resources, such as wind farms and hydroelectric plants; (iii) Liberalized – comprise energy generation activities from thermoelectric plants and energy commercialization activities, and (iv) Others – include activities that support operations.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the period ended March 31, 2023 and 2022
(Amounts expressed in millions of reais)



4.1 Results by segment

Segment information according to criteria set by the Company's Management is as follows:

	Consolidated				
	Three months ended				
	03/31/2023				
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	15,720	212	362	-	16,294
Inter-segment gross revenue	27	293	572	-	892
Deductions from gross revenue	(4,167)	(45)	(156)	-	(4,368)
Operating costs and expenses ⁽¹⁾	(7,587)	(115)	(373)	(61)	(8,136)
Inter-segment operating costs and expenses ⁽¹⁾	(562)	(78)	(252)	-	(892)
Expected credit losses	(176)	-	-	-	(176)
(-) Fair value adjustment – investment	-	(12)	-	-	(12)
Result of equity interest	-	18	-	-	18
EBITDA	3,255	273	153	(61)	3,620
Depreciation and amortization ⁽²⁾	(471)	(85)	(11)	(42)	(609)
Operating profit	2,784	188	142	(103)	3,011
Financial income (expenses), net	(1,102)	(75)	(8)	(87)	(1,272)
Income taxes	(446)	(38)	(21)	-	(505)
Net income	1,236	75	113	(190)	1,234

(1) Does not include depreciation and amortization.

(2) Includes the amortization of surplus.

	Consolidated				
	Three months ended				
	03/31/2022				
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	14,734	205	402	(1)	15,340
Inter-segment gross revenue	28	243	562	1	834
Deductions from gross revenue	(4,556)	(42)	(194)	-	(4,792)
Operating costs and expenses ⁽¹⁾	(6,808)	(90)	(311)	(48)	(7,257)
Inter-segment operating costs and expenses ⁽¹⁾	(551)	(89)	(194)	-	(834)
Expected credit losses	(130)	-	-	-	(130)
Result of equity interest	-	8	-	-	8
EBITDA	2,717	235	265	(48)	3,169
Depreciation and amortization ⁽²⁾	(384)	(72)	(16)	(55)	(527)
Operating profit	2,333	163	249	(103)	2,642
Financial income (expenses), net	(686)	(72)	(38)	(121)	(917)
Income taxes	(419)	(28)	(36)	(4)	(487)
Net income	1,228	63	175	(228)	1,238

(1) Does not include depreciation and amortization.

(2) Includes the amortization of surplus.

4.2 Assets by allocated segments

	Consolidated				
	03/31/2023				
	Accounts receivable	Sectoral financial assets (liabilities)	Concession of public services¹ and intangible	Investments in subsidiaries, associates and joint ventures	Right of Use and PP&E
Networks	8,342	(427)	49,987	-	156
Renewable	120	-	305	376	9,886
Liberalized	151	-	10	-	990
Others	-	-	3	-	43
Total	8,613	(427)	50,305	376	11,075

	Consolidated				
	12/31/2022				
	Accounts receivable	Sectoral financial assets (liabilities)	Concession of public services¹ and intangible	Investments in subsidiaries, associates and joint ventures	Right of Use and PP&E
Networks	7,855	(574)	52,472	-	167
Renewable	102	-	310	359	9,823
Liberalized	188	-	9	-	1,000
Others	-	-	3	-	38
Total	8,145	(574)	52,794	359	11,028

(1) Only includes public service concessions classified as a financial asset and/or contract asset.

4.3 Additions to the main non-current assets (Economical execution)

	Consolidated			
	Three months ended			
	03/31/2023		03/31/2022	
	Concession of public services¹ and intangible	Investments, right of Use and PP&E	Concession of public services¹ and intangible	Investments, right of Use and PP&E
Networks	2,368	19	1,794	25
Renewable	-	182	-	794
Liberalized	-	42	-	4
Others	-	1	-	-
Total	2,368	244	1,764	823

(1) Only includes public service concessions classified as a financial asset and/or contract asset.

5. NET OPERATING REVENUE

	Consolidated			
	Three months ended			
	03/31/2023			
	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	5,121	185	348	5,654
Electric grid availability ⁽¹⁾	6,489	-	-	6,489
Concession's infrastructure construction ⁽²⁾	2,368	-	-	2,368
Electric Energy Trading Chamber – CCEE	158	22	2	182
Concession's estimated replacement value ⁽³⁾	649	-	-	649
Contract asset's remuneration	322	-	-	322
Sectoral financial assets and liabilities effects (note 5.2)	434	-	-	434
Other revenues (note 5.3)	179	5	12	196
Gross operating revenue	15,720	212	362	16,294
Taxes	(3,046)	(36)	(151)	(3,233)
Sectoral Charges	(1,121)	(9)	(5)	(1,135)
Net operating revenue	11,553	167	206	11,926

	Consolidated			
	Three months ended			
	03/31/2022			
	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	6,450	116	391	6,597
Electric grid availability ⁽¹⁾	5,685	-	-	5,685
Concession's infrastructure construction ⁽²⁾	1,784	-	-	1,784
Electric Energy Trading Chamber – CCEE	82	85	-	167
Surplus Sales Mechanisms – MVE	(1)	-	-	(1)
Concession's estimated replacement value ⁽³⁾	532	-	-	532
Contract asset's remuneration	230	-	-	230
Sectoral financial assets and liabilities effects (note 5.2)	(171)	-	-	(171)
Other revenues (note 5.3)	143	4	10	157
Gross operating revenue	14,734	205	401	15,340
Taxes	(3,412)	(34)	(190)	(3,636)
Sectoral Charges	(1,144)	(8)	(4)	(1,156)
Net operating revenue	10,178	163	207	10,548

(1) The revenue with the Distribution System Usage Charges ("TUSD") basically refers to the billing of a charge due to the use of the distribution network to free and captive consumers.

(2) On March 31, 2023, the total construction revenue from the infrastructure concession, of R\$ 1,372 and R\$ 996 (On March 31, 2022, R\$ 1,296 and R\$ 488) refers to the construction revenue of distributors and transmitters, respectively.

(3) Update of the financial asset due to the concession's indemnifiable installment through the Basis for Calculating Remuneration ('BRR')

5.1 Energy supply

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
Residential	5,162	5,478
Commercial	2,264	2,705
Industrial	1,075	950
Rural	531	545
Government	543	557
Public lighting	306	404
Public utility	371	397
Non-billed supply	50	43
Transfer – Electric grid availability ⁽¹⁾	(5,464)	(4,942)
Subsidies and state grants ⁽²⁾	816	820
Total	5,654	6,957

(1) Revenues from the electric grid availability are calculated based on the TUSD per consumer class and readjusted according to its respective resolution.

(2) Law 12,783/2013 determined that the resources related to the low-income subsidy as well as other tariff discounts should be fully subsidized by resources from the CDE, being: (i) R\$ 334 (R\$ 257 on March 31, 2022) referring to the low-income subsidy; (ii) R\$ 407 (R\$ 369 on March 31, 2022) referring to the CDE subsidy; (iii) R\$ 0 (R\$ 54 on March 31, 2022) referring to the hydric crisis bonus subsidy; (iv) R\$ 37 (R\$ 96 on March 31, 2022) referring to the CCRBT subsidy and (v) R\$ 10 (R\$ 14 on March 31, 2022) referring to the low income ICMS.

5.2 Effects of sectoral financial assets and liabilities

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
CVA and Neutrality		
Energy ⁽¹⁾	(511)	(585)
System Service Charges – ESS ⁽²⁾	(195)	(854)
Energetic Development Account – CDE ⁽³⁾	(138)	286
TUST	43	(46)
Neutrality of Sectoral charges	20	21
PROINFA ⁽⁴⁾	(73)	66
	(854)	(1,112)
Financial components and subsidies		
Over-contracting on lending ⁽⁵⁾	321	378
Hydrological risk	45	(23)
Compensation of bilateral agreements from CCEAR	44	67
Water Scarcity Flag	218	41
Pis/Cofins credit over ICMS ⁽⁶⁾	514	376
Others	146	102
	1,288	941
Total	434	(171)

- (1) Passive CVA, arising from differences between the incurred energy costs concerning ANEEL's tariff coverage, with emphasis on the reduction of expenses from the regulated purchase of energy per availability and the recognition of financial events from CCEE, in the short-term of 2022, according to ANEEL's determination, thus increasing the reimbursable CVA this year;
- (2) Passive CVA, arising from differences between the incurred energy costs concerning ANEEL's tariff coverage, with emphasis on the tariff flag reducer assigned in the ESS in 2023, the cost of the Energy Safety Charge and the Risk Aversion Curve Overtaking Charge (ESS_CAR), according to ANEEL's determination;
- (3) Passive CVA, due to REH 3,165/2022, which approved that the Monthly quotas of the Energetic Development Account – CDE, concerning the January to March 2023, should be collected by the distribution concessionaires, which increased the receivable CVA;
- (4) Passive CVA, due to REH 3,147/2022, which established that, for the year of 2023, the quotas concerning the funds and electric energy related to the Incentive Program for Alternative Energy Sources – PROINFA, should be collected by the distributors, thus resulting a reimbursable CVA;
- (5) The Company determined the financial adjustment of over-contracting and recognized the highest value between the period due to the increase of the constitution which was intended to nullify the effects on the result obtained from the purchase and sale of energy surplus in the short-term market and the amortization of the approved balances between the tariff readjustment processes;
- (6) Recognition of the reversal's anticipation of the values that originated from the ICMS exclusion from PIS/COFINS calculation basis as an extraordinary negative financial component to be compensated based on the collection of the taxes through the total amount approved by the Brazilian Federal Revenue Service – RFB.

5.3 Other revenues

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
Leases and rents	133	103
O&M revenues	38	33
RAP gain / loss	(15)	(16)
Third-party service commission	16	15
Revenue from the provision of service	13	7
Photovoltaic operations	2	5
Service subject to charge	2	5
Public lighting fee	2	2
Fraud invoice management	3	2
Other revenues	2	1
Total	196	157

6. ENERGY COSTS

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
Energy purchased for resale		
Energy acquired through regulated environment auction – ACR ⁽¹⁾	(1,859)	(1,542)
Energy acquired in the Free Contracting Environment – ACL	(489)	(520)
Variable Costs from the Short-Term Market – MCP ⁽²⁾	(277)	(93)
Short-Term Energy – PLD and MRE ⁽³⁾	52	(97)
Agreements based on physical assurance quotas	(457)	(437)
Energy acquired from a bilateral agreement	(280)	(208)
Itaipu energy	(178)	(274)
Quotas from Angra I and Angra II Power Plants	(173)	(174)
Others	(127)	(117)
Subtotal	(3,788)	(3,462)
PIS and COFINS credits	399	397
Total	(3,389)	(3,065)
Transmission and distribution system usage charges		
Basic grid charges	(1,036)	(837)
Itaipu transport charges	(27)	(24)
Connection charges	(55)	(25)
Distribution systems use charges	(21)	(18)
System service charges – ESS ⁽⁴⁾	(4)	(637)
Reserve energy charges – EER	(370)	(178)
Other charges	2	(1)
Subtotal	(1,511)	(1,720)
PIS and COFINS credits	135	208
Total	(1,376)	(1,512)
Total energy costs	(4,765)	(4,577)

PLD – Settlement Prices of Differences.

MRE – Energy Relocation Mechanism.

- (1) The increase of acquired energy cost in the ACR is due to the beginning of new contracts in the 26th auction of new energy and readjustments of tariffs R\$/MWh from the generators as of April and August 2022.
- (2) The increase is due to the average reduction of 53% in thermal generation and an average increase of 20% in the PLD. Consequently, both variations increased the cost of the virtual condominium.
- (3) Reduction due to the equalization of the PLD in 2023, thus generating less financial surplus, in addition to the non-purchase of energy in the MCP (Deficit).
- (4) Cost reduction of ESS Brasil due to energy safety which is related to a better hydrological level in the reservoirs and a more favorable rainfall index regime.

7. CONSTRUCTION COSTS

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
Personnel	(209)	(105)
Material	(1,044)	(922)
Third-party services	(752)	(524)
Interest on construction in progress	(16)	(12)
Others	(115)	(94)
Special obligations	29	6
Total	(2,107)	(1,651)
Cost of the concession's infrastructure construction		
Distributors	1,372	1,296
Transmitters	735	355

8. OPERATING COSTS AND OPERATING EXPENSES

	Consolidated			
	Three months ended			
	03/31/2023			
	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total
Staff and employee benefits	(297)	(22)	(205)	(524)
Management	-	1	(27)	(26)
Third party services	(218)	(65)	(155)	(438)
Photovoltaic operations	(5)	-	-	(5)
Depreciation and amortization ⁽¹⁾	(517)	(2)	(90)	(609)
Fuel for energy production	(119)	-	-	(119)
Provision for judicial lawsuits	-	-	(47)	(47)
Taxes	(1)	-	(22)	(23)
Other revenues and expenses, net	(72)	9	(19)	(82)
Total	(1,229)	(79)	(565)	(1,873)

	Consolidated			
	Three months ended			
	03/31/2022			
	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total
Staff and employee benefits	(282)	(25)	(172)	(479)
Management	-	-	(22)	(22)
Third party services	(208)	(62)	(127)	(397)
Photovoltaic operations	(5)	-	-	(5)
Depreciation and amortization ⁽¹⁾	(416)	(1)	(49)	(466)
Fuel for energy production	(2)	-	-	(2)
Provision for judicial lawsuits	-	-	(33)	(33)
Taxes	(3)	-	(16)	(19)
Other revenues and expenses, net	(68)	(1)	(3)	(72)
Total	(984)	(89)	(422)	(1,495)

(1) On March 31, 2023, the gross depreciation and amortization of PIS/COFINS credits was R\$ 618 (R\$ 475 on March 31, 2022).

9. FINANCIAL INCOME (EXPENSES)

	Consolidated	
	Three months ended	
	03/31/2023	03/31/2022
Financial income		
Income from financial investments	203	123
Taxes on financial income	(19)	(19)
Interest and charges for accounts receivable and other receivables	82	135
Judicial deposits monetary variation	21	13
Monetary variation on sectoral financial assets	38	73
Other financial income	19	16
	344	341
Financial expenses		
Charges on debt instruments ⁽¹⁾	(1,139)	(890)
Post-employment and other benefits	(24)	(19)
Monetary variation on provision for losses on lawsuits	(68)	(62)
Other financial expenses	(163)	(85)
	(1,394)	(1,056)
Other financial income (expenses), net		
Losses on foreign exchange rate variation and fair value adjustments – Debt ⁽²⁾	(173)	(46)
Gain on foreign exchange rate variation and fair value adjustments – Debt ⁽²⁾	494	1,830
Losses on derivative financial instruments – Note 19.3.b ⁽²⁾	(909)	(2,047)
Gain on derivative financial instruments – Note 19.3.b ⁽²⁾	285	73
Losses on foreign exchange rate variation and monetary	(29)	(27)
Gain on foreign exchange rate variation and monetary ⁽³⁾	110	15
	(222)	(202)
	(1,272)	(917)

- (1) Includes the variable portion of interest related to price ratios on national currency debts, such as IPCA, *Índice Geral de Preços de Mercado* - IGP-M ("General Market Price Index") among others and increase of debt volume.
- (2) Decrease of euro and dollar in smaller proportions to the three months from the comparative period, thus generating fewer revenues from foreign exchange rate variations from loans and financing and consequently, lower derivative expenses.
- (3) It mainly refers to Selic interest, an update of the liability related to the exclusion of the ICMS from the PIS/COFNIS basis that should be returned to the consumer.

10. INCOME TAXES, OTHER TAXES, SECTORAL CHARGES AND REIMBURSEMENT TO CONSUMERS

10.1 Income taxes

Current and deferred income taxes are comprised by income tax (*Imposto de Renda* ("IRPJ")) and social contribution (*Contribuição Social sobre o Lucro Líquido* ("CSLL")) and are calculated based on the 34% nominal rate on income before taxes (IRPJ - 25% and CSLL - 9%), and consider the offsetting of tax loss carryforwards, limited to 30% of the taxable income for the period.

10.1.1 Reconciliation of income taxes recognized in the statement of income

The reconciliation between taxes calculated at nominal rates and the amount of income taxes recognized in the statement of income is as follows:

	<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>03/31/2022</u>
Income before taxes on income	1,739	1,725
Nominal income taxes rate - 34%	(591)	(586)
Adjustments that affect income tax calculation:		
Tax incentives	97	119
Difference on income taxes calculated based on deemed profit	6	(12)
Additions (reversals) to non-recognized tax assets	(9)	(6)
Other additions (reversals)	(8)	(2)
Income taxes	(505)	(487)
Effective income taxes rates	29%	28%
Current	(229)	(253)
Deferred	(276)	(234)

10.1.2 Deferred tax assets and liabilities

Deferred taxes on assets and liabilities are recognized based on tax losses and temporary differences between book values for the financial statements and the corresponding amounts used for taxation purposes.

	<u>Consolidated</u>	
	<u>03/31/2023</u>	<u>12/31/2022</u>
Tax loss (includes negative basis)	452	498
Surplus and provision for maintaining the integrity of shareholders' equity	366	384
Temporary differences:		
Post-employment benefit obligations	290	292
Provision for legal proceedings	404	387
Estimated credit losses – Accounts receivable	317	307
Right to use the overtaking revenue concession	90	91
Surplus linked to property, plant and equipment, and intangible assets	98	98
Fair value of indemnified financial assets	(2,221)	(1,998)
Debt interest capitalization	(102)	(103)
Accelerated depreciation	(27)	(27)
Fair value of financial instruments	76	83
Hydrological risk (GSF)	(43)	(44)
Margin concerning the construction and remuneration of contract assets	(554)	(1,111)
Others	235	230
Total	(619)	(913)
Non-current assets	624	611
Non-current liabilities	(1,243)	(1,524)

The variations in deferred taxes are as follows:

	Consolidated	
	Asset	Liability
Balance as of December 31, 2022	611	(1,524)
Effects recognized in profit or loss	(27)	(249)
Effects recognized in other comprehensive income	(7)	(6)
Transfers between assets and liabilities	47	(47)
Reclassification to liabilities directly associated with non-current assets held for sale	-	583
Balance as of March 31, 2023	624	(1,243)
Balance as of December 31, 20221	727	(1,766)
Effects recognized in profit or loss	(86)	(148)
Effects recognized in other comprehensive income	31	22
Balance as of March 31, 2022	672	(1,892)

10.1.3 Uncertainties about the Treatment of Income Taxes

For the quarter ended March 31, 2023, there were no relevant changes in lawsuits or in the provisioned amounts, which were financially updated in the period.

The main lawsuits are disclosed in the consolidated financial statements of December 31, 2022.

10.2 Reimbursement to consumers – Federal taxes

According to the decision issued by the Federal Supreme Court in March 2017, the value of the ICMS highlighted in the invoice should not be a part of the PIS and COFINS calculation basis. Considering lawsuits filed by a few subsidiaries and the modulation of effect from the STF decision, the Company initially recognized an asset of PIS and COFINS receivable. In compensation, a corresponding liability was recognized and is being passed on to the consumers through annual tariff events as the compensations are being accomplished, as per Law 14,385/22.

The balance of the recognized liabilities in the subsidiaries, updated by the SELIC rate and deducted from the already accomplished compensations, represents the amount of R\$ 4,210 on March 31, 2023.

The movement of Reimbursement to consumers is presented below:

	Consolidated	
	03/31/2023	03/31/2022
Opening balance	4,585	6,029
Recognition	-	69
Monetary update	96	80
Compensation	(471)	(305)
Closing balance	4,210	5,873
Current	1,517	1,951
Non-current	2,693	3,922

11. CASH AND CASH EQUIVALENTS

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Cash and demand bank deposits	145	348	-	2
Bank Deposit Certificate (CDB)	2,798	2,646	169	598
Investment funds	2,711	3,808	163	177
Total	5,654	6,802	332	777

The financial instruments portfolio classified as cash and cash equivalents is made with the purpose of better profitability and the lowest level of risk. The average remuneration of these portfolios on March 31, 2023, is 100.47% of the CDI (100.31% on December 31, 2022).

The portfolio of financial investments, on March 31, 2023, and December 31, 2022, is mainly comprised of exclusive investment funds of the Neoenergia Group which are composed of several assets, as described below:

Portfolio	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Exclusive funds				
Repo operations	2,711	3,808	163	177
Total	2,711	3,808	163	177

The group's exclusive investment funds are vehicles with specific purposes controlled by Neoenergia S.A. Their purpose is for the group to diversify its investments seeking better profitability with the lowest level of risk. The funds are subject to obligations restricted to the payment of services provided for the assets' management, which can be detailed as the investment's operations, custody, and audit fees, along with other expenses. There are no relevant financial obligations or legal or extrajudicial demands, as well as assets from the shareholders to cover these obligations.

12. TRADE ACCOUNTS RECEIVABLE AND OTHERS

	03/31/2023			Consolidated 12/31/2022		
	Receivable	Expected credit loss	Trade accounts receivable, net	Receivable	Expected credit loss	Trade accounts receivable, net
Energy supply (note 12.1)	8,285	(1,837)	6,448	7,909	(1,720)	6,189
Commercialization of energy at CCEE	118	-	118	99	-	99
Distribution grid availability	1,002	(6)	996	938	(3)	935
Government Grants and subsidies	628	-	628	481	-	481
Other receivables	536	(113)	423	549	(108)	441
Total	10,569	(1,956)	8,613	9,976	(1,831)	8,145
Current asset			8,289			7,805
Non-current asset			324			340

12.1 Energy supply

The trade accounts receivable regarding energy supply comprise the receivables from the energy distribution, generation, and commercialization. The breakdown of trade accounts receivable regarding energy supply, per consumer class, is as follows:

	03/31/2023		Consolidated 12/31/2022	
	Receivable	Expected credit loss	Receivable	Expected credit loss
Residential	3,042	(1,023)	2,811	(957)
Commercial	822	(330)	857	(316)
Industrial	1,031	(228)	960	(205)
Rural	452	(152)	448	(146)
Government	457	(36)	416	(32)
Public lighting	333	(19)	326	(15)
Public service	322	(5)	329	(4)
Unbilled services	1,826	(44)	1,762	(45)
Total	8,285	(1,837)	7,909	(1,720)

The aging list of the accounts receivable regarding the energy supply is presented as follows:

	03/31/2023		Consolidated 12/31/2022	
	Receivable	Expected credit loss	Receivable	Expected credit loss
Due receivables	3,848	(139)	3,747	(119)
Overdue receivables:				
Between 1 and 90 days	1,655	(110)	1,440	(107)
Between 91 and 180 days	340	(113)	312	(101)
Between 181 and 360 days	504	(214)	602	(240)
After 361 days	1,938	(1,261)	1,808	(1,153)
Total	8,285	(1,837)	7,909	(1,720)

12.2 Variation of the expected credit losses – PCE

	Consolidated	
	03/31/2023	03/31/2022
Opening balance	(1,831)	(1,580)
Recognized effect in the period's result	(176)	(130)
Effective losses written-off	51	37
Closing balance	(1,956)	(1,673)

13. SECTORAL FINANCIAL ASSETS AND LIABILITIES (PORTION A AND OTHERS)

The tariffs that the concessionaires and permissionaires are allowed to charge from their consumers are reviewed by ANEEL: (i) annually on the concession agreement's anniversary date, for tariff adjustment purposes; and (ii) every four or five years, on average, aiming to recover part of the Portion B (manageable costs) and to adjust the Portion A (non-manageable costs) of certain tariff components. This tariff adjustment mechanism can cause a time difference that derives from the difference between the projected and included costs in the tariff at the beginning of the tariff period, and the ones that are effectively incurred throughout the tariff's period of validity. These differences comprise rights or obligations, in observance of the principle of economic and financial balance established by the contract of concession and permission. The breakdown of the sectoral assets and liabilities is shown below:

	03/31/2023			Consolidated 12/31/2022		
	Rights	Obligations	Net effect	Rights	Obligations	Net effect
CVA and Neutrality						
Energy	368	(1,043)	(675)	658	(816)	(158)
System Service Charges – ESS	235	(1,277)	(1,042)	463	(1,281)	(818)
Energy Development Account – CDE	353	-	353	475	-	475
Tariff on Use of Transmission Network – TUST	605	(4)	601	546	(4)	542
Others	125	(79)	46	158	(60)	98
Financial Components and Subsidies						
Over contracting pass-through	1,338	(24)	1,314	1,048	(83)	965
Hydrological Risks	-	(903)	(903)	-	(933)	(933)
Demand's Overtaking / Surplus	6	(441)	(435)	15	(442)	(427)
Readjustment deferral	159	(213)	(54)	112	(206)	(94)
<i>Eletrobrás</i> moderateness CDE	-	(748)	(748)	-	(792)	(792)
PIS/COFINS credits over ICMS ⁽¹⁾	1,471	(1,765)	(294)	928	(1,405)	(477)
Water Scarcity Flag ⁽²⁾	1,394	-	1,394	1,065	-	1,065
Others	113	(97)	16	105	(125)	(20)
Total	6,167	(6,594)	(427)	5,573	(6,147)	(574)
Values Homologated by ANEEL	986	(1,505)	(519)	1,962	(1,723)	239
Values to be Homologated by ANEEL	5,181	(5,089)	92	3,611	(4,424)	(813)
Total	6,167	(6,594)	(427)	5,573	(6,147)	(574)
Current Assets			163			252
Non-Current Assets			55			-
Current Liabilities			(420)			(124)
Non-current Liabilities			(225)			(702)

- (1) On March 31, 2023, the Company ascertained an asset of R\$ 1,282 due to the increase of the constitution destined to nullify the effects of the result obtained with the purchase and sale of the energy surplus in the short-term market and amortization of the approved balances between the process of tariff readjustment.
- (2) On June 27, 2022, Law 14,385/2022 was published. Its purpose is to discipline the reimbursement of PIS/COFINS credits over ICMS which was the origin of the Extraordinary Tariff Revision – RTE, on July 13, 2022. These mechanisms allowed the anticipation of the reversal related to the amount of these taxes as a negative financial component, whose deferral for the next 12 months, from April 2022 to March 2023 (for Neoenergia Elektro, August 2022 to July 2023), is bound to the expectations of future compensations of these credits along with the Federal Revenue.
- (3) In the Tariff Readjustment of 2022 process, this financial component was recognized as per the distributors' balance in face of the Flag Accounts in the competence of January 2022 to purge the effects of the costs that are not covered by the Flags and will be recovered during the cycle of the Scarcity Flag.

14. PUBLIC SERVICE CONCESSION

The concessions of distribution and transmission companies are not onerous, therefore there are no fixed financial obligations and payments to be made for the Granting Authority. The vested concession contracts have a 30-year term with an extension of its validity, at the sole discretion of the Granting Authority, upon the concessionaire's request. In case of the concession's extinction due to the termination of the contract's term or other events set forth in the contract, the assets linked to the infrastructure which is connected to the provision of services will be reversed to the Granting Authority. Thus, proceeding to the mapping, evaluations, and determination of the amount of compensation owed to the Companies considering the values and incorporation dates to the electric system.

14.1 Financial Asset

The values of the assets linked to the infrastructure and that will not be amortized until the end of the concession contract is classified as a financial asset for being an unconditional right of receiving cash or other financial assets directly from the Granting Authority. The recognized value of the financial asset and the changes in the fair value are reviewed every month based on the inherent assumptions of this contract asset (see note 25.6). These assets had the following variations in the period:

	Consolidated	
	03/31/2023	03/31/2022
Opening balance	23,493	18,516
Write-offs	(16)	(9)
Reversals	1	4
Transfers – contract assets ⁽¹⁾	762	695
Transfers – intangible assets	2	2
Transfers – others	-	62
Fair value adjustments ⁽²⁾	649	532
Closing balance	24,891	19,802

- (1) Transfer of the distributors' financial assets, classified as contract assets during the construction period.
- (2) The fair value is affected by the variation with the National Wide Consumer Price Index - IPCA, if compared to the same period of the previous year. On March 31, 2023, as a part of the continuous improvement process and due to the complexity of the regulatory model to ensure the best estimation of the Remuneration Basis, the Company accomplished a new form of assets reassessments which is adherent to the envisioned in the Sub-model 2.3 (Regulatory Remuneration Basis), PRORET (Tariff Regulation Procedures).

14.2 Contract asset

The assets linked to the concession infrastructure, whose right to consideration is conditioned to the fulfilment of performance obligations, are classified as Contract Assets, and present the following breakdown:

	03/31/2023			Consolidated 12/31/2022		
	Transmission	Distribution	Total	Transmission	Distribution	Total
Current	419	-	419	715	-	715
Non-current	7,990	4,581	12,571	11,674	4,306	15,980
Total	8,409	4,581	12,990	12,389	4,306	16,695
Concluded	688	-	688	5,758	-	5,758
Ongoing	7,721	4,581	12,302	6,631	4,306	10,937

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the period ended March 31, 2023 and 2022
(Amounts expressed in millions of reais)



These assets had the following variations in the period:

	Consolidated		
	Transmission	Distribution	Total
Balance as of December 31, 2022	12,390	4,305	16,695
Additions ⁽¹⁾	997	1,371	2,368
Write-offs	-	(8)	(8)
Transfers - intangible in service ⁽¹⁾	-	(336)	(336)
Transfers – financial assets ⁽¹⁾	-	(762)	(762)
Transfers – others	-	11	11
Contract asset amortization	(115)	-	(115)
Monetary variation	322	-	322
Reclassification to non-current asset held for sale	(5,185)	-	(5,185)
Balance as of March 31, 2023	8,409	4,581	12,990
Cost	8,409	5,068	13,477
Special obligations	-	(487)	(487)

	Consolidated		
	Transmission	Distribution	Total
Balance as of December 31, 2022	8,680	4,259	12,939
Additions ⁽¹⁾	488	1,306	1,794
Write-offs	-	(19)	(19)
Transfers - intangible in service ⁽¹⁾	-	(342)	(342)
Transfers – financial assets ⁽¹⁾	-	(695)	(695)
Transfers – others	-	3	3
Contract asset amortization	(101)	-	(101)
Monetary variation	230	-	230
Balance as of March 31, 2022	9,297	4,512	13,809
Cost	9,297	4,903	14,200
Special obligations	-	(391)	(391)

- (1) During the construction phase, the assets linked to the distributor's concession infrastructure are registered as contract assets and measured by their acquisition cost plus the costs of the loan for the financing of the given construction incurred in the same period and deducted from special obligations. After the work's conclusion, these assets are divided between financial and intangible assets. The contract assets remeasurement concerning the transmitters composes the balance of additions.

15. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

15.1 Changes during the period

Changes in investments in subsidiaries, associates and joint ventures are as follows:

	Joint ventures	Associates	Total Consolidated	Subsidiaries	Total Parent Company
Balance as of December 31, 2022	299	60	359	29,128	29,487
Capital increase	-	-	-	516	516
Equity in income (losses) of subsidiaries	15	3	18	1,349	1,367
Equity in income (losses) of subsidiaries in profit or loss	15	3	18	1,389	1,407
Amortization of surplus	-	-	-	(40)	(40)
Equity in income (losses) of subsidiaries in other comprehensive income/(loss)	-	-	-	25	25
Declared dividends and interest on capital	-	-	-	(140)	(140)
Reclassification to non-current assets held for sale	-	-	-	(2,232)	(2,232)
Others	(1)	-	(1)	2	1
Balance as of March 31, 2023	313	63	376	28,648	29,024
Balance as of December 31, 2021	1,138	62	1,200	25,742	26,942
Capital increase	-	-	-	951	951
Equity in income (losses) of subsidiaries	5	3	8	1,378	1,386
Equity in income (losses) of subsidiaries in profit or loss	5	3	8	1,418	1,426
Amortization of surplus	-	-	-	(40)	(40)
Equity in income (losses) of subsidiaries in other comprehensive income/(loss)	-	-	-	(102)	(102)
Declared dividends and interest on capital	-	-	-	(166)	(166)
Others	-	5	5	(2)	3
Balance as of March 31, 2022	1,143	70	1,213	27,801	29,014

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15.2 Breakdown by investment class

Additional information regarding the main investees are as follows:

	Segment	Interest and voting capital	Balance of investments in		Result of interest		Dividends and interest on capital received	
			03/31/2023	12/31/2022	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Subsidiaries								
	Network	100.00%	8,819	10,316	209	231	11	197
Wholly-owned subsidiaries ⁽¹⁾	Liberalized	100.00%	1,361	1,800	127	184	26	29
	Renewable	100.00%	7,036	6,437	42	44	14	3
	Other	100.00%	9	9	-	(14)	-	-
Other subsidiaries								
	Network							
Neoenergia Coelba	Network	98.94%	6,401	5,947	564	512	90	-
Neoenergia Elektro	Network	99.68%	3,667	3,403	282	313	-	-
Neoenergia Cosern	Network	93.05%	1,480	1,357	149	132	18	-
Afluyente T	Network	90.13%	244	235	9	8	-	-
			29,017	29,504	1,382	1,410	159	229
Associates and joint ventures								
Teles Pires Participações (note 15.3)	Renewable	50.56%	-	-	-	(14)	-	-
Águas da Pedra	Renewable	51.00%	313	299	15	19	-	-
Energética Corumbá III	Renewable	25.00%	63	60	3	3	-	-
			376	359	18	8	-	-
Shareholders' transactions			(369)	(376)	7	8	-	-
Total			29,024	29,487	1,407	1,426	159	229

(1) On February 28, 2023, the partial spin-off of Termopernambuco which corresponds to its investment in Itapebi was approved with the merger of spun-off assets by Itapebi itself. Therefore, Neoenergia now has 100% of direct interest in both companies, Termope and Itapebi.

15.3 Non-current assets held for sale

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Non-current assets held for sale				
Norte Energia	797	797	797	797
Teles Pires and Baguari	933	933	780	780
Transmission assets ¹	5,546	-	2,232	-
	7,276	1,730	3,809	1,577
Liabilities directly associated with non-current assets held for sale				
Norte Energia	-	-	-	-
Teles Pires and Baguari	153	153	-	-
Transmission liabilities ²	3,169	-	-	-
	3,322	153	-	-
Total	3,954	1,577	3,809	1,577
Non-current assets held for sale				
Norte Energia	797	797	797	797
Teles Pires and Baguari	780	780	780	780
Transmission assets ⁽³⁾	2,377	-	2,232	-

- (1) In consolidated, mainly refers to the balance of cash and cash equivalents of R\$ 251 and contract assets of R\$ 5,186.
(2) In consolidated, mainly refers to the balance of loans and financings of R\$ 1,984 and a deferred tax liabilities related to the contract asset of R\$ 583.
(3) In the consolidated, consider the following eliminations: dividends of R\$ 83 and loans of R\$ 65.

In the period ended March 31, 2023, there were no changes in the classification and balance recorded as non-current assets and liabilities held for sale concerning Norte Energia, Teles Pires, and Baguari, which were assessed by the lower of its carrying value and fair value, net of sales expenses. The details of these operations are described in the financial statements for 2022.

During the last months, Management conducted studies and negotiations aiming to disinvest the following transmission assets: Narandiba, Neoenergia Jalapão, Neoenergia Santa Luzia, Neoenergia Rio Formoso, Neoenergia Dourados, Neoenergia Atibaia, Neoenergia Biguaçu, and Neoenergia Sobral, in a way that it is engaged with the sales plan which involves the loss of control of these transmission assets during its short-term planning, with consideration to the actions taken in the quarter by Management to fulfill this plan.

Therefore, as per the Company's accounting policies described in Note 15.8 to the financial statements for 2022, Management reclassified, on March 31, 2023, the balances related to the transmission assets to the line of non-current assets held for sale and liabilities directly associated to non-current assets held for sale with consideration to the events and circumstances involving the disinvestment plan and that as per its assessment, did not observe relevant changes in their fair value, net of sales expenses, in comparison to their book value.

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16. PP&E

The PP&E variations, by asset class, are shown below:

						Consolidated
	Wind farms	Hydroelectric Power and Combined Cycle Plants	Constructions and terrains	Others	Assets under development	Total
Depreciation rate per annum	3.03% - 16.70%	2.00% - 20%	0% - 9.1%	2.5% - 25%	-	
Balance as of December 31, 2022	5,204	2,216	1,957	57	1,412	10,846
Additions	8	-	-	-	144	152
Capitalized costs ⁽¹⁾	-	-	-	-	9	9
Write-offs	-	(1)	-	-	(3)	(4)
Depreciation	(53)	(22)	(15)	(2)	-	(92)
Transfers between classes	723	(2)	(420)	22	(323)	-
Transfers - Other assets	-	-	-	-	(8)	(8)
Reclassification to non-current asset held for sale	-	-	4	(15)	(4)	(15)
Balance as of March 31, 2023	5,882	2,191	1,526	62	1,227	10,888
Cost	6,740	3,201	1,905	99	1,227	13,172
Accumulated depreciation	(858)	(1,010)	(379)	(37)	-	(2,284)
Balance as of December 31, 2021	3,007	2,482	1,564	26	2,481	9,560
Additions	-	-	-	-	800	800
Capitalized costs ⁽¹⁾	-	-	-	-	25	25
Depreciation	(38)	(22)	(12)	(8)	-	(80)
Transfers between classes	177	-	14	15	(206)	-
Balance as of March 31, 2022	3,146	2,460	1,566	33	3,100	10,305
Cost	3,839	3,544	1,893	76	3,100	12,452
Accumulated depreciation	(693)	(1,084)	(327)	(43)	-	(2,147)

(1) Capitalized costs with personnel allocated to construction; financial charges of loans and financing; addition (reversal) of provision for the dismantling of assets and business units; as well as its respective environmental obligations.

17. INTANGIBLE ASSETS

Changes in intangible assets, by nature, are as follows:

	Consolidated					
	Goodwill	Concession	Software	Other	Assets under development	Total
Amortization rate per annum	-	2.78% - 5.56%	6.20% - 20%	0% - 100%	-	
Balance as of December 31, 2022	671	11,881	16	14	24	12,606
Additions	-	-	-	-	4	4
Write-offs	-	(20)	-	-	-	(20)
Amortization	-	(496)	(3)	(2)	-	(501)
Transfers – between classes	-	-	6	(1)	(5)	-
Transfers – Financial asset ⁽¹⁾	-	(2)	-	-	-	(2)
Transfers – Contract asset ⁽²⁾	-	317	19	-	-	336
Transfers – other assets	-	-	-	-	2	2
Reclassification to non-current asset held for sale	-	-	(1)	-	-	(1)
Balance as of March 31, 2023	671	11,680	37	11	25	12,424
Cost	671	32,183	157	18	25	33,054
Accumulated amortization	-	(18,803)	(120)	(7)	-	(18,930)
Special obligations	-	(1,700)	-	-	-	(1,700)
Balance as of December 31, 2021	671	12,073	11	33	13	12,801
Additions	-	-	-	-	1	1
Write-offs	-	(16)	-	-	-	(16)
Amortization	-	(437)	(1)	(1)	-	(439)
Transfers – Financial asset ⁽¹⁾	-	(2)	-	-	-	(2)
Transfers – Contract asset ⁽²⁾	-	342	-	-	-	342
Transfers – other assets	-	31	-	-	-	31
Balance as of March 31, 2022	671	11,991	10	32	14	12,718
Cost	671	31,052	123	41	14	31,901
Accumulated amortization	-	(17,177)	(113)	(9)	-	(17,299)
Special obligations	-	(1,884)	-	-	-	(1,884)

(1) Refers to the power distributors' contractual right to receive cash from the users due to the services of construction and improvements of the power distribution systems, upon the entry into operation of the respective assets. After the infrastructure construction, such assets will be classified as indemnified financial assets or as intangible assets, according to the remuneration arrangements.

(2) Refers to the contractual rights classified as a contract asset until the conclusion of the performance obligation established in the concession agreement.

18. SUPPLIERS AND ACCOUNTS PAYABLE TO CONTRACTORS AND OPERATIONS OF INVOICE DISCOUNTING

	Consolidated	
	03/31/2023	12/31/2022
Energy	1,612	1,589
Network usage charges	509	491
Materials and services	1,683	2,206
Liberalized energy	169	165
Total	3,973	4,451
Suppliers and accounts payable to contractors	3,973	4,094
Operations of invoice discounting	-	357
Current	3,804	4,287
Non-current	169	164

Operation of invoice discounting

To strengthen the commercial relationship with a few suppliers, the Company authorized them to accomplish the assignment of credits with financial institutions and, for the assigned securities, the Company will make their payment directly to their holder, on the due date and amounts previously settled with their original suppliers, with no postponement of the deadline by the Company. The following conditions will also not occur, interest over the assigned securities, guarantee, or the existence of contract clauses that may require anticipated maturities. The Company has no influence over negotiations between suppliers and financial institutions.

The assignment of securities does not substantially change the main characteristics of the commercial conditions previously established with the supplier, therefore, these operations are classified in the statement of cash flow as operating or investment activity, depending on the nature of the product or the acquired service.

19. LOANS, FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS

19.1 Net debt

The Company evaluates the net debt to ensure the continuity of its business in the long term, being able to generate value for its shareholders, through the payment of dividends and capital gains. The net debt is composed as follows:

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Bank loans and financing	9,321	9,364	550	569
Development agencies	14,900	16,245	2,383	2,429
Capital market	18,256	17,894	1,658	1,603
Loans and financing ⁽¹⁾	42,477	43,503	4,591	4,601
(+) Derivative financial instruments (note 19.3)	563	283	629	508
(-) Cash and cash equivalents (note 11)	(5,654)	(6,802)	(332)	(777)
(-) Marketable securities	(559)	(513)	(71)	(61)
Net debt	36,827	36,471	4,817	4,271

- (1) In the statement of financial position, the Company presents loans and financing net of collateral deposits related to debts. This presentation is a better representation of these transactions because such collaterals are realized exclusively for amortizing the related debts.

19.2 Loans and financing

The Company's debts are composed of funds mainly raised through bank loans, funding agencies, and the capital market (debentures and promissory notes) and they mostly are denominated in Reals ("R\$") and U.S. Dollars ("US\$"). The debts are initially recognized at fair value, which usually reflects the received value, net of transaction costs (direct costs of issuance), and eventual payments. Subsequently, the debts are recognized at the (i) amortized cost; or (ii) fair value through profit or loss.

The Company contracted derivatives to hedge its exposure to cash flow variations from the debts denominated in foreign currency, thus significantly mitigating the risk of foreign exchange exposure.

a) Debts of contracts by currency and interest rate modality

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Denominated in R\$	31,206	32,532	2,240	2,205
Floating interest rates	31,173	32,492	2,240	2,205
Fixed interest rates	33	40	-	-
Denominated in US\$	10,080	9,670	2,387	2,434
Floating interest rates	894	969	-	-
Fixed interest rates	9,186	8,701	2,387	2,434
Denominated in other currencies	1,553	1,646	-	-
Fixed interest rates	1,553	1,646	-	-
	42,839	43,848	4,627	4,639
(-) Collateral deposits	(132)	(112)	-	-
(-) Transaction costs	(230)	(233)	(36)	(38)
	42,477	43,503	4,591	4,601
Current liabilities	8,153	7,289	736	720
Non-current liabilities	34,324	36,214	3,855	3,881

On March 31, 2023, the debts' average cost in percentage is as follows:

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Average cost of % CDI ⁽²⁾	88.9%	90.4%	88.8%	92.5%
Average cost in fixed interest rate	11.8%	11.4%	11.8%	11.6%
Debt balance	42,477	43,503	4,591	4,601
Derivative financial instruments	563	283	629	508
Total debt, net of derivatives	43,040	43,786	5,220	5,109

(2) The rate considers the debt's average balance of 13 months and the result of the accumulated debt and average CDI from the last 12 months.

b) Debt future payment flows

The Company aims to structure its debt according to the financial cycle of its business, observing the peculiarities of each company and the characteristics of its concessions and authorizations.

The future payment flow of the debt's principal and interest is shown below:

				Consolidated
	Principal ⁽³⁾	Interest ⁽³⁾	Derivative instruments	Total
2023	5,677	2,586	669	8,932
2024	6,523	2,507	189	9,219
2025	4,872	2,224	(4)	7,092
2026	5,748	2,194	(124)	7,818
2027	5,455	1,595	(71)	6,979
Between 2028 and 2032	13,610	3,413	(651)	16,372
Between 2033 and 2037	4,183	1,309	(466)	5,026
2038 onwards	3,468	627	-	4,095
Total	49,536	16,455	(458)	65,533

- (3) The estimated flow of future payments, including principal and interest is calculated based on the interest rate curves (Fixed and Floating rates) and foreign exchange rates in effect on March 31, 2023, with consideration that all amortizations and payments on the maturity of these loans and financing will be made at their respective agreed dates. The amount includes the estimated payments of future flows of charges to incur (still not provisioned) and the incurred charges, already recognized in the financial statements.

On March 31 2023, the average maturity of the Company's debt maturities is 5.89 years (5.29 years in December 2022).

c) Debt reconciliation with the cash flow and other variations

	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Opening balance	43,503	38,623	4,601	5,373
Effect on cash flow:				
Proceeds	1,579	3,129	-	550
Principal's amortization	(956)	(1,143)	-	(500)
Borrowing costs	(15)	(11)	-	-
Charges paid	(462)	(372)	(39)	(83)
Collateral deposits investment (redemption)	(18)	(2)	-	-
Non-cash effect:				
Charges incurred	1,151	910	93	128
Foreign exchange rate variation	(316)	(1,766)	(64)	(246)
Fair value adjustments	(5)	(18)	-	-
Reclassification to liabilities directly associated with non-current assets held for sale	(1,984)	-	-	-
Closing balance	42,477	39,350	4,591	5,222

In the three-month period ended March 31, 2023, the Group raised R\$ 1,579, being: (i) R\$ 1,000 through banking loans and financing in foreign currency, in addition to contracts of foreign exchange swaps; and (ii) R\$ 579 through financing with national development banks (BNDES and BNB).

d) Credit lines

Type	Currency	Fundraising deadline	Total amount	Consolidated Used amount
Financing lines	R\$	12/29/2024	8,199	4,943
Financing lines	€	12/22/2024	1,105	922
Financing lines	US\$	05/05/2023	750	-
			10,054	5,865

The average cost to maintain these credit lines, on March 31, 2023, is 0.27% per annum (0.35% per annum on December 31, 2022) over the total amount.

e) Restrictive financial conditions (Covenants)

On March 31, 2023, the Company has 87% of the consolidated debt contracts with Covenants. The main covenants require that the Company must maintain certain indices, such as net debt over EBITDA and EBITDA over financial income (expenses). The Company did not identify any event of nonconformities on March 31, 2023 and December 31, 2022. Below are the main parameters and general estimated measurements.

	Inferior Contract limits ⁽¹⁾	Measurement ⁽²⁾ in 03.31.2023	Measurement ⁽²⁾ in 12.31.2022
Consolidated Neoenergia:			
Net debt ÷ EBITDA	≤ 4.0	3.06	3.15
EBITDA ÷ Financial income (expenses)	≥ 2.0	2.90	3.05

(1) Each debt contract foresees specific conditions with the composition of indicators that will be measured and the respective period of verification which can be quarterly or annually. The indices are from the lower level of each observed indicator among all debt contracts.

(2) General indices achieved by the information presented in these financial statements. Neoenergia S.A is the guarantor of its subsidiaries' debts, therefore, some financial covenants are based on the amounts of Neoenergia S.A.

19.3 Derivative financial instruments

The Company is exposed to several risks arising from its operations, including risks related to foreign exchange rates, interest rates, and price ratios. The Company uses swaps, forward contracts and/or options for economic and financial hedge purposes, as a part of the Company's risk management strategy. General considerations on the risk management strategy are set out in note 25.6.

a) Derivative financial instruments assets (liabilities) presented in the statement of financial position

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Loans and financing hedging instruments:				
Foreign exchange rate variation risk (NDF, Options and other derivatives)	(16)	(11)	(12)	(8)
Currency swap – US\$ vs R\$	(358)	(117)	(596)	(494)
Currency swap – Other currencies vs R\$	(202)	(189)	-	-
Interest rate swap – R\$	37	33	-	-
Other transactions hedging instruments:				
Foreign exchange rate variation risk – Goods and services	(16)	7	(13)	-
Price risk of own shares (NEOE3)	(8)	(6)	(8)	(6)
Net exposure	(563)	(283)	(629)	(508)
Current asset	168	183	-	-
Non-current asset	694	774	-	-
Current liability	(431)	(289)	(112)	(41)
Non-current liability	(994)	(951)	(517)	(467)

The Company has derivative financial instruments contracted for hedging purposes that are designated for hedge accounting, as shown below:

	Consolidated		Parent Company	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Derivatives not designated for hedge accounting				
Loans and financing hedging	9	8	-	-
Other transactions hedging	4	7	-	-
Hedge to protect the prices of the own shares (NEOE3)	(8)	(6)	(8)	(6)
Derivatives designated for hedge accounting – cash flow				
Loans and financing hedging	(975)	(757)	(608)	(502)
Other transactions hedging	(20)	-	(13)	-
Derivatives designated for hedge accounting – fair value				
Loans and financing hedging	427	465	-	-
	(563)	(283)	(629)	(508)

b) Effects of the derivative financial instruments in profit or loss, cash flow and other comprehensive income

	03/31/2023			Consolidated 03/31/2022		
	Loans and financing hedging	Other operations hedging	Total	Loans and financings hedging	Other operations hedging	Total
Opening balance	(284)	1	(283)	1,903	(33)	1,870
Gain (loss) recognized in profit or loss	(622)	1	(621)	(1,976)	(2)	(1,978)
Gain (loss) recognized as Capex	-	-	-	-	(22)	(22)
Gain (loss) recognized in other comprehensive income	79	(23)	56	(190)	(59)	(249)
Financial settlement inflow (outflow)	287	(2)	285	128	58	186
Closing balance	(540)	(23)	(563)	(135)	(58)	(193)
Gain (loss) recognized in profit or loss						
Cost of operations	-	3	3	-	(4)	(4)
Financial income (expenses), net	(622)	(2)	(624)	(1,976)	2	(1,974)

	03/31/2023			Parent Company 03/31/2022		
	Loans and financing hedging	Other operations hedging	Total	Loans and financings hedging	Other operations hedging	Total
Opening balance	(502)	(6)	(508)	(104)	(24)	(128)
Gain (loss) recognized in profit or loss	(134)	(2)	(136)	(298)	16	(282)
Gain (loss) recognized in other comprehensive income	28	(13)	15	(70)	(21)	(91)
Financial settlement inflow (outflow)	-	-	-	17	9	26
Closing balance	(608)	(21)	(629)	(455)	(20)	(475)
Gain (loss) recognized in profit or loss						
Financial income (expenses), net	(134)	(2)	(136)	(298)	16	(282)

20. PROVISIONS, OTHER OBLIGATIONS AND JUDICIAL DEPOSITS

	Consolidated	
	03/31/2023	12/31/2022
Provision for judicial lawsuits (note 20.1.a)	1,670	1,638
Provision for environmental obligations	99	118
Provision for obligations to dismantle assets	113	103
Provision for reimbursement	197	158
Total	2,079	2,017
Current liability	385	378
Non-current liability	1,694	1,639

20.1 Provisions for lawsuits, contingent liabilities, and judicial deposits

a) Provision for lawsuits

The Company is a party to civil, labor, tax and other ongoing lawsuits in the administrative and judicial levels. Provisions for losses arising from these lawsuits are estimated and adjusted by the Company, supported by the opinions of its legal advisors. Provisions for losses on lawsuits are as follows:

	Consolidated				
	Civil	Labor	Tax	Regulatory	Total
Balance as of December 31, 2022	944	490	125	79	1,638
Additions and reversals, net	44	11	-	-	55
Payments	(39)	(18)	-	-	(57)
Monetary variation	57	18	-	-	75
Reclassification to liabilities directly associated with non-current assets held for sale	(41)	-	-	-	(41)
Balance as of March 31, 2023	965	501	125	79	1,670
Balance as of December 31, 2021	829	475	135	104	1,543
Additions and reversals, net	46	8	2	(21)	35
Payments	(48)	(19)	-	-	(67)
Monetary variation	50	16	1	(1)	66
Balance as of March 31, 2022	877	480	138	82	1,577

For the quarter ended March 31, 2023, there were no relevant changes in the situation of these proceedings, or the values provisioned, which were also monetarily updated in the period.

The main proceedings are disclosed in the consolidated financial statements of December 31, 2022.

b) Contingent liabilities

Contingent liabilities correspond to lawsuits not provisioned since they are current obligations whose outflow of resources is not probable or for which it is not possible to make an estimation that is sufficiently reliable for the obligation value, based on the legal opinions. The contingent liabilities are shown below:

	Consolidated	
	03/31/2023	12/31/2022
Civil lawsuits	2,814	2,763
Labor lawsuits	832	816
Tax lawsuits	4,128	4,043
Regulatory lawsuits	321	311
Total	8,095	7,933

For the quarter ended March 31, 2023, there were no relevant changes in the situation of these proceedings, or the values provisioned, which were also monetarily updated in the period.

The main proceedings are disclosed in the consolidated financial statements of December 31, 2022.

c) Judicial deposits

Judicial deposits are presented according to the nature of the corresponding lawsuits, whether recognized or not.

	Consolidated	
	03/31/2023	12/31/2022
Civil lawsuits	603	571
Labor lawsuits	343	341
Tax lawsuits	296	292
Other lawsuits	40	40
Total	1,282	1,244

The judicial deposits were monetarily updated by the SELIC rate, for tax lawsuits and the TR rate plus 70% of the SELIC rate, for the other lawsuits.

21. EMPLOYEE BENEFITS

As a part of its remuneration strategy, the Company grants its employees short and long-term benefits, in addition to salaries, vacations, and other legal benefits, as well as the respective labor charges applicable to these benefits.

The post-employment long-term benefits include (i) complementary pension plan ("Pension plan – Defined benefit"); (ii) complementary pension plan ("Pension plan – Defined contribution") and (iii) post-employment health plan. The values recognized in the statement of financial position are shown below:

	Consolidated	
	03/31/2023	12/31/2022
Labor obligations and PSR	548	599
Short-term benefits – post-employment	114	202
Long-term benefits – post-employment	767	685
Defined contribution – CEBPREV	41	40
Total	1,470	1,526
Non-current assets ⁽¹⁾	(25)	(24)
Current liabilities	668	806
Non-current liabilities	827	744

(1) The presentation of the post-employment benefit balance is allocated in the following heading "Other non-current assets."

22. SHAREHOLDERS' EQUITY

22.1 Share capital

On March 31, 2023 and December 31, 2022, the share capital is R\$12,920 which corresponds to 1,213,797,248 issued common shares ("ON") fully subscribed, paid-up and without par value.

	Shareholders		
	ON	ON %	R\$
Iberdrola Energia S A. ("Iberdrola")	606,898,625	50.00%	6,460
Iberdrola S.A.	42,482,904	3.50%	452
Previ-Caixa de Prev. dos Func. do Banco do Brasil ("Previ")	367,647,583	30.29%	3,914
Other shareholders – Free float	196,252,167	16.17%	2,089
Directors and officers	515,569	0.04%	5
Treasury shares	400	0.00%	-
Total shares	1,213,797,248	100%	12,920

22.2 Earnings per share and shareholders' remuneration

a) Earnings per share

The values of the basic and diluted earnings per share are shown below:

	Attributed to shareholders of Neoenergia S/A			
	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Net income for the period	1,215	1,238	1,216	1,204
Weighted average number of the outstanding shares	1,214	1,214	1,214	1,214
Basic and diluted earnings per share	1.00	1.02	1.00	0.99

23. TRANSACTIONS WITH RELATED PARTIES

The Company's related parties are subsidiaries, joint ventures, associates, shareholders and its related entities, and the Company's key management personnel.

The main commercial transactions with related parties recognized as accounts receivable and/or accounts payable and their respective revenues and/or costs/expenses are related to (i) power purchase and sale agreements; (ii) energy distribution and transmission system usage agreements; (iii) operation and maintenance service provision; (iv) administrative service contracts. Further details of the main transactions are disclosed in the consolidated financial statements of December 31, 2022.

The transactions with pension funds responsible for the management of short- and long-term benefits offered to the Company's employees are classified as "Shareholders and Others" in this explanatory note.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
For the period ended March 31, 2023 and 2022
(Amounts expressed in millions of reais)



The information regarding transactions with related parties and their effects on the Company's consolidated financial statement are shown below:

23.1 Outstanding balance with related parties

	03/31/2023				Consolidated 12/31/2022			
	Joint ventures	Associates	Shareholders and Others	Total	Joint ventures	Associated companies	Shareholders and Others	Total
	Asset							
Accounts receivable and others	-	2	0	2	46	2	-	48
Receivable dividends and interest on own capital	15	34	0	49	15	34	-	49
Other assets	-	-	37	37	-	-	41	41
	15	36	37	88	61	36	41	138
Liabilities								
Suppliers and accounts payable	10	135	200	345	48	131	168	347
Employee benefits	-	-	18	18	-	-	23	23
Payable dividends and interest on own capital	-	-	1,004	1,004	-	-	1,001	1,001
Other liabilities	-	-	5	5	43	-	10	53
	10	135	1,227	1,372	91	131	1,202	1,424

	03/31/2023				Parent Company 12/31/2022			
	Subsidiaries	Joint ventures and associates	Shareholders and Others	Total	Subsidiaries	Joint ventures and associates	Shareholders and Others	Total
	Asset							
Receivable dividends and interest on own capital	707	15	-	722	748	15	-	763
Other assets	163	-	-	163	149	-	-	149
	870	15	-	885	897	15	-	912
Liabilities								
Suppliers and accounts payable	-	-	173	173	-	-	145	145
Payable dividends and interest on own capital	-	-	987	987	-	-	985	985
Other liabilities	51	-	-	51	125	-	-	125
	51	-	1,160	1,211	125	-	1,130	1,255

23.2 Transactions with related parties

	Consolidated							
	03/31/2023				03/31/2022			
	Joint ventures	Associates	Shareholders and Others	Total	Joint ventures	Associates	Shareholders and Others	Total
Profit (loss) for the period								
Operating revenue, net	3	5	-	8	11	5	-	16
Service costs	(22)	(389)	(1)	(412)	(111)	(271)	-	(382)
General and administrative expenses	-	-	(47)	(47)	-	-	(57)	(57)
Financial income (expenses), net	-	-	(1)	(1)	-	-	(9)	(9)
	<u>(19)</u>	<u>(384)</u>	<u>(49)</u>	<u>(452)</u>	<u>(100)</u>	<u>(266)</u>	<u>(66)</u>	<u>(432)</u>

	Parent Company							
	03/31/2023				03/31/2022			
	Subsidiaries	Joint ventures and associates	Shareholders and Others	Total	Subsidiaries	Joint ventures and associates	Shareholders and Others	Total
Profit (loss) for the period								
Operating revenue, net	-	-	-	-	1	-	-	1
General and administrative expenses	-	-	(31)	(31)	-	-	(23)	(23)
Financial income (expenses), net	80	-	-	80	32	-	-	32
	<u>80</u>	<u>-</u>	<u>(31)</u>	<u>49</u>	<u>33</u>	<u>-</u>	<u>(23)</u>	<u>10</u>

23.3 Key management personnel compensation

The employees' compensation, including those occupying executive positions and member of the Company's Board of Directors recognized in the statement of income on accrual basis, are shown below:

	Consolidated		Parent Company	
	03/31/2023	03/31/2022	03/31/2023	03/31/2022
Wages and recurring benefits	15	11	12	9
Short-term variable compensation	5	5	4	4
Long-term benefits	5	6	4	5
Total	<u>25</u>	<u>22</u>	<u>20</u>	<u>18</u>

23.4 Granted financial guarantees

The Company's granted financial guarantees are made based on contract conditions that support financial operations between the joint ventures/associates and third parties, which ensures the fulfillment of obligations in case of the original debtor does not honor its established financial agreements

On March 31, 2023, the amount of granted financial guarantees to certain joint ventures and associates totaled R\$ 4,366.

24. CLASSIFICATION AND ESTIMATES OF FAIR VALUES FROM FINANCIAL INSTRUMENTS

24.1 Classification and measurement of financial instruments

The Company classifies its financial instruments accordingly with its business model and purpose for which they were acquired. The financial instruments are classified and measured as follows:

	03/31/2023			Consolidated 12/31/2022		
	AC	FVTOC	FVTPL	AC	FVTOCI	FVTPL
Financial assets						
Cash and cash equivalents	2,943	-	2,711	2,994	-	3,808
Securities and marketable securities	107	-	452	168	-	345
Trade and other receivables	10,569	-	-	9,976	-	-
Derivative financial instruments	-	421	441	-	480	477
Sectoral financial assets (Portion A and others)	218	-	-	252	-	-
Public service concession (financial asset)	-	-	24,891	-	-	23,493
Other assets	209	-	-	183	-	-
	<u>14,046</u>	<u>421</u>	<u>28,495</u>	<u>13,573</u>	<u>480</u>	<u>28,123</u>
Financial liabilities						
Suppliers and accounts payable to contractors and operations of invoice discounting	3,973	-	-	4,451	-	-
Loans and financing	41,369	-	1,108	-	-	1,158
Sectoral financial liabilities (Portion A and others)	645	-	-	826	-	-
Derivative financial instruments	-	1,412	13	-	1,233	7
Lease obligations	215	-	-	206	-	-
Use of public asset	64	-	-	64	-	-
Other liabilities	788	-	33	844	-	30
	<u>47,054</u>	<u>1,412</u>	<u>1,154</u>	<u>48,736</u>	<u>1,233</u>	<u>1,195</u>

AC – Amortized cost

FVTOCI – Fair value through other comprehensive income

FVTPL – Fair value through profit or loss

24.2 Fair value estimation

For the measurement and determination of the fair value, the Company uses several methods including approaches based on the following: market, result, or cost, to estimate the values that the market participants would use to price the asset or liability. The financial assets and liabilities measured at fair value are classified and disclosed accordingly with the following levels:

Level 1 – Prices quoted (unadjusted) on active, liquid, and visible markets for identical assets and liabilities that are accessible on the measurement date.

Level 2 – Prices quoted (adjusted or not) for similar assets or liabilities on active markets; and

Level 3 – Assets and liabilities whose prices do not exist or whose prices or evaluation techniques are supported by a small or non-existent, non-observable, or illiquid market.

The impact analysis in case the results are different from Management's estimation is presented in note 25.7 (sensitivity analysis).

24.3 Financial instruments recognized at fair value (“FVTPL” or “FVTOCI”)

The measurement level of the financial assets and liabilities recognized at the fair value is as follows:

	03//31/2023			Consolidated 12/31/2022		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	2,711	-	2,711	3,808	-	3,808
Securities and marketable securities	452	-	452	345	-	345
Derivative financial instruments	862	-	862	957	-	957
Public service concession (Financial asset)	-	24,891	24,891	-	23,493	23,493
	4,025	24,891	28,916	5,110	23,493	28,603
Financial liabilities						
Loans and financing	1,108	-	1,108	1,158	-	1,158
Derivative financial instruments	1,425	-	1,425	1,240	-	1,240
Other liabilities	34	-	34	30	-	30
	2,567	-	2,567	2,428	-	2,428

There was no transfer of financial instruments between the fair value measurement level.

The gains and losses recognized in profit or loss for the three-month period ended March 31, 2023 and 2022, related to the financial assets and liabilities measured through level 3 techniques were R\$ 649 and R\$ 532, respectively. The other transfers for these assets and liabilities are disclosed in note 14.1.

24.4 Financial instruments recognized at the amortized cost (“AC”)

Financial instruments measured at the amortized cost, due to the long-term cycle for realization, can have their fair value different from the book balance. The fair values of the financial assets and liabilities recognized at the amortized cost are shown below.

	03/31/2023		Consolidated 12/31/2022	
	Book Balance	Fair value estimate – Level 2	Book Balance	Fair value estimate – Level 2
Loans and financing	41,369	40,776	42,345	41,722

Due to the short-term cycle, it is assumed that the fair values of the balances regarding cash and cash equivalents, securities and marketable securities, trade accounts receivables, accounts payable to suppliers and sectoral financial assets, and liabilities are equal to the amount measured at amortized cost (book balance).

24.5 Evaluation methods and techniques

The evaluation methods and techniques are the same ones disclosed in the financial statements of December 21, 2022.

24.6 Additional information on derivative financial instruments

The Company has derivative financial instruments for economic and financial hedge against the risk of changes in exchange and interest rates. The most used instruments are swaps and Non-Deliverable Forwards (NDF).

All derivative operations of the Company's hedge programs are detailed in the charts below, which include the following: its type, reference value, deadline, fair value including the credit risk.

To evaluate the economic relationship between the hedged item and the hedging instrument, the Company adopts the methodology of the prospective effectiveness test through the object's critical terms and the contracted derivatives to conclude if there is an expectation concerning the changes in cash flow of the hedged item and the hedging instrument to be mutually compensated.

U.S. Dollars loans and financing hedging program

For economic and financial hedging purposes, the Company may contract swaps to translate loans and financing denominated in US\$ into R\$. In such swaps, the Company holds a payable position in R\$ indexed to the CDI and a receivable position in US\$ indexed to fixed or floating interest rates (Libor).

The programs below are designated for hedge accounting and measured at fair value through profit or loss:

Swap US\$ float vs R\$ float	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Company					
Asset	US\$ 126	US\$ 130	2027-2029	641	689
Liability	R\$ 405	R\$ 423		(392)	(408)
Net exposure				249	281

Swap US\$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Company					
Asset	US\$ 68	US\$ 67	2025-2027	332	341
Liability	R\$ 184	R\$ 184		(182)	(181)
Net exposure				150	160

The programs below are designated for hedge accounting and classified as cash flow hedge:

Swap US\$ float vs R\$ float	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Company					
Asset	US\$ 50	US\$ 54	2030	253	283
Liability	R\$ 162	R\$ 179		(163)	(180)
Net exposure				90	103

Swap US\$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Company					
Asset	US\$ 1,744	US\$ 1,428	2023-2036	8,458	7,858
Liability	R\$ 9,068	R\$ 7,381		(9,303)	(8,518)
Net exposure				(845)	(660)

Euro loans and financing hedging program

For economic and financial hedging purposes, the Company may contract swaps to translate loans and financing denominated in EUR into R\$. In such swaps, the Company holds a payable position in R\$ indexed to the CDI and a receivable position in EUR indexed to fixed or floating interest rates (Euribor).

The programs below are designated for hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

Swap EUR \$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Asset	€ 79	€ 80	2023-2024	429	427
Liability	R\$ 357	R\$ 357		(358)	(359)
Net exposure				71	68

Hedging program for loans and financing denominated in Reais bearing IPCA inflation rate

For economic and financial hedging purposes, the Company may contract swaps to translate loans and financing in R\$ indexed to the IPCA into CDI. In such swaps, the Company holds a payable position in CDI and a receivable position in IPCA.

The programs below are designated for hedge accounting and measured at fair value through profit or loss:

Swap IPCA vs CDI	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Asset	R\$ 162	R\$ 157	2023-2025	162	155
Liability	R\$ 126	R\$ 122		(125)	(121)
Net exposure				37	34

Hedging program for U.S. Dollars payments

Aiming to reduce cash flow volatility, the Company may contract NDF or options operations to mitigate foreign exchange rates variations exposure arising from disbursements denominated or subject to ratios in U.S. Dollars.

Such program is designated for hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

NDF	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Disbursement USD					
Forward	US\$ 29	US\$ 40	2023-2026	(20)	(14)
Net exposure				(20)	(14)

The programs below are designated for hedge accounting and measured at fair value through cashflow:

NDF	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Disbursement USD					
Put options	-	US\$ 5	2023	-	5
Net exposure				-	5

Hedging program for Euro payments

Aiming to reduce cash flow volatility, the Company may contract NDF operations to mitigate foreign exchange rates variations exposure arising from disbursements denominated or subject to ratios in Euro.

Such program is designated for hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
NDF					
Disbursement EUR					
Forward	€ 33	€ 1	2023-2024	(14)	(1)
Net exposure				(14)	(1)

Hedge program regarding the stocks plan – ILP 2020/2022

On July 15, 2020, the Company's Board of Directors approved the repurchase of up to 2,555,000 shares through the contracting of derivative financial instruments (Equity Swap), to protect the Company against the volatility of its stock prices (NEOE3), since this event may negatively impact the future assumed cash flows in the scope of its Long-term Incentive Program.

This program is classified according to an economic hedge which is not designated for hedge accounting and is measured at the fair value through profit or loss.

	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Swap Equity					
Asset	R\$ 40	R\$ 40		41	42
Liability	R\$ 49	R\$ 47	2023	(49)	(47)
Net exposure				(8)	(5)

Yen loans and financing hedging program

For the purpose of economic and financial hedge, the Company contracts swap operations to translate JPY-denominated debts and loans into R\$. In these swaps, the Company assumes a short position in R\$ linked to the CDI and a long position in JPY linked to fixed rates.

	Notional value		Deadline (Year)	Fair value	
	03/31/2023	12/31/2022		03/31/2023	12/31/2022
Swap JPY fixed vs R\$ float					
Asset	JPY 29,157	JPY 30,434		1,118	1,209
Liability	R\$ 1,362	R\$ 1,434	2026-2031	(1,383)	(1,458)
Net exposure				(265)	(249)

24.7 Sensitivity analysis

The sensitivity analysis estimates the potential value of derivative financial instruments and respective exposures of the hedged items, in hypothetical stress scenarios of the main market risk factors to which they are exposed, maintaining all other variables unchanged. The estimate of the potential value at risk considers the projected horizon for the next 63 working days (or 90 continuous days) as of March 31, 2023.

- Probable scenario: On the evaluation date, the future cash flows were projected, considering the balances and eventual charges and interest, estimated based on the foreign exchange and/or interest rates in effect at the market on March 31, 2023.

- Scenario II: Estimate of the fair value considering a deterioration of 15% in the risk variables associated with the probable scenario.

- Scenario III: Estimate of the fair value considering a deterioration of 30% in the risk variables associated with the probable scenario.

For analysis purposes of the sensitivity regarding the derivative financial instruments, the Company understands that there is the need to consider the liabilities that are being hedged, with exposure to the variations of foreign exchange rates or price indexes and that are recorded in the statement of financial position.

As 100% of the debts in foreign currency are protected by swaps, the risk of the exchange rate variations is irrelevant, as shown below:

Operation	Currency	Risk	Rate	Exposure (Balance/ Notional)	Probable scenario	Impact - scenario (II)	Impact - scenario (III)
U.S Dollars denominated debt Swap long position in U.S Dollars	Dollar (\$)	Dollar appreciation	5.2177	(10,080) 9,684	(10,232) 9,831	(1,535) 1,473	(3,070) 2,949
Net exposure				(396)	(401)	(62)	(121)
Euro denominated debt Swap long position in Euro	Euro (€)	Euro appreciation	5.5244	(439) 429	(446) 435	(67) 65	(134) 131
Net exposure				(10)	(11)	(2)	(3)
Yen denominated debt Swap long position in Yen	Yen (JPY)	Yen appreciation	0.0383	(1,116) 1,118	(1,148) 1,151	(173) 173	(344) 345
Net exposure				2	3	-	1

For disbursements in foreign currency related to non-debt contracts, the following hedging strategies are adopted, with the impacts related to the reproduced scenarios for the exchange variation over the derivative and the corresponding impact on each scenario for the hedged item being shown in the table. Therefore, the effect of elimination and/or reduction of net exchange exposure is observed through the hedging strategy:

Operation	Currency	Risk	Rate	Exposure (Balance/ Notional)	Probable scenario	Impact - scenario (II)
Hedged item: portion of payments in USD NDF	Dollar (\$)	Dollar appreciation	5.0804	(158)	21	41
Exposure				158	(21)	(41)
Hedged item: portion of payments in Euro NDF	Euro (€)	Euro appreciation	5.5244	(190)	27	55
Exposure				190	(27)	(55)

The table below shows the loss (gain) due to the variation of interest rates that may be recognized in the Company's profit or loss in the subsequent period, in case one of the scenarios presented below occurs:

Operation	Indexer	Risk	Rate	Exposure (Balance/ Notional)	Probable scenario	Impact - scenario (II)	Impact - scenario (III)
Financial assets							
Financial investments indexed to the CDI	CDI	CDI depreciation	13.65%	6,201	197	(28)	(57)
Financial liabilities							
Loans and financing							
Debt instruments at CDI	CDI	CDI appreciation	13.65%	(13,975)	(507)	(73)	(142)
Swaps Dollar x CDI (Short position)	CDI	CDI appreciation	13.65%	(10,954)	(386)	(55)	(108)
Debt instruments at IPCA	IPCA	IPCA appreciation	5.60%	(15,904)	(328)	(22)	(46)
Swaps IPCA x CDI (Long position)	IPCA	IPCA appreciation	5.60%	162	4	-	-
Swaps Dollar x IPCA (Short position)	IPCA	IPCA appreciation	5.60%	(903)	(18)	(1)	(3)
Debt instruments at LIBOR 6M	LIBOR	LIBOR 6M appreciation	5.31%	(894)	(13)	(1)	(4)
Swaps Libor 6M x CDI (Long position)	LIBOR	LIBOR 6M appreciation	5.31%	894	16	2	4
Debt instruments at SELIC	SELIC	SELIC appreciation	13.65%	(54)	(2)	-	-
Debt instruments at TJLP	TJLP	TJLP appreciation	7.28%	(1,462)	(34)	(4)	(8)

The table below shows the loss (gain) on the equity swap operation, caused by the variation in Neoenergia's stock price (NEOE3), under certain market scenarios. This loss (gain), if materialized, will be recognized in the Company's income statement in the following year:

Operation	Indexer	Risk	Rate	Balance	Probable scenario	Impact - scenario (II)	Impact - scenario (III)
Outros Financial assets							
Swap - Long position in shares	NEOE3	Stock depreciation (NEO3)	15.00	41	3	6	12

25. SUBSEQUENT EVENTS

Raising of funds

On April 4, 2023, the subsidiary Neoenergia Coelba raised a financing contract with BNP Paribas, in the amount of R\$ 500, with a maturity of 2 years.

On April 20, 2023, the subsidiary Neoenergia Pernambuco raised a financing contract of R\$ 703 with the Japan International Cooperation Agency - JICA, with a maturity of 10 years.

Tariff readjustment of Neoenergia Coelba and Neoenergia Cosern

On April 18, 2023, ANEEL approved the Annual Tariff Readjustment of the subsidiaries Neoenergia Coelba and Neoenergia Cosern, as shown below:

	<u>Neoenergia Coelba</u>	<u>Neoenergia Cosern</u>
Low tension consumers	8.66%	4.45%
High tension consumers	6.91%	3.65%
Average tariff readjustment	8.18%	4.26%
Process model:	RTP	RTP
Resolution no.	3,186	3,187
Date of the resolution	04/22/2023	04/22/2023

Divestment of equity interest

On April 25, 2023, Neoenergia's Board of Directors approved and entered into the Share Purchase Agreement and Other Covenants ("SPA") with Warrington Investment Pte, concerning the sales transaction of 50% of equity interest in the subsidiary Neoenergia Transmissora 15 SPE S.A. Ltd., by the amount of R\$ 1,200, subject to changes in price that are usual in this type of transaction.

The operation is subject to precedent conditions that are usual in the SPA, which include the previous approval by the Administrative Council of Economic Defense (CADE) and by the Brazilian Electric Regulatory Agency (ANEEL), as well as by certain third parties.

Moreover, as a precedent condition for the operation's implementation, and subject to previous related approvals, the Company must contribute to the capital of the Neoenergia Transmissão the total amount of its equity interest in the following companies: Neoenergia Jalapão Transmissão de Energia S.A., Neoenergia Santa Luzia Transmissão de Energia S.A., Neoenergia Dourados Transmissão de Energia S.A., Neoenergia Atibaia Transmissão de Energia S.A., Neoenergia Biguaçu Transmissão de Energia S.A., Neoenergia Sobral Transmissão de Energia S.A., S.E. Narandiba S.A. and Neoenergia Rio Formoso Transmissão e Energia S.A.

In addition to the SPA, a development agreement was also entered into on this date. It provides for the joint participation in future transmission auctions, as well as the potential acquisition by Warrington through primary offer rights of shares representing 50% of equity interest in other transmission assets (under construction or operating) from the Company.