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

Neoenergia S.A.

Report on Review of
Interim Financial Information
for the Nine-month Period Ended
September 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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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 September 30, 2023, which comprises the statement of financial position as of September 30, 2023 and the related statements of income and of comprehensive income for the three- and nine-month periods then ended, and of changes in shareholders' equity and of cash flows for the nine-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 was 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 nine-month period ended September 30, 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.

Convenience translation

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, October 25, 2023

DELOITTE TOUCHE TOHMATSU
DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Jônatas José Medeiros de Barcelos
Engagement Partner

2023SA026579

Neoenergia

Rio de Janeiro, October 25, 2023 – Neoenergia discloses on this date its 2023 third quarter and first nine months results (3Q23 and 9M23).

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HIGHLIGHTS (R$ MM) 3Q23	3Q23	3Q22	Δ %	9M23	9M22	Δ %
Net Operating Revenue	9,611	10,377	(7%)	31,252	29,901	5%
Gross Margin	2,884	3,448	(16%)	11,636	11,944	(3%)
Operating Expenses	(995)	(960)	4%	(2,979)	(2,814)	6%
EBITDA	3,222	2,352	37%	9,504	8,747	9%
Financial Income (Loss)	(1,113)	(780)	43%	(3,706)	(2,853)	30%
Profit assigned to controlling shareholders	1,545	1,495	3%	3,488	3,782	(8%)
Financial Asset (Concession)	148	(298)	N/A	977	910	7%
IFRS 15 + Corporate Operations	456	130	251%	909	638	42%
Adjusted EBITDA	2,618	2,520	4%	7,618	7,199	6%

NETWORKS

RENEWABLES

LIBERALIZED

OPERATING INDICATORS						
Total Inject Energy (GWh) (SIN + Isolated Systems + DG)	19,984	19,091	4.7%	60,173	58,333	3.2%
Total Distributed Energy (captive + free market + DG)	17,276	16,736	3.2%	52,284	51,043	2.4%
Number of Customers (thousand)	16,273	15,956	2%			

Financial Debt Indicators	3Q23	2022	Variation
Net Debt(1)/ EBITDA(2)	3.11	3.15	(0.04)
Corporate Rating (S&P)	AAA	AAA	-

(1) Net Debt of cash and cash equivalents, short-term investments and securities.
(2) EBITDA 12 mounths

Adjusted EBITDA reaches R$ 2.6 billion in the 3Q23 (+4% vs. 3Q22) and R$ 7.6 billion in 9M23 (+6% vs. 9M22).

- Robust growth in energy injected, including DG, +4.7% in the 3Q23 and 3.2% in 9M23;
- Operating expenses, +4% in the 3Q23 and +6% in 9M23, in line with inflation and absorbing a larger number of customers;
- Capex: R$ 2.2 billion in the 3Q23 and R$ 6,5 billion in 9M23. Distributors organic growth and execution of transmission and renewables projects;
- Net Debt/EBITDA of 3.11x in the 3Q23 (vs. 3,15x in the 4Q22);
- Four of the five Group's distributors are below the regulatory Loss limit;
- Completion of the asset swap with Eletrobras (Eletronorte);
- Closing of the transaction of transmission operating assets with GIC, with cash inflow of R$ 1.1 billion;
- Creation of *Joint Venture* for Distributed Generation with Comerc Energia;
- Neoenergia Elektro Tariff Review with average effect of 7.17% on consumers, recognition of RAB of R$ 6,5 billion and Parcel B of 2.6 billion, -3.9% vs. that verified in the last 12 months;
- Neoenergia Brasília Tariff Adjustment with average effect of 9.32% on the consumer applied from 10/22/23.

TELECONFERENCE 3Q23
Thursday, October 26, 2023
Time: 10:00 (BRT) | 9:00 (ET)
(with simultaneous translation in English)

NEOENERGIA S.A. DISCLOSES THE RESULTS FOR THE 3Q23 AND 9M23 BASED ON MANAGEMENT ANALYSES THAT THE BOARD OF DIRECTORS UNDERSTAND TO TRANSLATE THE COMPANY'S BUSINESS IN THE BEST MANNER AND RECONCILED WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS.

TABLE OF CONTENTS

1. ECONOMIC-FINANCIAL PERFORMANCE

1.1. Consolidated

CONSOLIDATED STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Operating Revenue (1)	9,611	10,377	(766)	(7%)	31,252	29,901	1,351	5%
Energy Costs (2)	(6,875)	(6,631)	(244)	4%	(20,593)	(18,867)	(1,726)	9%
Gross Margin w/ out Concession Financial Assets	**2,736**	**3,746**	**(1,010)**	**(27%)**	**10,659**	**11,034**	**(375)**	**(3%)**
Concession Financial Assets (VNR)	148	(298)	446	N/A	977	910	67	7%
GROSS MARGIN	**2,884**	**3,448**	**(564)**	**(16%)**	**11,636**	**11,944**	**(308)**	**(3%)**
Operating Expenses	(995)	(960)	(35)	4%	(2,979)	(2,814)	(165)	6%
Provisions for Delinquency (PECLD)	(128)	(127)	(1)	1%	(489)	(385)	(104)	27%
(+) Equity Accounting / Corporate Operations	1,461	(9)	1,470	N/A	1,336	2	1,334	66,700%
EBITDA	**3,222**	**2,352**	**870**	**37%**	**9,504**	**8,747**	**757**	**9%**
Depreciation	(649)	(568)	(81)	14%	(1,884)	(1,632)	(252)	15%
Financial Income (Loss)	(1,113)	(780)	(333)	43%	(3,706)	(2,853)	(853)	30%
IR/ CS	98	498	(400)	(80%)	(376)	(429)	53	(12%)
Minority shareholdings	(13)	(7)	(6)	86%	(50)	(51)	1	(2%)
NET INCOME	**1,545**	**1,495**	**50**	**3%**	**3,488**	**3,782**	**(294)**	**(8%)**

(1) Considers Construction Revenue
(2) Considers Construction Costs

As expressed in Technical Guidance OCPC 08, the recognition and measurement of variations between non-manageable costs effectively incurred compared 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 portion 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 3Q23 with a Gross Margin of R$ 2,884 million, -16% vs. 3Q22, negatively impacted by a non-recurring adjustment of -R$ 1,108 million via IFRS 15, related to Capex overrun, mainly in Vale do Itajaí (lot 1 - Dec´18 auction) due to delays in environmental licensing due to the pandemic and by the lower margin in Termopernambuco, mitigated by the positive effects that follow: (i) increase in the customer base, (ii) larger volumes; (iii) 2022 Tariff Adjustment of Neoenergia Elektro, effective from the end of August/22 (variation in parcel B: +9.32%) and Neoenergia Brasília, effective from the beginning of November/22 (variation in parcel B: +5.2%); (iv) the Tariff Reviews of Neoenergia Coelba and Neoenergia Cosern in April 2023, variation of parcel B +2.5% and +0.25%, respectively; (v) highest VNR; and (vi) better results in Renewables due to the consolidation of Dardanelos in September 2023 and the completion of the Luzia Solar Complex.

In the year-to-date, Gross Margin was R$ 11,636 million (-3% vs. 9M22), negatively impacted by the same reasons of the quarter, and positively impacted by the effects that follow: (i) increase in the customer base, (ii) larger volumes; (iii) 2022 Tariff Adjustments of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern in force from the end of April/22 (variation in parcel B: +14.14%, +14.82% and +14.75% respectively), of Neoenergia Elektro, effective from the end of August/22 (variation in parcel B: +9.32%) and of Neoenergia Brasília, effective from the beginning of November/22 (variation in parcel B: +5.2 %); (iv) Tariff Reviews of Neoenergia Coelba and Neoenergia Cosern in April 2023, variation of parcel B +2.5% and +0.25%, respectively; (v) higher VNR; and (vi) better results in Renewables due to the start of operation of the Oitis Wind Complexes and the Luzia Solar Complex, and the consolidation of Dardanelos in September 2023.

Operating expenses amounted to R$ 995 million in the 3Q23 (+4% vs. 3Q22) and R$ 2,979 million in 9M23 (+6% vs. 9M22). Normalizing new transmission lots and renewable projects, growth is 3% in the 3Q23 and 5% in 9M23, in line with inflation and absorbing a greater number of customers.

PECLD was R$ 128 million in the 3Q23, in line with the 3Q22. It is worth noting that in this quarter there was a non-recurring effect with reversals of some R$ 32 million as a result of renegotiations and payments from Large Clients, in addition to court-ordered payments. In the year-to-date, PECLD recorded was R$ 489 million, +R$ 104 million vs. 9M22, negatively impacted by the non-recurring effect of filings for bankruptcy by large customers at the beginning of the year. The consolidated PECLD/ROB indicator of Neoenergia's distributors in the 3Q23 was 1.21%, below that observed in 2Q23 of 1.58%, and above the regulatory level of 1.08%.

In the 3Q23, +R$ 1,503 million relating to acquisition of control of the Dardanelos hydroelectric plant within the scope of the closing of the asset swap operation with Eletrobras, as announced in the 4Q22 results. As of September 2023, Dardanelos was 100% consolidated. Additionally, this item recorded -R$ 56 million in the 3Q23 and -R$ 193 million in 9M23 of adjustment to fair value relating to the corporate operation of the transmission companies, within the scope of the sale of 50% of the assets to GIC, as announced in April 2023, which was closed in September 2023 with a cash inflow of R$ 1.1 billion.

As a result of the abovementioned effects, EBITDA was R$ 3,222 million in the 3Q23 (+37% vs. 3Q22) and R$ 9,504 million in 9M23 (+9% vs. 9M22). Adjusted EBITDA, without VNR, IFRS and Corporate Operations, was R$ 2,618 million in the 3Q23 (+4% vs. 3Q22) and R$ 7,618 million in 9M23 (+6% vs. 9M22).

The Consolidated Financial Income (Expenses) was -R$ 1,113 million in the 3Q23, worse by R$ 333 million vs. 3Q22. In 9M23 it was -R$ 3,706 million, worse by R$ 853 million vs. 9M22. This variation is mainly explained by higher expenses with debt charges, in addition to the increase in the average debt balance due to funding used for the Capex of new transmission, wind and solar projects, in addition to the Distributors.

The IR/CS item for the quarter was +R$ 98 million, vs. R$ 498 million in 3Q22, explained by the IR credit generated arising from the non-recurring adjustment to the transmission IFRS15 in the 3Q23 as early as in the 3Q22, it was recorded the write-off of deferred liabilities resulting from the merger of Bahia PCH III by Neoenergia Brasília in the amount of R$ 678 million. In the year-to-date, it was -R$ 376 million, or -12% vs. 9M22, due to the increase in the percentage of incentivized activity that impacts profit from exploration, which is the basis for calculating the benefit, adjusted in the 2Q23.

Net profit ended the quarter at R$ 1,545 thousand (+3% vs. 3Q22) and the year-to-date at R$3,488 million (-8% vs. 9M22).

1.2. Networks

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

NETWORKS STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	9,143	9,904	(761)	(8%)	30,084	28,743	1,341	5%
Energy Costs	(7,046)	(6,940)	(106)	2%	(21,136)	(19,675)	(1,461)	7%
Gross Margin w/ out Concession Financial Assets	**2,097**	**2,964**	**(867)**	**(29%)**	**8,948**	**9,068**	**(120)**	**(1%)**
Concession Financial Assets (VNR)	148	(298)	446	N/ A	977	910	67	7%
Gross Margin	**2,245**	**2,666**	**(421)**	**(16%)**	**9,925**	**9,978**	**(53)**	**(1%)**
Operating Expenses	(814)	(795)	(19)	2%	(2,452)	(2,354)	(98)	4%
Provisions for Delinquency (PECLD)	(127)	(126)	(1)	1%	(488)	(381)	(107)	28%
Corporate Operations	(56)	-	(56)	N/ A	(193)	-	(193)	N/ A
EBITDA	**1,248**	**1,745**	**(497)**	**(28%)**	**6,792**	**7,243**	**(451)**	**(6%)**
Depreciation	(489)	(438)	(51)	12%	(1,430)	(1,224)	(206)	17%
Financial Income (Loss)	(1,046)	(725)	(321)	44%	(3,296)	(2,289)	(1,007)	44%
IR CS	186	607	(421)	(69%)	(198)	(196)	(2)	1%
NET INCOME	**(101)**	**1,189**	**(1,290)**	**N/ A**	**1,868**	**3,534**	**(1,666)**	**(47%)**

The Networks segment ended the 3Q23 with a Gross Margin of R$2,245 million, -16% vs. 3Q22, negatively impacted by a non-recurring adjustment of -R$ 1,108 million via IFRS 15, related to Capex overrun, especially in Vale do Itajaí (lot 1 | Dec/18 auction) due to delays in environmental licensing due to the pandemic, mitigated by the positive effects that follow: (i) increase in the customer base, (ii) larger volumes; (iii) 2022 Tariff Adjustment of Neoenergia Elektro, effective from the end of August/22 (variation in parcel B: +9.32%) and Neoenergia Brasília, effective from the beginning of November/22 (variation in parcel B: +5.2%); (iv) Tariff Reviews of Neoenergia Coelba and Neoenergia Cosern in April 2023, variation of parcel B +2.5% and +0.25%, respectively; and (v) higher VNR.

In the year to date, Gross Margin was R$ 9,925 million, in line with 9M22, negatively impacted by the same reasons of the quarter, and positively impacted by the effects that follow: (i) increase in the customer base, (ii) larger volumes; (iii) 2022 Tariff Adjustments of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern in force from the end of April/22 (variation in parcel B: +14.14%, +14.82% and +14.75% respectively), of Neoenergia Elektro, effective from the end of August/22 (variation in parcel B: +9.32%) and of Neoenergia Brasília, effective from the beginning of November/22 (variation in parcel B: +5.2 %); (iv) Tariff Reviews of Neoenergia Coelba and Neoenergia Cosern in April 2023, variation of parcel B +2.5% and +0.25%, respectively; and (v) higher VNR.

Operating expenses totaled R$ 814 million in the 3Q23 (+2% vs. 3Q22) and R$ 2,452 million in 9M23 (+4% vs. 9M22), below inflation for the period, and absorbing customer-base growth.

PECLD was R$ 127 million in the 3Q23, in line with 3Q22. It is worth noting that in this quarter there was a non-recurring effect with reversals of some R$32 million as a result of renegotiations and payments from Large Clients, in addition to the court-order payments. In the year-to-date, PECLD accounted for R$ 488 million, +R$ 107 million vs. 9M22, explained by one-off effects of bankruptcies filed by large customers at the beginning of the year. The consolidated PECLD/ROB indicator of Neoenergia's distributors in the 3Q23 was 1.21%, below that observed in the 2Q23 of 1.58%, and above the regulatory level of 1.08%.

In the 3Q23, -R$ 56 million and -R$ 193 million in 9M23 were recorded as adjustment to fair value relating to the corporate operation of the transmission companies, within the scope of the sale of 50% of the assets to GIC, as announced in April 2023, which was closed in September 2023 with a cash inflow of R$1.1 billion.

As a result of the effects presented, EBITDA was R$ 1,248 million in the 3Q23 (-28% vs. 3Q22) and R$ 6,792 million in 9M23 (-6% vs. 9M22). Adjusted EBITDA, without VNR, IFRS and Corporate Operations, was R$ 2,166 million in the 3Q23 (+13% vs. 3Q22) and R$ 6,403 million in 9M23 (+12% vs. 9M22).

The IR/CS item for the quarter was +R$ 186 million, vs. R$ 607 million in 3Q22, explained by the IR credit generated due to the non-recurring adjustment to IFRS15 transmission in the 3Q23, as early as in the 3Q22, it was recorded the write-off of deferred liabilities, resulting from the merger of Bahia PCH III by Neoenergia Brasília, in the amount of R$ 678 million. Year-to-date was -R$ 198 million, in line with 9M22, as it was positively impacted in the 2Q23 by the increase in the percentage of incentivized activity that impacts exploration profit, which is the basis for calculating the benefit.

The Networks segment had a loss of R$ 101 million in the 3Q23, vs. profit of R$ 1,189 million in 3Q22. Year to date, net profit ended at R$ 1,868 million (-47% vs. 9M22), also impacted by the worsening of the financial income (expenses), due to the increase in debt charges as a result of the higher average balance.

S/ I TRANSMISSION (R$ MM)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	**(11)**	**878**	**(889)**	**(101%)**	**2,522**	**2,537**	**(15)**	**(1%)**
Cosntruction Costs	(768)	(615)	(153)	25%	(2,385)	(1,519)	(866)	57%
Gross Margin	**(779)**	**263**	**(1,042)**	**(396%)**	**137**	**1,018**	**(881)**	**(87%)**
Operating Expenses	(48)	(33)	(15)	45%	(144)	(108)	(36)	33%
Provisions for Delinquency (PECLD)	(1)	-	(1)	-	(1)	-	(1)	-
Corporate Operations	(56)	-	(56)	-	(193)	-	(193)	-
EBITDA	**(884)**	**230**	**(1,114)**	**N/ A**	**(201)**	**910**	**(1,111)**	**N/ A**
Depreciation	(1)	-	(1)	-	(4)	-	(4)	-
Financial Income (Loss)	(101)	(68)	(33)	49%	(377)	(302)	(75)	25%
IRCS	333	(57)	390	N/ A	167	(181)	348	N/ A
NET INCOME	**(653)**	**105**	**(758)**	**N/ A**	**(415)**	**427**	**(842)**	**N/ A**
IFRS15	(1010)	130	(1140)	N/ A	(395)	638	(1033)	N/ A

The transmission companies recorded a Gross Margin of -R$ 779 million in the quarter (vs. +R$ 263 million in 3Q22) and R$ 137 million in 9M23 (vs. +R$ 1,018 million in 9M22), negatively impacted by a non-recurring adjustment of - R$ 1,108 million via IFRS 15, related to Capex overrun, mainly in Vale do Itajaí (lot 1 | Dec/18 auction) due to delays in environmental licensing during the pandemic.

Operating expenses totaled R$ 48 million in the 3Q23, R$ 15 million above those of the 3Q22, and R$ 144 million in the year-to-date (+R$ 36 million vs. 9M22), due to the one-off expenditure related to studies for the auction of June 2023 and the new lots in operation.

In the 3Q23, -R$ 56 million and -R$ 193 million in 9M23 were recorded as adjustment to fair value relating to the corporate operation of the transmission companies, within the scope of the sale of 50% of the assets to GIC, as announced in April 2023, which was closed in September 2023, with a cash inflow of R$1.1 billion.

As a result of the abovementioned effects, transmission EBITDA ended the quarter at -R$ 884 million (vs. +R$ 230 million in the 3Q22) and year-to-date EBITDA at -R$201 million, vs. +R$910 million in 9M22. Adjusted EBITDA (ex-IFRS and Corporate Operations) for the quarter was R$ 182 million (+82% vs. 3Q22) and the year to date was R$ 387 million (+42% vs. 9M22).

The IR/CS item for the quarter was +R$ 333 million, vs. -R$ 57 million in the 3Q22 and in the year to date it was +R$ 167 million vs. -R$ 181 million in 9M22, due to the IR credit generated due to the non-recurring adjustment to IFRS15.

The transmission segment run losses of the order of -R$ 653 million in the 3Q23 and -R$ 415 million in 9M23.

1.2.1. NEOENERGIA COELBA

STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	3,473	3,439	34	1%	10,547	9,987	560	6%
Energy Costs	(2,187)	(2,242)	55	(2%)	(6,548)	(6,392)	(156)	2%
Gross Margin w/ out Concession Financial Assets	1,286	1,197	89	7%	3,999	3,595	404	11%
Concession Financial Assets (VNR)	68	(151)	219	(145%)	536	434	102	24%
Gross Margin	**1,354**	**1,046**	**308**	**29%**	**4,535**	**4,029**	**506**	**13%**
Operating Expenses	(338)	(315)	(23)	7%	(1,002)	(949)	(53)	6%
Provisions for Delinquency (PECLD)	(50)	(42)	(8)	19%	(191)	(146)	(45)	31%
EBITDA	**966**	**689**	**277**	**40%**	**3,342**	**2,934**	**408**	**14%**
Depreciation	(215)	(193)	(22)	11%	(628)	(549)	(79)	14%
Financial Income (Loss)	(431)	(322)	(109)	34%	(1,325)	(954)	(371)	39%
IR CS	(50)	21	(71)	(338%)	(119)	(251)	132	(53%)
NET INCOME	**270**	**195**	**75**	**38%**	**1,270**	**1,180**	**90**	**8%**

Neoenergia Coelba recorded a gross margin of R$ 1,354 million in the 3Q23 (+29% vs. 3Q22), due to the variation in parcel B of +2.5% in April/23, the increase in the customer base (+2. 2%), larger volumes and higher VNR, due to the higher IPCA in the period. In 9M23 the gross margin was R$ 4,535 million (+13% vs. 9M22), also due to the effects above, in addition to the variation in parcel B of +14.14% in April/22.

Operating expenses accounted for R$ 338 million in the 3Q23 (+7% vs. 3Q22) and R$ 1,002 million in 9M23 (+6% vs. 9M22).

In the quarter, PECLD totaled R$ 50 million, +R$ 8 million vs. 3Q22, impacted by reversals resulting from renegotiations and payments from large customers in the order of R$7 million. Year to date was R$ 191 million, +R$ 45 million vs. 9M22, still negatively impacted by the non-recurring effect of bankruptcy filed by large customers in 2Q23. When we analyzed the default indicator (PECLD/ROB) in the 3Q23, it ended at 1.30%, below the level of the 3Q22 and the 2Q23.

As a result of the variations mentioned above, EBITDA was R$ 966 million in the quarter (+40% vs. 3Q22) and R$ 3,342 million in the year to date (+14% vs. 9M22). Adjusted EBITDA (ex-VNR) in the 3Q23 was R$ 898 million (+7% vs. 3Q22) and in 9M23 it was R$ 2,806 million (+12% vs. 9M22).

The Financial Income (Expenses) was -R$ 431 million in the 3Q23 (vs. -R$322 million in the 3Q22) and -R$ 1,325 million in the 9M23 (vs. -R$ 954 million in the 9M22), arising from the increase in debt charges due to higher average balance.

The IR/CS item for the quarter was -R$50 million, vs. +R$21 million in 3Q22. In the accumulated amount, it was -R$ 119 million, vs. -R$ 251 million in 9M22, positively impacted due to the increase in the percentage of incentivized activity that impacts exploration profit, which is the basis for calculating the benefit in 2Q23.

Net Profit was R$ 270 million in the 3Q23, +38% vs. 3Q22, and R$ 1,270 million in 9M23, +8% vs. 9M22.

1.2.2. NEOENERGIA PERNAMBUCO

STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	1,960	1,896	64	3%	6,025	5,564	461	8%
Energy costs	(1,500)	(1,405)	(95)	7%	(4,466)	(4,134)	(332)	8%
Gross Margin w/ out Concession Financial Assets	460	491	(31)	(6%)	1,559	1,430	129	9%
Concession Financial Assets (VNR)	30	(55)	85	(155%)	156	143	13	9%
Gross Margin	**490**	**436**	**54**	**12%**	**1,715**	**1,573**	**142**	**9%**
Operating Expenses	(186)	(190)	4	(2%)	(539)	(535)	(4)	1%
Provisions for Delinquency (PECLD)	(45)	(46)	1	(2%)	(179)	(144)	(35)	24%
EBITDA	**259**	**200**	**59**	**30%**	**997**	**894**	**103**	**12%**
Depreciation	(103)	(93)	(10)	11%	(296)	(266)	(30)	11%
Financial Income (Loss)	(237)	(164)	(73)	45%	(760)	(532)	(228)	43%
IR CS	28	20	8	40%	24	(36)	60	(167%)
NET INCOME	**(53)**	**(37)**	**(16)**	**43%**	**(35)**	**60**	**(95)**	**(158%)**

Neoenergia Pernambuco recorded a gross margin of R$ 490 million in the 3Q23 (+12% vs. 3Q22), impacted by the increase in the customer base (+2.2%), larger volumes and increase in VNR due to the higher IPCA in the period. In the year-to-date, the gross margin was R$ 1,715 million in 9M23 (+9% vs. 9M22), also due to the abovementioned effects, in addition to the variation in parcel B of +14.82% in April/22.

Operating expenses in the 3Q23 of R$ 186 million (-2% vs. 3Q22) and R$ 539 million in 9M23 (+1% vs. 9M22), absorbing inflation, growth in the customer base and confirming the continuous search for efficiencies.

In the quarter, PECLD totaled R$ 45 million, in line with the 3Q22. It is worth highlighting that in this quarter there was a non-recurring effect with reversals of Large Clients in the order of R$ 8 million, resulting from renegotiations and payments. In year-to-date terms, PECLD recorded the amount of R$ 179 million, R$ 35 million above 9M22. The PECLD/ROB indicator in the 3Q23 ended at 2.32%, below the level of the 2Q23.

As a result of the abovementioned variations, EBITDA in the quarter was R$ 259 million, +30% vs. 3Q22 and in the year-to-date, EBITDA ended at R$997 million, +12% vs. 9M22. Additionally, Adjusted EBITDA (ex-VNR) in the 3Q23 was R$ 229 million, -10% vs. 3Q22 and in 9M23 was R$ 841 million, +12% vs. 9M22.

The Financial Income (Expenses) was -R$ 237 million in the 3Q23 (vs. -R$ 164 million in the 3Q22) and -R$ 760 million in the 9M23 (vs. -R$ 532 million in the 9M22), due to the increase in the average debt balance.

The IR/CS item for the quarter was R$ 28 million, vs. R$ 20 million in 3Q22. In the year-to-date amount, it was R$ 24 million, vs. -R$ 36 million in 9M22, positively impacted in the 2Q23 by the increase in the percentage of incentivized activity that impacts exploration profit, which is the basis for calculating the benefit.

The Net Loss was R$ 53 million in the 3Q23 (vs.-R$ 37 million in the 3Q22) and R$ 35 million in the 9M23 vs. net profit of R$ 60 million in 9M22.

1.2.3. NEOENERGIA COSERN

STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	831	842	(11)	(1%)	2,508	2,460	48	2%
Energy Costs	(539)	(559)	20	(4%)	(1638)	(1655)	17	(1%)
Gross Margin w/ out Concession Financial Assets	292	283	9	3%	870	805	65	8%
Concession Financial Assets (VNR)	16	(32)	48	(150%)	126	71	55	77%
Gross Margin	**308**	**251**	**57**	**23%**	**996**	**876**	**120**	**14%**
Operating Expenses	(59)	(65)	6	(9%)	(185)	(187)	2	(1%)
Provisions for Delinquency (PECLD)	(4)	(2)	(2)	100%	(2)	(8)	6	(75%)
EBITDA	**245**	**184**	**61**	**33%**	**809**	**681**	**128**	**19%**
Depreciation	(42)	(38)	(4)	11%	(123)	(108)	(15)	14%
Financial Income (Loss)	(69)	(38)	(31)	82%	(213)	(120)	(93)	78%
IR CS	(16)	(7)	(9)	129%	(21)	(76)	55	(72%)
NET INCOME	**118**	**101**	**17**	**17%**	**452**	**377**	**75**	**20%**

Neoenergia Cosern presented a gross margin of R$ 308 million in the 3Q23 (+23% vs. 3Q22), impacted by the variation in parcel B of +0.25% of the April/23 tariff review, by the increase in the customer base (+1.5%), larger volumes and higher VNR due to the higher IPCA in the period. In the year to date, the gross margin was R$ 996 million (+14% vs. 9M22), also impacted by the effects above, in addition to the variation in parcel B of +14.75% of the April/22 adjustment.

Operating expenses accounted for R$ 59 million in the 3Q23 (-9% vs. 3Q22) and R$ 185 million in 9M23 (-1% vs. 9M22), absorbing inflation, growth in the customer base and confirming the continued search for efficiencies.

PECLD amounted to R$ 4 million in the 3Q23 (vs. R$ 2 million in 3Q22), impacted by the non-recurring effects of renegotiations and payments with reversals from Large Clients in the order of R$ 9 million. In the tear to date, PECLD recorded R$ 2 million (vs. R$ 8 million in 9M22). When we analyze the PECLD/ROB indicator, the 3Q23 ended at 0.38%, below the regulatory limit of 0.53%.

As a result of the abovementioned variations, EBITDA in the 3Q23 was R$ 245 million, +33% vs. 3Q22 and in 9M23 was R$ 809 million, +19% vs. 9M22. Caixa EBITDA (ex-VNR) in 3Q23 was R$ 229 million, +6% vs. 3Q22 and R$ 683 million in 9M23, +12% vs. 9M22.

The Financial Income (Expenses) was -R$ 69 million in the 3Q23 (vs. -R$ 38 million in the 3Q22) and -R$ 213 million in the 9M23 (vs. -R$ 120 million in the 9M22), due to the increase in debt charges due to the higher average balance.

The IR/CS item for the quarter was -R$ 16 million, vs. -R$ 7 million in the 3Q22. In the year-to-date amount, it was -R$ 21 million, vs. -R$ 76 million in 9M22, positively impacted in the 2Q23 due to the increase in the percentage of incentivized activity that impacts exploration profit, which is the basis for calculating the benefit.

Net Profit was R$ 118 million in the 3Q23, +17% vs. 3Q22 and R$ 452 million in 9M23, 20% above that reported in 9M22.

1.2.4. NEOENERGIA ELEKTRO

STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	2,085	2,020	65	3%	6,109	5,813	296	5%
Energy Costs	(1369)	(1417)	48	(3%)	(4,015)	(3,979)	(36)	1%
Gross Margin w/ out Concession Financial Assets	716	603	113	19%	2,094	1834	260	14%
Concession Financial Assets (VNR)	32	(58)	90	(155%)	150	256	(106)	(41%)
Gross Margin	**748**	**545**	**203**	**37%**	**2,244**	**2,090**	**154**	**7%**
Operating Expenses	(145)	(149)	4	(3%)	(440)	(419)	(21)	5%
Provisions for Delinquency (PECLD)	(15)	(21)	6	(29%)	(80)	(59)	(21)	36%
EBITDA	**588**	**375**	**213**	**57%**	**1,724**	**1,612**	**112**	**7%**
Depreciation	(90)	(84)	(6)	7%	(269)	(229)	(40)	17%
Financial Income (Loss)	(160)	(82)	(78)	95%	(470)	(282)	(188)	67%
IR CS	(112)	(54)	(58)	107%	(297)	(322)	25	(8%)
NET INCOME	**226**	**155**	**71**	**46%**	**688**	**779**	**(91)**	**(12%)**

Neoenergia Elektro presented a gross margin of R$ 748 million in the 3Q23 (+37% vs. 3Q22), due to the increase in the customer base (+1.7%), larger volumes and the higher VNR, due to the higher IPCA in the period, which offset the negative variation of -3.9% in parcel B of the August/23 tariff review. In 9M23, gross margin was R$. 2,244 million (+7% vs. 9M22), also impacted by the increase in the consumer base, in addition to the variation in parcel B of +9.32% in August/22.

Operating expenses accounted for R$ 145 million in the 3Q23 (-3% vs. 3Q22) and R$ 440 million in 9M23 (+5% vs. 9M22), absorbing the period's inflation and customer-base growth.

In the quarter, PECLD totaled R$ 15 million, -R$ 6 million vs. 3Q22, mainly driven by the payment of a court order in the amount of R$8 million. In the year to date, PECLD recorded R$ 80 million, +R$ 21 million vs. 9M22, still negatively impacted by the non-recurring effect of Chapter 11 filed by two large clients, which added R$ 14.3 million to PECLD in the 1Q23. When we analyze the PECLD/ROB indicator for the 3Q23, it ended at 0.55%, below the regulatory level.

As a result of the abovementioned variations, EBITDA was R$ 588 million in the quarter (+57% vs. 3Q22) and R$ 1,724 million in the year-to-date (+7% vs. 9M22). Adjusted EBITDA (ex-VNR) in the 3Q23 was R$ 556 million, +28% vs. 3Q22, and in 9M23 it was R$ 1,574 million, +16% vs. 9M22.

The Financial Income (Expenses) was -R$ 160 million in the 3Q23 (vs. -R$ 82 million in the 3Q22) and -R$ 470 million in the 9M23 (vs. -R$ 282 million in the 9M22), as a result of the increase in debt charges, due to the higher average balance and the reduction in income from financial investments.

Net Profit was R$ 226 million in the 3Q23, +46% vs. 3Q22, and R$ 688 million in 9M23, -12% vs. 9M22.

1.2.5. NEOENERGIA BRASÍLIA

STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	824	836	(12)	(1%)	2,408	2,402	6	0%
Energy Costs	(683)	(704)	21	(3%)	(2,083)	(1,998)	(85)	4%
Gross Margin w/ out Concession Financial Assets	141	132	9	7%	325	404	(79)	(20%)
Concession Financial Assets (VNR)	2	(2)	4	N/ A	8	7	1	14%
Gross Margin	**143**	**130**	**13**	**10%**	**333**	**411**	**(78)**	**(19%)**
Operating Expenses	(52)	(50)	(2)	4%	(176)	(175)	(1)	1%
Provisions for Delinquency (PECLD)	(13)	(16)	3	(19%)	(35)	(24)	(11)	46%
EBITDA	**78**	**64**	**14**	**22%**	**122**	**212**	**(90)**	**(42%)**
Depreciation	(38)	(29)	(9)	31%	(112)	(58)	(54)	93%
Financial Income (Loss)	(51)	(47)	(4)	9%	(151)	(97)	(54)	56%
IR CS	1	680	(679)	(100%)	41	655	(614)	(94%)
NET INCOME	**(10)**	**668**	**(678)**	**N/ A**	**(100)**	**712**	**(812)**	**N/ A**

Neoenergia Brasília ended the 3Q23 with a Gross Margin of R$ 143 million (+10% vs. 3Q22) and 9M23 with R$ 333 million (-19% vs. 9M22), due to over contracting, which impacted the quarter in -R$ 40 million and in the year to date -R$ 108 million.

Operating expenses amounted to R$ 52 million in the 3Q23 (+4% vs. 3Q22) and R$ 176 million in 9M23, in line with 9M22, absorbing inflation and customer-base growth.

In the quarter, PECLD was R$ 13 million (-19% vs. 3Q22), and in the year-to-date it was R$ 35 million, R$ 11 million in excess of that of 9M22, explained by reversals that occurred in the previous year.

EBITDA was R$ 78 million in the quarter (+22% vs. 3Q22) and R$ 122 million in 9M23 (-42% vs. 9M22).

The Financial Income (Expenses) was -R$ 51 million in the 3Q23 (vs. -R$ 47 million in the 3Q22), and -R$ 151 million in the 9M23, (vs. -R$ 97 million in the 9M22), resulting from the increase in debt charges due to the higher average balance.

The IR/CS item for the quarter was +R$ 1 million vs. R$ 680 million in the 3Q22 and the year-to-date it was +R$ 41 million vs. R$ 655 million in 9M22, due to the write-off of deferred liabilities, resulting from the merger of Bahia PCH III by Neoenergia Brasília in the amount of R$ 678 million in the 3Q22.

As a result of the variations above, Neoenergia Brasília had a loss of R$ 10 million in the 3Q23 and R$ 100 million in 9M23.

1.3. Renewables

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

RENEWABLES STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	550	502	48	10%	1,475	1,284	191	15%
Energy Costs	(105)	(78)	(27)	35%	(309)	(252)	(57)	23%
GROSS MARGIN	**445**	**424**	**21**	**5%**	**1,166**	**1,032**	**134**	**13%**
Operating Expenses	(77)	(65)	(12)	18%	(239)	(188)	(51)	27%
(+) Equity Accounting / Corporate Operations	1,517	(9)	1,526	N/A	1,529	2	1,527	76,350%
EBITDA	**1,885**	**350**	**1,535**	**439%**	**2,456**	**846**	**1,610**	**190%**
Depreciation	(97)	(66)	(31)	47%	(278)	(200)	(78)	39%
Financial Income (Loss)	(27)	(20)	(7)	35%	(172)	(179)	7	(4%)
IR/CS	(48)	(54)	6	(11%)	(108)	(106)	(2)	2%
NET INCOME	**1,713**	**210**	**1,503**	**716%**	**1,898**	**361**	**1,537**	**426%**

HYDRO PLANTS STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net revenue	168	146	22	15%	476	456	20	4%
Energy Costs	(31)	(23)	(8)	35%	(79)	(66)	(13)	20%
GROSS MARGIN	**137**	**123**	**14**	**11%**	**397**	**390**	**7**	**2%**
Operating Expenses	(25)	(29)	4	(14%)	(83)	(84)	1	(1%)
(+) Equity Accounting / Corporate Operations	1,517	(9)	1,526	N/A	1,529	2	1,527	76,350%
EBITDA	**1,629**	**85**	**1,544**	**1,816%**	**1,843**	**308**	**1,535**	**498%**
Depreciation	(30)	(19)	(11)	58%	(68)	(64)	(4)	6%
Financial Income (Loss)	(9)	(3)	(6)	200%	(39)	(36)	(3)	8%
IR/CS	(22)	(28)	6	(21%)	(45)	(52)	7	(13%)
NET INCOME (LOSS)	**1,568**	**35**	**1,533**	**4,380%**	**1,691**	**156**	**1,535**	**984%**

WIND FARMS STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net revenue	367	354	13	4%	954	826	128	15%
Energy Costs	(71)	(53)	(18)	34%	(218)	(184)	(34)	18%
GROSS MARGIN	**296**	**301**	**(5)**	**(2%)**	**736**	**642**	**94**	**15%**
Operating Expenses	(51)	(36)	(15)	42%	(153)	(104)	(49)	47%
EBITDA	**245**	**265**	**(20)**	**(8%)**	**583**	**538**	**45**	**8%**
Depreciation	(63)	(46)	(17)	37%	(198)	(135)	(63)	47%
Financial Income (Loss)	(18)	(17)	(1)	6%	(131)	(143)	12	(8%)
IR/CS	(25)	(26)	1	(4%)	(61)	(54)	(7)	13%
NET INCOME	**139**	**176**	**(37)**	**(21%)**	**193**	**206**	**(13)**	**(6%)**

SOLAR FARMS STATEMENT OF INCOME (R$ MN)	3T23	3T22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net revenue	15	2	13	650%	45	2	43	2,150%
Energy Costs	(3)	(2)	(1)	50%	(12)	(2)	(10)	500%
GROSS MARGIN	**12**	**-**	**12**	**-**	**33**	**-**	**33**	**-**
Operating Expenses	(1)	-	(1)	-	(3)	-	(3)	-
EBITDA	**11**	**-**	**11**	**-**	**30**	**-**	**30**	**-**
Depreciation	(4)	(1)	(3)	300%	(12)	(1)	(11)	1,100%
Financial Income (Loss)	-	-	-	-	(2)	-	(2)	-
IR/CS	(1)	-	(1)	-	(2)	-	(2)	-
NET INCOME	**6**	**(1)**	**7**	**N/A**	**14**	**(1)**	**15**	**N/A**

The Renewables segment recorded a gross margin of R$ 445 million in the 3Q23 (+R$ 21 million vs. 3Q22), mainly impacted by hydroelectric plants (+R$ 14 million vs. 3Q22), due to the consolidation of Dardanelos in September 2023 and the completion of the Luzia Solar Complex, with positive effects on the margin of approximately +R$ 12 million each, offsetting the worse margin in wind farms due to worse wind conditions. In the year- to-date, gross margin was R$ 1,166 million (+R$ 134 million vs. 9M22), driven mainly by wind farms (+R$ 94 million vs. 9M22), due to greater generation and the start of commercial operation of the Oitis Wind Complex as from the 3Q22.

Operating expenses totaled R$ 77 million in the 3Q23 (+18% vs. 3Q22) and R$ 239 million in the year-to-date (+27% vs. 9M22), due to the start of operation of the new assets.

In the 3Q23, R$ 1,503 million was recorded relating to acquisition of control of Dardanelos hydroelectric plant, within the scope of the closing of the asset swap operation with Eletrobras, as announced in the 4Q22 results. Since September 2023, Dardanelos has been 100% consolidated.

Due to these effects, EBITDA of the renewables segment in the quarter amounted to R$ 1,885 million (vs. R$ 350 million in the 3Q22) and R$ 2,456 million in 9M23 (vs. R$ 846 million in 9M22). Adjusted EBITDA, without Corporate Operations, was R$ 363 million in the 3Q23 (+4% vs. 3Q22) and R$ 959 million in 9M23 (+13% vs. 9M22).

The Net Profit recorded in the 3Q23 was R$ 1,713 million (vs. R$ 210 million in the 3Q22) and in 9M23 it was R$ 1,898 million (vs. R$ 361 million in the 9M22).

1.4. Liberalized

LIBERALIZED STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	768	845	(77)	(9%)	2,333	2,457	(124)	(5%)
Energy Costs	(567)	(475)	(92)	19%	(1,756)	(1,490)	(266)	18%
Gross Margin	**201**	**370**	**(169)**	**(46%)**	**577**	**967**	**(390)**	**(40%)**
Operating Expenses	(36)	(40)	4	(10%)	(110)	(115)	5	(4%)
Provisions for Delinquency (PECLD)	(1)	(1)	-	-	(1)	(4)	3	(75%)
EBITDA	**164**	**329**	**(165)**	**(50%)**	**466**	**848**	**(382)**	**(45%)**
Depreciation	(18)	(18)	-	-	(47)	(52)	5	(10%)
Financial Income (Loss)	(6)	(32)	26	(81%)	(23)	(92)	69	(75%)
IRCS	(22)	(47)	25	(53%)	(52)	(115)	63	(55%)
NET INCOME	**118**	**232**	**(114)**	**(49%)**	**344**	**589**	**(245)**	**(42%)**

TERMOPERNAMBUCO STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	405	410	(5)	(1%)	1,227	1,172	55	5%
Energy Costs	(235)	(68)	(167)	246%	(725)	(270)	(455)	169%
Gross Margin	**170**	**342**	**(172)**	**(50%)**	**502**	**902**	**(400)**	**(44%)**
Operating Expenses	(16)	(24)	8	(33%)	(58)	(73)	15	(21%)
EBITDA	**154**	**318**	**(164)**	**(52%)**	**444**	**829**	**(385)**	**(46%)**
Depreciation	(16)	(17)	1	(6%)	(45)	(50)	5	(10%)
Financial Income (Loss)	(8)	(35)	27	(77%)	(28)	(95)	67	(71%)
IRCS	(19)	(43)	24	(56%)	(44)	(108)	64	(59%)
NET INCOME	**110**	**223**	**(113)**	**(51%)**	**327**	**576**	**(249)**	**(43%)**

COMERC. STATEMENT OF INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Revenue	360	427	(67)	(16%)	1,096	1,270	(174)	(14%)
Energy Costs	(330)	(399)	69	(17%)	(1,022)	(1,205)	183	(15%)
Gross Margin	**30**	**28**	**2**	**7%**	**74**	**65**	**9**	**14%**
Operating Expenses	(19)	(16)	(3)	19%	(51)	(43)	(8)	19%
Provisions for Delinquency (PECLD)	(1)	(1)	-	-	(1)	(4)	3	(75%)
EBITDA	**10**	**11**	**(1)**	**(9%)**	**22**	**18**	**4**	**22%**
Depreciation	(1)	-	(1)	-	(2)	(1)	(1)	100%
Financial Income (Loss)	3	3	-	-	5	3	2	67%
IRCS	(4)	(4)	-	-	(8)	(7)	(1)	14%
NET INCOME	**8**	**10**	**(2)**	**(20%)**	**17**	**13**	**4**	**31%**

The Liberalized segment consolidated a gross margin of R$ 201 million in the 3Q23 (-46% vs. the 3Q22) and R$ 577 million in 9M23 (-40% vs. 9M22), impacted by a lower margin in Termopernambuco, explained by lower costs in 2022 when, extraordinarily, there was no gas supply, which allowed the plant not to pay for gas and transportation, honoring its energy sales contracts by purchasing from the Spot Market. The trading company contributed with R$ 30 million in the gross margin in the quarter (+7% vs. 3Q22) and with R$ 74 million in the year-to-date (+14% vs. 9M22).

Operating expenses were R$ 36 million in the 3Q23 (-10% vs. 3Q22) and R$ 110 million in 9M23 (-4% vs. 9M22), due to lower maintenance expenses at Termopernambuco.

As a result of these variations, Liberalized EBITDA was R$ 164 million in the 3Q23 (-50% vs. 3Q22) and R$ 466 million in 9M23 (-45% vs. 9M22).

Net profit was R$ 118 million in the quarter (-49% vs. 3Q22) and R$ 344 million in 9M23 (-42% vs. 9M22).

2. EBITDA

In compliance with CVM Resolution 156/22 we shown in the table below the reconciliation of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), and we also state that the calculations shown are in line with the criteria of that same resolution:

EBITDA (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Net Income for the Period (A)	1,545	1,495	50	3%	3,488	3,782	(294)	(8%)
Profit assigned to minority shareholders (B)	(13)	(7)	(6)	86%	(50)	(51)	1	(2%)
Financial Expenses (C)	(1,128)	(868)	(260)	30%	(3,697)	(3,239)	(458)	14%
Financial Revenues (D)	354	413	(59)	(14%)	958	1,186	(228)	(19%)
Other net financial income (loss) (E)	(339)	(325)	(14)	4%	(967)	(800)	(167)	21%
Income tax and social contribution (F)	98	498	(400)	(80%)	(376)	(429)	53	(12%)
Depreciation and amortization (G)	(649)	(568)	(81)	14%	(1,884)	(1,632)	(252)	15%
EBITDA = (A-(B+C+D+E+F+G))	**3,222**	**2,352**	**870**	**37%**	**9,504**	**8,747**	**757**	**9%**
Concession Financial Assets - VNR (H)	148	(298)	446	(150%)	977	910	67	7%
IFRS 15 (I)	(1,010)	130	(1,140)	(877%)	(395)	638	(1,033)	(162%)
Corporate Operations (J)	1,466	-	1,466	-	1,304	-	1,304	-
Adjusted EBITDA = (EBITDA -(H+I+J))	**2,618**	**2,520**	**98**	**4%**	**7,618**	**7,199**	**419**	**6%**

3. FINANCIAL INCOME (EXPENSES)

NET FINANCIAL INCOME (R$ MN)	3Q23	3Q22	Variation		9M23	9M22	Variation	
			R$	%			R$	%
Revenue from financial investments	**237**	**273**	**(36)**	**(13%)**	**635**	**597**	**38**	**6%**
Charges, monetary and exchange variations and debt derivative financial Instruments	**(1,249)**	**(1,045)**	**(204)**	**20%**	**(4,095)**	**(3,536)**	**(559)**	**16%**
Other financial income (loss) not related to debt	**(101)**	**(8)**	**(93)**	**1163%**	**(246)**	**86**	**(332)**	**(386%)**
Interest, commissions and arrears interest	94	91	3	3%	253	348	(95)	(27%)
Monetary and exchange variations - other	1	(13)	14	(108%)	14	(43)	57	(133%)
Adjustment to provision for contingencies / judicial deposits	(21)	(3)	(18)	600%	(102)	(88)	(14)	16%
Adjustment to sector financial assets / liabilities	(59)	40	(99)	(248%)	(90)	217	(307)	(141%)
Post-employment liabilities	(27)	(22)	(5)	23%	(70)	(61)	(9)	15%
Other net financial revenues (expenses)	(89)	(101)	12	(12%)	(251)	(287)	36	(13%)
Total	**(1,113)**	**(780)**	**(333)**	**43%**	**(3,706)**	**(2,853)**	**(853)**	**30%**

The Consolidated Financial Income (Expenses) was -R$ 1,113 million in the 3Q23, -R$ 333 million vs. 3Q22, mainly explained by higher expenses with debt charges due to the 7% increase in the average debt balance arising from funding used for Capex of new transmission, wind and solar projects, in addition to the Distributors.

In 9M23, the Financial Income (Expenses) was -R$ 3,706 million, -R$ 853 million vs. 9M22, for the same reasons as the quarter and the variation in the updating of sectoral financial assets/liabilities.

4. INVESTMENTS

Capex of Neoenergia ended the 9M23 at R$ 6.5 billion, as shown below:

CAPEX Neoenergia (R$ million)	3Q23	3Q22	∆ %	9M23	9M22	∆ %
Networks	**2,048**	**2,188**	**(6%)**	**6,043**	**5,571**	**8%**
Distributors	1,276	1,569	(19%)	3,651	4,044	(10%)
Transmission Lines	771	618	25%	2,392	1,527	57%
Renewables	**146**	**354**	**(59%)**	**421**	**1,523**	**(72%)**
Liberalized	**13**	**8**	**65%**	**24**	**23**	**4%**
TOTAL	**2,207**	**2,550**	**(13%)**	**6,498**	**7,118**	**(9%)**

4.1. Networks

4.1.1. Distribution

In 9M23, Capex of the Distributors was R$ 3.7 billion, of which R$ 2.4 billion were used in the expansion of networks. The breakdown of Capex of Distributors is displayed in the table below.

INVESTMENTS MADE (amounts in R$ MN)	Neoenergia Coelba	Neoenergia Pernambuco	Neoenergia Cosern	Neoenergia Elektro	Neoenergia Brasília	CONSOLIDATED		
	3Q23					3Q23	9M23	
Network Expansion	**(503)**	**(116)**	**(65)**	**(130)**	**(13)**	**(827)**	**(2,350)**	**61%**
Program Luz para Todos	(107)	-	-	-	-	(107)	(287)	
New Connections	(249)	(84)	(39)	(85)	(8)	(464)	(1,356)	
New SE's and RD's	(147)	(32)	(26)	(45)	(5)	(255)	(702)	
ECV Commitment	-	(0)	-	-	0	(0)	(5)	
Assets Renewal	**(70)**	**(42)**	**(13)**	**(47)**	**(8)**	**(181)**	**(624)**	**17%**
Network Improvement	**(28)**	**(9)**	**(11)**	**(22)**	**(11)**	**(81)**	**(308)**	**8%**
Losses and Default	**(27)**	**(22)**	**(2)**	**(4)**	**(2)**	**(57)**	**(201)**	**6%**
Other	**(47)**	**(16)**	**(12)**	**(26)**	**(12)**	**(113)**	**(276)**	**8%**
Movement of Material (Inventory x Works)	**104**	**(3)**	**6**	**(25)**	**7**	**90**	**(176)**	
(=) Gross Investment	**(571)**	**(209)**	**(97)**	**(255)**	**(39)**	**(1,170)**	**(3,935)**	
GRANTS	(50)	4	1	30	(1)	(16)	109	
(=) Net Investment	**(621)**	**(205)**	**(96)**	**(224)**	**(39)**	**(1,186)**	**(3,827)**	
Movement of Material (Inventory x Works)	(104)	3	(6)	25	(7)	(90)	176	
(=) CAPEX	**(725)**	**(202)**	**(102)**	**(200)**	**(47)**	**(1,276)**	**(3,651)**	
Regulatory Annuity Basis	(47)	(16)	(12)	(26)	(12)	(113)	(276)	7%
Regulatory Remuneration Basis	(628)	(190)	(91)	(203)	(34)	(1,146)	(3,483)	93%

4.1.2. Transmission

In 9M23, Capex of transmission companies was R$ 2.4 billion, 57% above the actual Capex for 9M22, fully used for the construction of the lines and substations of the lots acquired in auctions.

4.2. Renewables

4.2.1. Wind Farms

Investments made in wind parks amounted to R$ 404 million in 9M23, R$ 627 million below those of 9M22, due to the actual Capex of the Chafariz Complex in 9M22 and lower actual Capex of the Oitis Complex, due to the final phase of the construction works.

4.2.2. Solar Parks

Investments made in the Luzia parks amounted to R$ 2.9 million in 9M23. The construction works were completed in March 2023.

4.2.3. Hydroelectric Plants

Investments made amounted to R$ 14.3 million in 9M23, compared to the R$ 38.0 million invested in the 9M22.

4.3. Liberalized

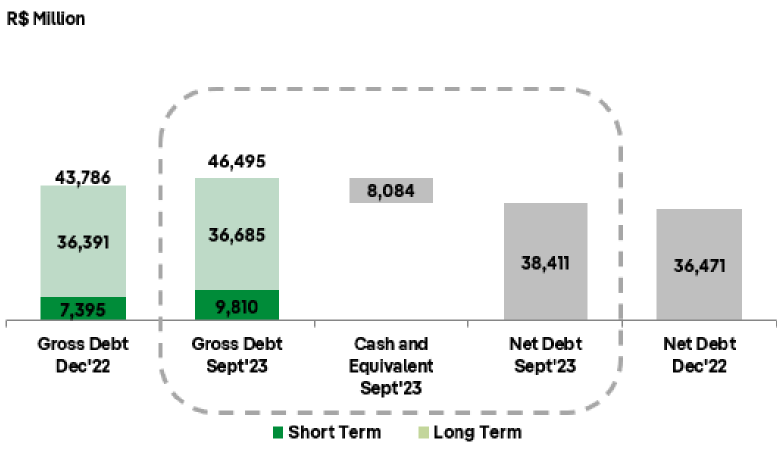
Termopernambuco made investment of approximately R$ 15.2 million in 9M23, R$ 6.4 million less than actual investments in 9M22, according to its maintenance schedules.

Neoenergia Comercialização and Neoenergia Serviços made investments of R$ 9.2 million in 9M23, R$ 7.4 million in excess of investments of 9M22, due to systems of the commercial plan.

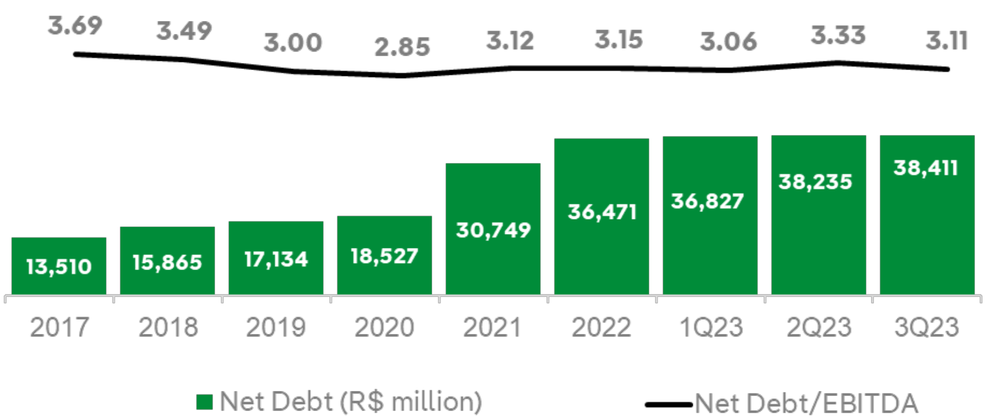
5. INDEBTEDNESS

5.1. Debt Situation and Financial Leverage

In September 2023, the consolidated net debt of Neoenergia, including cash, cash equivalents and securities reached R$ 38,411 million (gross debt of R$ 46,495 million), showing a 5% increase (R$ 1,940 million) compared to December 2022, mainly explained by actual Capex of the network projects. As to the segregation of the outstanding balance, Neoenergia has 79% of its debt recorded in the long term and 21% in the short term.



The financial indicator Total net debt/EBITDA went from 3.15x in December 2022 to 3.11x in September 2023.



5.2. Debt amortization schedule

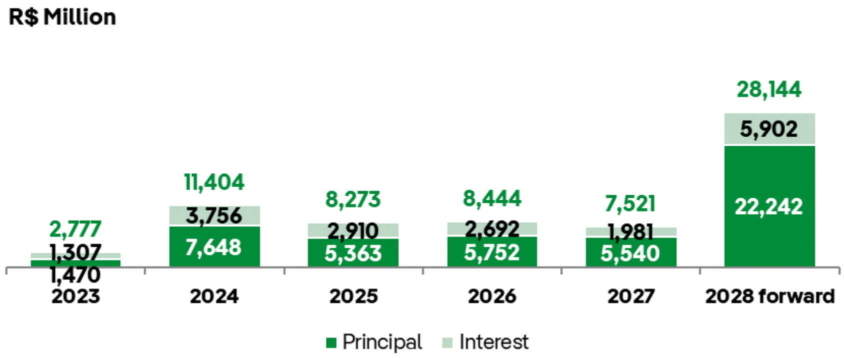
The Company seeks to align its debt structure according to the financial cycle of its business, observing the peculiarities of each company and the characteristics of its concessions and authorizations. Aiming for efficiency by reducing the cost of debt and extending its amortization profile, the Company actively manages its financial liabilities in order to avoid concentration of debt maturities.

Neoenergia raised R$ 8,543 million in 9M23, which represents 70% of the total amount expected for 2023.

In the 4Q23, the largest amortizations refer to Neoenergia Coelba in the estimated amount of R$ 875 million, Neoenergia Pernambuco in the estimated amount of R$ 228 million and Neoenergia Cosern in the amount of R$ 180 million. The sum of the maturities of these distributors is equivalent to 87% of the consolidated volume still to be amortized this year.

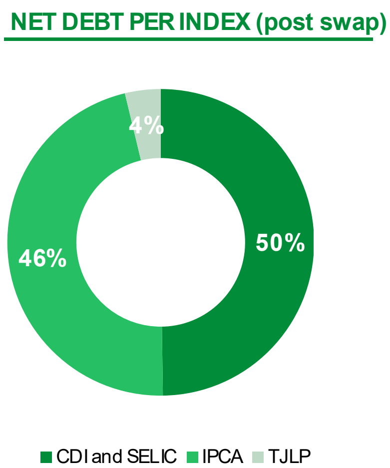
In 2024, the largest amortizations refer to Neoenergia Coelba in the estimated amount of R$ 2,452 million, Neoenergia Pernambuco in the expected amount of R$ 1,373 million, Neoenergia Morro do Chapeu in the amount of R$ 900 million and Neoenergia Lagoa do Patos in the estimated amount of R$ 648 million. The sum of the maturities of these distributors and transmission companies is equivalent to 70% of the consolidated volume to be amortized in this period.

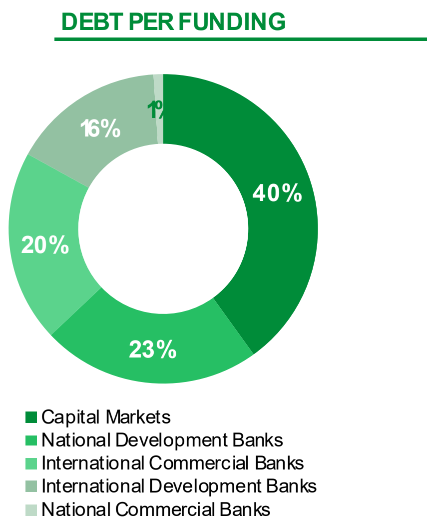
Neoenergia's average indebtedness term in September 2023 was 5.16 years (vs. 5.29 years in December 2022). The chart below shows the schedule of the debt principal and interest maturities, using market forward curves for indexes and currencies linked to the debt in force at the end of the 3Q23.



5.3. Debt Profile

The charts below show the debt balance segregated by funding source and indexer. The average cost of the consolidated debt in the 3Q23 was 11.9% (vs. 11.4% in December 2022) due to the increase in the Selic rate.





In the 3Q23 we raised a total of R$3,473 million. We highlight the following debt disbursement lines:

i. Disbursement of Commercial Notes to Neoenergia Coelba (R$ 300 million) with a term of 1 year;

ii. Release of 4131 with HSBC for Neoenergia Morro do Chapéu (R$ 350 million) with a term of 1 year;

iii. Payout of financing from BNDES to Neoenergia Vale do Itajaí (R$ 400 million) with a term of 24 years;

iv. Release of financing from BNDES to Neoenergia Itabapoana (R$ 13 million) with a term of 24 years;

v. Release of 4131 with MUFG to Neoenergia Brasília (R$ 150 million) with a term of 2 years;

vi. Release of the 11th Debenture Issue of Neoenergia Cosern, amounting to R$ 500 million with a term of 5 years;

viii. Payout of financing from ICO to Neoenergia (R$ 474 million) with a term of 10 years;

viii. Release of the 16th Debenture Issue of Neoenergia Coelba, totaling R$ 1,200 million with a term of up to 7 years;

ix. Disbursement of financing from BNB to the Oitis Complex (R$ 57 million) with a term of 24 years;

x. Release of financing from BNDES to the Chafariz Complex (R$ 29 million) with a term of 24 years.

6. CONCILIATION NOTE

Neoenergia S.A. presents the results for the 3Q23 and 9M23 based on managerial analyzes that the management understands to best translate the company's business, reconciled with International Financial Reporting Standards – IFRS.

	Current Year		Previous Year		
Calculation Memory (CONSOLIDATED)	**3Q23**	**9M23**	**3Q22**	**9M22**	**Corresponding Explanatory Notes**
(+) Net Revenue	9,968	32,796	10,241	31,251	Incoment Statement
(-) Estimated Replacement Value of Concession	(148)	(977)	298	(910)	Note 5
(-) Other revenues	(287)	(660)	(184)	(695)	Note 5
(+) Gain/ Loss on RAP	27	(45)	(22)	133	Note 5.3
(+) Revenue from Operation and Maintenance	50	126	34	97	Note 5.3
(+) Photovoltaic Operations	1	5	10	21	Note 5.3
(+) Other revenues - Other revenues	-	7	-	4	Note 5.3
= Net Operating REVENUE	**9,611**	**31,252**	**10,377**	**29,901**	
(+) Costs with electric energy	(4,870)	(14,259)	(4,500)	(13,191)	Incoment Statement
(+) Fuel for energy production	(120)	(360)	13	(16)	Note 8
(+) Construction costs	(1,883)	(5,965)	(2,136)	(5,645)	Incoment Statement
(+) Operações fotovoltaicas	(2)	(9)	(8)	(15)	Note 8
= Energy costs	**(6,875)**	**(20,593)**	**(6,631)**	**(18,867)**	
(+) Estimated replacement value of concession	148	977	(298)	910	Note 5
= GROSS MARGIN	**2,884**	**11,636**	**3,448**	**11,944**	
(+) Operating costs	(1,300)	(3,826)	(1,018)	(3,035)	Incoment Statement
(+) Sales expenses	(90)	(251)	(89)	(267)	Incoment Statement
(+) Other general and administrative revenues/ expenses	(585)	(1,722)	(531)	(1,446)	Incoment Statement
(-) Fuel for energy production	120	360	(13)	16	Note 8
(-) Operações fotovoltaicas	2	9	8	15	Note 8
(-) Depreciation	649	1,884	521	1,463	Note 8
(+) Other Revenues	287	660	184	695	Note 5
(-) Gain/ Loss on RAP	(27)	45	22	(133)	Note 5.3
(-) Revenue from operation and maintenance	(50)	(126)	(34)	(97)	Note 5.3
(-) Photovoltaic Operations	(1)	(5)	(10)	(21)	Note 5.3
(-) Other revenues - Other revenues	-	(7)	-	(4)	Note 5.3
= Operating Expenses (PMSO)	**(995)**	**(2,979)**	**(960)**	**(2,814)**	
Provisions for Delinquency (PECLD)	(128)	(489)	(127)	(385)	Incoment Statement
(+) Equity Accounting / Fair value Adjustment - Investment	1,461	1,336	(9)	2	Incoment Statement
EBITDA	**3,222**	**9,504**	**2,352**	**8,747**	
(+) Depreciation and Amortization	(649)	(1,884)	(568)	(1,632)	Incoment Statement and Note 8
(+) Financial Income/ Loss	(1,113)	(3,706)	(780)	(2,853)	Incoment Statement
(+) IR/ CS	98	(376)	498	(429)	Incoment Statement
(+) Minority shareholders	(13)	(50)	(7)	(51)	Incoment Statement
NET INCOME	**1,545**	**3,488**	**1,495**	**3,782**	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 NEONERGIA.

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 several 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).

Interim Financial Statements

September 30, 2023

Summary

STATEMENT OF INCOME
For the nine-month period ended September 30, 2023 and 2022
(Amounts expressed in millions of Reais, except earnings per share)

	Notes	Consolidated				Parent Company			
		Three-month period ended on		Nine-month period ended on		Three-month period ended on		Nine-month period ended on	
		09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Operating income, net	5	9,968	10,241	32,796	31,251	1	(1)	2	1
Costs		**(8,053)**	**(7,654)**	**(24,050)**	**(21,871)**	**-**	**-**	**-**	**-**
Energy costs	6	(4,870)	(4,500)	(14,259)	(13,191)	-	-	-	-
Construction costs	7	(1,883)	(2,136)	(5,965)	(5,645)	-	-	-	-
Operating costs	8	(1,300)	(1,018)	(3,826)	(3,035)	-	-	-	-
Gross profit		**1,915**	**2,587**	**8,746**	**9,380**	**1**	**(1)**	**2**	**1**
Expected credit loss	12.2	(128)	(127)	(489)	(385)	-	-	-	-
Sales expenses	8	(90)	(89)	(251)	(267)	-	-	-	-
Other general and administrative revenues (expenses)	8	(585)	(531)	(1,722)	(1,446)	(79)	(72)	(220)	(193)
Fair value adjustment	15	1,445	-	1,283	-	1,406	-	1,283	-
Equity in income (losses) of subsidiaries	15	16	(56)	53	(167)	271	1,580	2,657	4,281
Operating income		**2,573**	**1,784**	**7,620**	**7,115**	**1,599**	**1,507**	**3,722**	**4,089**
Financial income (expenses)	9	**(1,113)**	**(780)**	**(3,706)**	**(2,853)**	**(34)**	**(26)**	**(214)**	**(327)**
Financial income		354	413	958	1,186	116	114	309	227
Financial expenses		(1,128)	(868)	(3,697)	(3,239)	(88)	(90)	(317)	(414)
Other financial income (expenses), net		(339)	(325)	(967)	(800)	(62)	(50)	(206)	(140)
Income before taxes		**1,460**	**1,004**	**3,914**	**4,262**	**1,565**	**1,481**	**3,508**	**3,762**
Income taxes	10.1.1	**98**	**498**	**(376)**	**(429)**	**(18)**	**-**	**(18)**	**-**
Current		(205)	(212)	(313)	(599)	-	-	-	-
Deferred		303	710	(63)	170	(18)	-	(18)	-
Net income for the period		**1,558**	**1,502**	**3,538**	**3,833**	**1,547**	**1,481**	**3,490**	**3,762**
Attributable to:									
Controlling interest		1,545	1,495	3,488	3,782	1,547	1,481	3,490	3,762
Non-controlling interest		13	7	50	51	-	-	-	-
Basic and diluted earnings per share – R$:	**22.2**	**1,27**	**1,23**	**2,87**	**3,12**	**1,27**	**1,22**	**2,88**	**3,10**

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

STATEMENT OF COMPREHENSIVE INCOME
For the nine-month period ended September 30, 2023 and 2022
(Amounts expressed in millions of Reais)

	Consolidated				Parent Company			
	Three-month period ended on		Nine-month period ended on		Three-month period ended on		Nine-month period ended on	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net income for the period	**1,558**	**1,502**	**3,538**	**3,833**	**1,547**	**1,481**	**3,490**	**3,762**
Other comprehensive income								
Items that will not be classified to profit or loss:								
Obligations with benefits to employees	-	8	(504)	(318)	-	-	-	-
Cash flow hedge	37	(38)	(1)	(30)	-	-	-	-
Deferred taxes on comprehensive income	(12)	8	172	119	-	-	-	-
Equity in income (losses) of subsidiaries	-	-	-	-	24	(23)	(331)	(216)
Sum of the items that will not be classified to profit or loss	**25**	**(22)**	**(333)**	**(229)**	**24**	**(23)**	**(331)**	**(216)**
Items that will be classified to profit or loss:								
Cash flow hedge	89	(230)	20	(698)	10	(85)	(52)	(243)
Deferred taxes on comprehensive income	(25)	51	(23)	154	-	-	-	-
Equity in income (losses) of subsidiaries	-	-	-	-	54	(90)	49	(290)
Sum of the items that will be classified to profit or loss	**64**	**(179)**	**(3)**	**(544)**	**64**	**(175)**	**(3)**	**(533)**
Other comprehensive income for the period, net of taxes	**89**	**(201)**	**(336)**	**(773)**	**88**	**(198)**	**(334)**	**(749)**
Comprehensive income for the period	**1,647**	**1,301**	**3,202**	**3,060**	**1,635**	**1,283**	**3,156**	**3,013**
Attributable to:								
Controlling interest	1,634	1,297	3,154	3,033	1,635	1,283	3,156	3,013
Non-controlling interest	13	4	48	27	-	-	-	-

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

STATEMENT OF CASH FLOWS
For the nine-month period ended September 30, 2023 and 2022
(Amounts expressed in millions of reais)

Neoenergia

	Consolidated		Parent Company	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Cash flow from operating activities				
Net income for the period	**3,538**	**3,833**	**3,490**	**3,762**
Adjusted by:				
Depreciation and amortization	1,919	1,490	7	3
Writtle-off of non-current assets	80	126	-	-
Equity in income (losses) of subsidiaries	(53)	167	(2,657)	(4,281)
Fair value adjustment	(1,283)	-	(1,283)	-
Income taxes	376	429	18	-
Financial income (expenses), net	3,706	2,853	214	327
Concession's estimated replacement value	(977)	(910)	-	-
Others	8	(3)	-	-
Changes in working capital:				
Trade accounts and other receivables	(378)	1,440	-	-
Public service concession (Contract assets - transmission)	(2,135)	(2,323)	-	-
Suppliers and accounts payable to contractors and operations of invoice discounting	(558)	(1,809)	(7)	(25)
Wages, employment benefits and charges payable, net	(188)	(134)	(3)	(7)
Sectoral financial assets and liabilities, net (Portion A and others)	(90)	2,357	-	-
Other recoverable (payable) taxes and sectoral charges, net	112	(1,127)	(19)	36
Provisions, net of judicial deposits	(194)	(93)	-	-
Other assets and liabilities, net	(290)	(677)	198	208
Cash flow from operating activities	**3,593**	**5,619**	**(42)**	**23**
Dividends and interest on own capital received	15	25	1,759	3,739
Payment of debt charges	(1,960)	(1,635)	(180)	(314)
Derivative financial instruments paid, net	(1,051)	(707)	(140)	(116)
Income from financial investments	635	597	51	66
Payment of interest – Leases	(18)	(16)	-	-
Income taxes paid	(324)	(138)	-	-
Cash flow generated by (used in) operating activities	**890**	**3,745**	**1,448**	**3,398**
Cash flow from investing activities				
Divestiture of equity interest (note 15.5)	1,111	-	1,111	-
Deconsolidation of cash from the divested transmission assets (note 15.5)	(372)	-	-	-
Consideration transferred for the control acquisition of EAPSA (note 15.4)	(454)	-	(454)	-
Cash acquired in business combination (note 15.4)	208	-	-	-
Acquisition of fixed and intangible assets	(462)	(1,559)	(9)	-
Capital increase in investees	(27)	(33)	(1,136)	(1,919)
Public service concession (Contract assets - distribution)	(3,760)	(4,316)	-	-
Investments in securities and marketable securities	(451)	(810)	(38)	(382)
Redemption of securities and marketable securities	337	449	-	-
Loan contract received (invested)	-	-	(279)	445
Cash flow generated by (used in) investing activities	**(3,870)**	**(6,269)**	**(805)**	**(1,856)**
Cash flow from financing activities				
Funds raised through loans and financing	8,546	11,122	475	550
Payment of fundraising costs	(85)	(69)	(3)	-
Amortization of principal from loans and financing	(4,909)	(6,800)	(607)	(2,204)
Collateral deposits	(27)	(16)	-	-
Public Service Concessions obligations	199	215	-	-
Payment of principal – leases	(40)	(35)	-	-
Derivative financial instruments received (paid), net	(7)	381	-	-
Dividends and interest on own capital paid to Neoenergia's shareholders	-	(145)	-	(145)
Dividends and interest on own capital paid to non-controlling interest	(34)	(90)	-	-
Loans with associates received (invested)	-	-	-	(33)
Repurchase of treasury shares	(39)	-	(39)	-
Cash flow generated by (used in) financing activities	**3,604**	**4,563**	**(174)**	**(1,832)**
Increase (decrease) in cash and cash equivalents for the period	**624**	**2,039**	**469**	**(290)**
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	7,426	7,584	1,246	841
Non-cash transactions:				
Net asset from business combination (note 15.4)	1,769	-	-	-
Consideration transferred for the acquisition of control of EAPSA (note 15.4)	(873)	-	(873)	-

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

STATEMENT OF FINANCIAL POSITION
As of September 30, 2023 and December 31, 2022
(Amounts expressed in millions of reais)

		Consolidated		Parent Company	
	Notes	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Assets					
Current					
Cash and cash equivalents	**11**	7,426	6,802	1,246	777
Trade accounts receivable and others	**12**	8,390	7,805	-	-
Securities and marketable securities		122	99	-	-
Derivative financial instruments	**19.3**	308	183	1	-
Recoverable income taxes		565	1,040	219	259
Other recoverable taxes		2,103	1,876	1	1
Dividends and interest on own capital receivable		73	49	1,458	763
Sectoral financial asset (Portion A and others)	**13**	295	252	-	-
Public Service Concession (Contract asset)	**14.2**	644	715	-	-
Other current assets		1,122	1,037	451	87
		21,048	**19,858**	**3,376**	**1,887**
Non-current assets held for sale	**15.3**	1,251	1,730	1,251	1,577
Total current assets		**22,299**	**21,588**	**4,627**	**3,464**
Non-current					
Trade accounts receivable and others	**12**	372	340	-	-
Securities and marketable securities		536	414	106	61
Derivative financial instruments	**19.3**	474	774	26	-
Recoverable income taxes		638	30	-	-
Other recoverable taxes		2,841	3,749	-	-
Deferred income taxes	**10.1.2**	902	611	-	-
Judicial deposits	**20**	1,447	1,244	65	62
Public Service Concession (Financial asset)	**14.1**	26,917	23,493	-	-
Public Service Concession (Contract asset)	**14.2**	13,095	15,980	-	-
Other non-current assets		106	102	76	75
Investments in subsidiaries, associates and joint ventures	**15**	1,209	359	31,423	29,487
Right of use		179	182	-	-
Property, Plant & Equipment (“PP&E”)	**16**	12,344	10,846	32	26
Intangible assets	**17**	14,059	12,606	3	3
Total non-current assets		**75,119**	**70,730**	**31,731**	**29,714**
Total assets		**97,418**	**92,318**	**36,358**	**33,178**

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

STATEMENT OF FINANCIAL POSITION
As of September 30, 2023 and December 31, 2022
(Amounts expressed in millions of reais)

	Notes	Consolidated 09/30/2023	Consolidated 12/31/2022	Parent Company 09/30/2023	Parent Company 12/31/2022
Liabilities					
Current					
Suppliers and trade accounts payable to contractors and operations of invoice discounting	**18**	4,001	4,287	151	158
Loans and financing	**19.2**	9,613	7,289	157	720
Lease liabilities		55	48	-	-
Derivative financial instruments	**19.3**	505	289	145	41
Wages, employment benefits and charges payable	**21**	600	806	14	18
Payable income taxes		349	132	-	-
Other taxes and sectoral charges payable		1,265	1,222	32	96
Sectoral Financial Liability (Portion A and others)	**13**	237	124	-	-
Reimbursement to consumers – Federal taxes	**10.2**	1,500	1,451	-	-
Dividends and interest on own capital	**22.2**	1,362	1,001	1,335	985
Provisions and other obligations	**20**	389	378	-	-
Other current liabilities		1,204	1,236	199	125
		21,080	**18,263**	**2,033**	**2,143**
Liabilities directly associated to non-current assets held for sale		-	153	-	-
Total current		**21,080**	**18,416**	**2,033**	**2,143**
Non-current					
Suppliers and trade accounts payable to contractors and operations of invoice discounting	**18**	176	164	-	-
Loans and financing	**19.2**	35,886	36,214	4,290	3,881
Lease liabilities		153	158	-	-
Derivative financial instruments	**19.3**	1,273	951	593	467
Wages, employment benefits and charges payable	**21**	1,341	744	-	-
Payable income taxes		29	28	8	7
Deferred income taxes	**10.1.2**	1,808	1,524	21	3
Other taxes and sectoral charges payable		1,063	1,438	-	-
Sectoral financial liability (Portion A and others)	**13**	632	702	-	-
Reimbursement to consumers – Federal taxes	**10.2**	2,201	3,134	-	-
Provisions and other obligations	**20**	1,788	1,639	1	1
Other non-current liabilities		313	269	21	23
Total non-current		**46,663**	**46,965**	**4,934**	**4,382**
Shareholder's equity	**22**				
Attributable to controlling interest		29,475	26,739	29,391	26,653
Attributable to non-controlling interest		200	198	-	-
Total Shareholder's equity		**29,675**	**26,937**	**29,391**	**26,653**
Total liabilities and shareholders' equity		**97,418**	**92,318**	**36,358**	**33,178**

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

(Amounts expressed in millions of reais)

Consolidated

	Share capital	Capital reserve and treasury shares	Shareholder's transactions and others	Other comprehensive income	Profit reserve: Legal reserve	Profit reserve: Unrealized profit reserve	Profit reserve: Profit retention reserve	Retained earnings	Attributed to controlling interest	Attributed to non-controlling interest	Total
Balance as of December 31, 2022	**12,920**	**159**	**(1,735)**	**(766)**	**1,434**	**247**	**14,480**	**-**	**26,739**	**198**	**26,937**
Capital increase	4,000	-	-	-	-	-	(4,000)	-	-	-	-
Net income for the period	-	-	-	-	-	-	-	3,488	**3,488**	50	**3,538**
Other comprehensive income	-	-	-	(334)	-	-	-	-	**(334)**	(2)	**(336)**
Remuneration to shareholders (22.2.b)	-	-	-	-	-	-	-	(387)	**(387)**	(47)	**(434)**
Shareholders' transactions:											
Share-based payments	-	(10)	-	-	-	-	-	-	**(10)**	1	**(9)**
Purchase of additional participation on subsidiaries	-	-	4	-	-	-	-	-	**4**	-	**4**
Treasury shares	-	(25)	-	-	-	-	-	-	**(25)**	-	**(25)**
Balance as of September 30, 2023	**16,920**	**124**	**(1,731)**	**(1,100)**	**1,434**	**247**	**10,480**	**3,101**	**29,475**	**200**	**29,675**
Balance as of December 31, 2022	**12,920**	**129**	**(1,579)**	**(281)**	**1,200**	**284**	**11,213**	**-**	**23,886**	**352**	**24,238**
Net income for the period	-	-	-	-	-	-	-	3,782	**3,782**	51	**3,833**
Other comprehensive income	-	-	-	(749)	-	-	-	-	**(749)**	(24)	**(773)**
Remuneration to shareholders (22.2.b)	-	-	-	-	-	-	-	(167)	**(167)**	(91)	**(258)**
Shareholders' transactions:											
Share-based payments	-	23	-	-	-	-	-	-	**23**	-	**23**
Balance as of September 30, 2022	**12,920**	**152**	**(1,579)**	**(1,030)**	**1,200**	**284**	**11,213**	**3,615**	**26,775**	**288**	**27,063**

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

(Amounts expressed in millions of reais)

					Profit reserve				Parent Company
	Share capital	Capital reserve and treasury shares	Shareholders' transactions and others	Other comprehensive income	Legal reserve	Unrealized profit reserve	Profit retention reserve	Retained earnings	Total
Balance as of December 31, 2022	**12,920**	**156**	**(1,805)**	**(766)**	**1,434**	**234**	**14,480**	**-**	**26,653**
Capital increase	4,000	-	-	-	-	-	(4,000)	-	-
Net income for the period	-	-	-	-	-	-	-	3,490	**3,490**
Other comprehensive income	-	-	-	(334)	-	-	-	-	**(334)**
Remuneration to shareholders (22.2.b)	-	-	-	-	-	-	-	(387)	**(387)**
Shareholder's transactions:									
Share-based payments	-	(10)	-	-	-	-	-	-	**(10)**
Purchase of additional participation on subsidiaries		-	4	-	-	-	-		**4**
Treasury shares	-	(25)	-	-	-	-	-		**(25)**
Balance as of September 30, 2023	**16,920**	**121**	**(1,801)**	**(1,100)**	**1,434**	**234**	**10,480**	**3,103**	**29,391**
Balance as of December 31, 2022	**12,920**	**129**	**(1,579)**	**(281)**	**1,200**	**234**	**11,213**	**-**	**23,836**
Net income for the period	-	-	-	-	-	-	-	3,762	**3,762**
Other comprehensive income	-	-	-	(749)	-	-	-	-	**(749)**
Remuneration to shareholders (22.2.b)	-	-	-	-	-	-	-	(167)	**(167)**
Shareholder's transactions:									
Share-based payments	-	23	-	-	-	-	-	-	**23**
Balance as of September 30, 2022	**12,920**	**152**	**(1,579)**	**(1,030)**	**1,200**	**234**	**11,213**	**3,595**	**26,705**

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

STATEMENT OF ADDED VALUE
For the nine-month period ended September 30, 2023 and 2022
(Amounts expressed in millions of reais)

	Consolidated		Parent Company	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Revenues				
Sales of energy, services and others	45,972	44,336	2	1
Revenue from the construction of own assets	134	783	-	-
Expected credit loss	(489)	(385)	-	-
Other revenues (Fair value adjustment)	1,283	-	1,283	-
Subtotal	**46,900**	**44,734**	**1,285**	**1**
Inputs acquired from third parties				
Electricity purchased for resale	(11,271)	(10,685)	-	-
Transmission network use of system charges	(4,586)	(4,128)	-	-
Consumed raw materials	(361)	(12)	-	-
Materials, third-party services and others	(7,913)	(8,114)	(155)	(136)
Subtotal	**(24,131)**	**(22,939)**	**(155)**	**(136)**
Gross added value	**22,769**	**21,795**	**1,130**	**(135)**
Depreciation and amortization	(1,919)	(1,659)	(7)	(3)
Net added value produced by the Company	**20,850**	**20,136**	**1,123**	**(138)**
Added value received through transfer				
Financial income	4,134	5,609	658	558
Equity in income (losses) of subsidiaries	53	2	2,657	4,281
Subtotal	**4,187**	**5,611**	**3,315**	**4,839**
Total added value for distribution	**25,037**	**25,747**	**4,438**	**4,701**
Added value distribution				
Wages	1,030	880	47	42
Provision for vacation and 13th salary	182	176	-	-
Social charges (except INSS)	90	78	-	-
Employee benefits	546	524	-	-
Others	(440)	(373)	2	3
Subtotal	**1,408**	**1,285**	**49**	**45**
Taxes, fees and contributions				
National Institute of Social Security (INSS) (on payroll)	267	241	8	8
State VAT (ICMS)	6,316	6,471	-	-
Taxes on revenue (PIS/COFINS)	1,764	1,602	16	12
Income taxes	376	429	17	-
Intra-sectoral obligations	3,511	3,430	-	-
Others	68	51	1	1
Subtotal	**12,302**	**12,224**	**42**	**21**
Lenders and lessors				
Interest and foreign exchange rate variations	7,778	8,392	857	873
Leases	11	13	-	-
Subtotal	**7,789**	**8,405**	**857**	**873**
Shareholders				
Dividends and interest on own capital	387	167	387	167
Retained earnings	3,101	3,615	3,103	3,595
Non-controlling interest	50	51	-	-
Subtotal	**3,538**	**3,833**	**3,490**	**3,762**
Distributed added value	**25,037**	**25,747**	**4,438**	**4,701**

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 grants for energy services

Until September 30, 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.

On April 06, 2023, the large-size reinforcement authorized to the transmission line of Afluente began its commercial operation and comprehends the restructuring of the transmission line *Funil/Poções II* which began operating on 230 kV, with an additional RAP portion associated with the reinforcement's conclusion of R$ 3.

On April 23, 2023, another stage of the enterprise concerning Neoenergia Lagoa dos Patos began its commercial operation with the implementation of the transmission line 525 kV *Guaiba 3/ Povo Novo C3*, located in the state of Rio Grande do Sul. The stretch has a RAP of R$ 55, which represents 34.3% of the enterprise's full capacity.

On May 28, 2023, the large-size improvement concerning the transmission line Afluente began its commercial operation and comprehends the substitution of a 230/69 kV transformer in the *Tomba* substation. The construction delivers an additional RAP of around R$ 3 to the transmission line.

On August 19, 2023, another stage of the enterprise concerning Neoenergia Lagoa dos Patos began its commercial operation with the implementation of the transmission line 230 kV with approximately 244.5 km of extension located in the state of Rio Grande do Sul.

(Amounts expressed in millions of reais)

Photovoltaic 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.

Generators

Company	Location, State	Date of entry into commercial operation
Oitis 3	Dom Inocêncio, PI	05/19/2023
Oitis 4	Dom Inocêncio, PI	05/31/2023
Oitis 5	Dom Inocêncio, PI	06/02/2023
Oitis 9	Dom Inocêncio, PI	07/21/2023
Oitis 10	Dom Inocêncio, PI	07/27/2023

As per chart above, the Oitis complex is commercially operating at 100% of its capacity.

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 period ended September 30, 2023, must be jointly read with the aforementioned financial statements.

1.2 Financial and operational risk management

As per the expected 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 applicable to the regulated activities that generate exposure to financial risks; therefore, they must also be applied by its subsidiaries following 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 hedge purposes, whose application for speculative purposes is strictly forbidden. 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 the year ended December 31, 2022, that were previously disclosed. The financial statements are presented in compliance with the standards 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 are 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, are being disclosed and correspond to the information used in the Company's management.

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

2.2 Functional and presentation currency

These interim financial statements are presented in millions of reais, except when indicated otherwise.

Transactions in foreign currency are initially registered with the exchange rate of the transaction day and translated based on the exchange rate at the balance sheet date. Foreign exchange gains and losses due to the adjustment to assets and liabilities are recognized in the 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.

(Amounts expressed in millions of reais)

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
IAS 7/ CPC 3: Statement of cash flows	Disclosure of the following operation which involves the Companies and its suppliers: Confirming, Invoice discount, reverse factoring, forfait, and/ or related operations. The new disclosure conditions will provide more clarity to financial agreements or the postponement of deadlines from suppliers by a Company and will allow the stakeholders to observe how the use of these instruments affected the Company's operations.	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, it did not identify the possibility of significant impacts.

(Amounts expressed in millions of reais)

3. RECONCILIATION OF THE NET INCOME FOR THE YEAR AND SHAREHOLDER’S 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		Shareholder’s equity	
	09/30/2023	09/30/2022	09/30/2023	12/31/2022
Parent Company	**3,490**	**3,762**	**29,391**	**26,653**
Capitalization of financial charges, net (1)	(3)	21	88	91
Others	1	(1)	(4)	(5)
Consolidated	**3,488**	**3,782**	**29,475**	**26,739**

(1) Capitalization of financial charges concerning loans and financings, net of deferred tax and amortizations, issued by the Parent Company and transferred to its subsidiaries through an increase of capital to finance the construction of wind power plants.

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 and solar farms and hydroelectric plants; (iii) Liberalized – comprise energy generation activities from thermoelectric plants and energy commercialization activities, and (iv) Others – include corporate activities that support operations.

(Amounts expressed in millions of reais)

4.1 Result by segment

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

					Consolidated
					Three months ended September 30, 2023
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	13,657	283	377	-	**14,317**
Inter-segment gross revenue	(13)	314	549	1	**851**
Deductions from gross revenue	(4,144)	(47)	(158)	-	**(4,349)**
Operating costs and expenses (1)	(7,518)	(135)	(350)	(76)	**(8,079)**
Inter-segment operating costs and expenses (1)	(551)	(47)	(253)	-	**(851)**
Expected credit losses	(127)	-	(1)	-	**(128)**
Fair value adjustment	(56)	1,501	-	-	**1,445**
Result of equity interest	-	16	-	-	**16**
EBITDA	**1,248**	**1,885**	**164**	**(75)**	**3,222**
Depreciation and amortization (2)	(489)	(97)	(18)	(45)	**(649)**
Operating profit	759	**1,788**	**146**	**(120)**	**2,573**
Financial result, net	(1,046)	(27)	(6)	(34)	**(1,113)**
Income taxes	186	(48)	(22)	(18)	**98**
Net income	**(101)**	**1,713**	**118**	**(172)**	**1,558**

					Consolidated
					Three months ended September 30, 2022
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	13,334	237	477	(1)	**14,047**
Inter-segment gross revenue	27	309	534	-	**870**
Deductions from gross revenue	(3,596)	(44)	(166)	-	**(3,806)**
Operating costs and expenses (1)	(7,730)	(101)	(252)	(70)	**(7,753)**
Inter-segment operating costs and expenses (1)	(565)	(42)	(263)	-	**(870)**
Expected credit losses	(126)	-	(1)	-	**(127)**
Result of equity interest	-	(9)	-	-	**(9)**
EBITDA	**1,744**	**350**	**329**	**(71)**	**2,352**
Depreciation and amortization (2)	(438)	(66)	(18)	(46)	**(568)**
Operating profit	**1,306**	**284**	**311**	**(117)**	**1,784**
Financial result, net	(725)	(20)	(32)	(3)	**(780)**
Income taxes	607	(54)	(47)	(8)	**498**
Net income	**1,188**	**210**	**232**	**(128)**	**1,502**

(1) Does not include depreciation and amortization.
(2) Includes the amortization of added value.

(Amounts expressed in millions of reais)

	Consolidated				
	Nine months ended September 30, 2023				
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	44,155	701	1,116	-	**45,972**
Inter-segment gross revenue	43	907	1,690	2	**2,642**
Deductions from gross revenue	(12,570)	(133)	(473)	-	**(13,176)**
Operating costs and expenses [1]	(22,453)	(369)	(1,105)	(212)	**(24,139)**
Inter-segment operating costs and expenses [1]	(1,702)	(179)	(761)	-	**(2,642)**
Expected credit losses	(488)	-	(1)	-	**(489)**
Fair value adjustment	(193)	1,476	-	-	**1,283**
Result of equity interest	-	53	-	-	**53**
EBITDA	**6,792**	**2,456**	**466**	**(210)**	**9,504**
Depreciation and amortization [2]	(1,430)	(278)	(47)	(129)	**(1,884)**
Operating profit	**5,362**	**2,178**	**419**	**(339)**	**7,620**
Financial result, net	(3,296)	(172)	(23)	(215)	**(3,706)**
Income taxes	(198)	(108)	(52)	(18)	**(376)**
Net income	**1,868**	**1,898**	**344**	**(572)**	**3,538**

	Consolidated				
	Nine months ended September 30, 2022				
	Networks	Renewable	Liberalized	Others	Result
Gross revenue from third parties	42,397	617	1,323	(1)	**44,336**
Inter-segment gross revenue	81	792	1,706	2	**2,581**
Deductions from gross revenue	(12,388)	(125)	(572)	-	**(13,085)**
Operating costs and expenses [1]	(20,765)	(286)	(880)	(190)	**(22,121)**
Inter-segment operating costs and expenses [1]	(1,702)	(154)	(725)	-	**(2,581)**
Expected credit losses	(381)	-	(4)	-	**(385)**
Result of equity interest	-	2	-	-	**2**
EBITDA	**7,242**	**846**	**848**	**(189)**	**8,747**
Depreciation and amortization [2]	(1,224)	(200)	(52)	(156)	**(1,632)**
Operating profit	**6,018**	**646**	**796**	**(345)**	**7,115**
Financial result, net	(2,289)	(179)	(92)	(293)	**(2,853)**
Income taxes	(196)	(106)	(115)	(12)	**(429)**
Net income	**3,533**	**361**	**589**	**(650)**	**3,833**

(1) Does not include depreciation and amortization.
(2) Includes the amortization of added value.

(Amounts expressed in millions of reais)

4.2 Assets allocated by segments

	Consolidated				
	Balance as of September 30, 2023				
	Accounts receivable	Sectoral financial asset (liabilities)	Public service concession[1] and intangible	Investments in subsidiaries and joint ventures	Right of use and PP&E
Networks	8,469	(574)	52,509	1,140	148
Renewable	146	-	2,187	69	11,366
Liberalized	147	-	16	-	969
Others	-	-	3	-	40
Total	**8,762**	**(574)**	**54,715**	**1,209**	**12,523**

	Consolidated				
	Balance as of December 31, 2022				
	Accounts receivable	Sectoral financial asset (liabilities)	Public service concession[1] and intangible	Investments in subsidiaries 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 and / or contract asset.

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

	Consolidated			
	Three months ended			
	09/30/2023		09/30/2022	
	Public service concession[1] and intangible	Investments, right of use and PP&E	Public service concession[1] and intangible	Investments, right of use and PP&E
Networks	782	26	4,286	64
Renewable	-	-	-	739
Liberalized	-	1	-	24
Others	-	-	-	-
Total	**782**	**27**	**4,286**	**827**

	Consolidated			
	Nine months ended			
	09/30/2023		09/30/2022	
	Public service concession[1] and intangible	Investments, right of use and PP&E	Public service concession[1] and intangible	Investments, right of use and PP&E
Networks	5,289	53	6,080	89
Renewable	-	696	-	1,533
Liberalized	-	48	-	28
Others	-	9	-	-
Total	**5,289**	**806**	**6,080**	**1,650**

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

(Amounts expressed in millions of reais)

5. NET OPERATING REVENUE

								Consolidated
	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Networks	Renewable	Liberalized	Total	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	5,160	269	361	**5,790**	5,040	205	459	**5,704**
Electric grid availability [1]	6,496	-	-	**6,496**	5,854	-	-	**5,854**
Concession's infrastructure construction [2]	782	-	-	**782**	2,183	-	-	**2,183**
Electric Energy Trading Chamber – CCEE	148	10	2	**160**	175	26	2	**203**
Concession's estimated replacement value [3]	148	-	-	**148**	(298)	-	-	**(298)**
Contract asset's remuneration	245	-	-	**245**	272	-	-	**272**
Sectoral financial assets and liabilities effects (note 5.2)	409	-	-	**409**	(54)	-	-	**(54)**
Other revenues (note 5.3)	269	4	14	**287**	162	5	16	**183**
Gross operating revenue	**13,657**	**283**	**377**	**14,317**	**13,334**	**236**	**477**	**14,047**
Taxes	(2,957)	(39)	(153)	**(3,149)**	(2,482)	(37)	(162)	**(2,681)**
Sectoral charges	(1,187)	(8)	(5)	**(1,200)**	(1,114)	(7)	(4)	**(1,125)**
Operating revenue, net	**9,513**	**236**	**219**	**9,968**	**9,738**	**192**	**311**	**10,241**

								Consolidated
	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	Networks	Renewable	Liberalized	Total	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	15,315	642	1,077	**17,034**	17,134	481	1,280	**18,895**
Electric grid availability [1]	19,477	-	-	**19,477**	17,499	-	-	**17,499**
Concession's infrastructure construction [2]	5,305	-	-	**5,305**	5,874	-	-	**5,874**
Electric Energy Trading Chamber – CCEE	459	42	4	**505**	375	120	2	**497**
Concession's estimated replacement value [3]	977	-	-	**977**	910	-	-	**910**
Contract asset's remuneration	921	-	-	**921**	749	-	-	**749**
Sectoral financial assets and liabilities effects (note 5.2)	1,093	-	-	**1,093**	(782)	-	-	**(782)**
Other revenues (note 5.3)	608	17	35	**660**	638	15	41	**694**
Gross operating revenue	**44,155**	**701**	**1,116**	**45,972**	**42,397**	**616**	**1,323**	**44,336**
Taxes	(9,096)	(110)	(459)	**(9,665)**	(8,991)	(105)	(559)	**(9,655)**
Sectoral charges	(3,474)	(23)	(14)	**(3,511)**	(3,397)	(20)	(13)	**(3,430)**
Operating revenue, net	**31,585**	**568**	**643**	**32,796**	**30,009**	**491**	**751**	**31,251**

(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, for captive consumers R$ 16,297 (On September 30, 2022 R$ 14,976) and for free consumers R$ 3,180 (On September 30, 2022 R$ 2,523).

(2) On September 30, 2023, the total construction revenue from the infrastructure concession, of R$ 3,580 and R$ 1,725 (R$ 4,127 and R$ 1,747 on September 30, 2022) refers to the construction revenue of distributors and transmitters, respectively.

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

(Amounts expressed in millions of reais)

5.1 Energy supply

				Consolidated
		Three months ended		Nine months ended
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Residential	4,963	4,152	15,139	14,424
Commercial	2,121	1,954	6,620	6,791
Industrial	1,151	1,245	3,306	3,529
Rural	654	578	1,765	1,684
Government	563	466	1,704	1,583
Public lighting	327	304	958	1,029
Public service	392	356	1,144	1,132
Non-billed supply	82	(94)	8	(25)
Transfer – Electric grid availability (1)	(5,389)	(4,874)	(16,297)	(14,976)
Subsidies and state grants (2)	926	1,617	2,687	3,724
Total	**5,790**	**5,704**	**17,034**	**18,895**

(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$ 1,026 (R$ 882 on September 30, 2022) referring to the low-income subsidy; (ii) R$ 1,320 (R$ 1,144 on September 30, 2022) referring to the CDE subsidy; (iii) R$ 0 (R$ 55 on September 30, 2022) referring to the hydric crisis bonus subsidy; (iv) R$ 130 (R$ 322 on September 30, 2022) referring to the CCRBT subsidy; (v) R$ 0 (R$ 331 on September 30, 2022) referring to the hydric shortage subsidy and (vi) R$ 87 (R$ 733 on September 30, 2022) referring to the subsidy of Eletrobrás moderateness.

Readjustment and Tariff review in 2023

In 2023, three distributors went through a periodic tariff review (RTP) and one, through an annual tariff readjustment (RTA), as per chart below:

	Neoenergia Coelba	Neoenergia Cosern	Neoenergia Pernambuco	Neoenergia Elektro
High tension consumers	6.91%	3.65%	10.41%	3.15%
Low tension consumers	8.66%	4.45%	8.51%	9.53%
Average readjustment in the tariff	8.18%	4.26%	9.02%	7.17%
Process model:	RTP	RTP	RTA	RTP
No. of the resolution	3,186	3,187	3,195	3,100
Date of the resolution	04/18/2023	04/18/2023	05/09/2023	08/23/2023

RTA – Annual Tariff Readjustment.
RTP – Periodic Tariff Review.

(Amounts expressed in millions of reais)

5.2 Effects of sectoral financial assets and liabilities

				Consolidated
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
CVA and Neutrality				
Energy [1]	(51)	(374)	(874)	(1,454)
System Service Charges – ESS [2]	266	(305)	216	(2,340)
Energetic Development Account – CDE [3]	(124)	49	(406)	498
TUST [4]	50	99	94	(20)
Neutrality of Sectoral charges	6	(4)	41	84
PROINFA	(19)	-	(135)	93
Subtotal	**128**	**(535)**	**(1,064)**	**(3,139)**
Financial components and subsidies				
Over-contracting on lending [5]	-	358	453	943
Hydrological risk	16	14	92	(17)
Excess demand/ Reactive surplus [6]	(27)	35	(40)	155
Readjustment deferral	20	62	129	193
Eletrobras moderateness [7]	221	(798)	385	(798)
Pis/Cofins credits over State VAT (ICMS) [8]	342	450	1,291	1,150
Water scarcity flag [9]	(321)	655	(231)	655
Others	30	(295)	78	76
Subtotal	**281**	**481**	**2,157**	**2,357**
Total	**409**	**(54)**	**1,093**	**(782)**

(1) Passive CVA, arising from the recognition of 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 in 2023 according to ANEEL's determination, thus increasing the reimbursable CVA this period and it also concerns the amortization of balances recognized by ANEEL in the tariff process of the Company in 2022 and 2023.

(2) Active CVA, arising from the recognition of differences between the incurred energy costs concerning ANEEL's tariff coverage, with emphasis on the cost of Energy Safety Charge according to ANEEL's determination and it also concerns the amortization of balances recognized by ANEEL in the tariff process of the Company in 2022 and 2023.

(3) Passive CVA, due to REH 3,165/2022 and REH 3,175/2023, which approved that the Monthly quotas of the Energetic Development Account – CDE, concerning the period from January to December 2023, to be collected by the distribution concessionaires thus, resulting in a reimbursable CVA in the period.

(4) Active CVA, arising from the recognition of differences between the incurred energy costs concerning ANEEL's tariff coverage, due to the REH nº 3,217/2023, with an effective date as of July 1st, 2023 until June 30, 2024, which established the readjustments concerning the transmission system use tariffs and concerning the amortization of the balances recognized by ANEEL in the tariff process of 2022 and 2023;

(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) Passive recognition concerning the Excess demand/ Reactive surplus as per Submodule 2.1 of PRORET.

(7) Concerning the contribution to CDE by Eletrobrás with an on-lending to the distributors and intended for tariff moderateness as per Law No. 14,182/2021 and ANEEL Dispatch No. 1,959/2022. For this, the Company recognized an asset of R$ 385 on September 30, 2023.

(8) 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 offset based on the collection of the taxes at the total amount approved by the Brazilian Federal Revenue Service – RFB.

(9) Recognition of ANEEL's resolutions in 2023 in the distributors which refers to the positive financial component concerning the reversal of costs related to the Water Scarcity Flag.

5.3 Other revenues

				Consolidated
	Three months ended		Nine months ended	

	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Leases and rents	139	125	411	340
O&M revenues	50	34	126	97
RAP gain/loss	27	(22)	(45)	133
Third-party service commission	17	16	49	46
Revenue from the provision of service	46	11	90	32
Photovoltaic operations	1	10	5	21
Public lighting fee	2	2	6	6
Fraud invoice management	2	2	8	5
Service liable to charge	3	4	3	9
Other revenues	-	1	7	5
Total	**287**	**183**	**660**	**694**

6. ENERGY COSTS

				Consolidated
		Three months ended		Nine months ended
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Energy purchases for resale				
Energy acquired through regulated environment auction – ACR [1]	(1,760)	(1,497)	(5,395)	(4,686)
Energy acquired in the Free Contracting Environment – ACL	(473)	(437)	(1,431)	(1,344)
Variable Costs from the Short-Term Market – MCP [2]	(272)	(239)	(792)	(500)
Short-Term Energy – PLD and MRE [3]	(56)	(132)	37	(329)
Agreements based on physical assurance quotas	(429)	(492)	(1,349)	(1,370)
Energy acquired from a bilateral agreement [4]	(283)	(266)	(837)	(696)
Itaipu energy	(216)	(304)	(604)	(832)
Quotas from Angra I and Angra II Power Plants	(178)	(171)	(521)	(518)
Others	(127)	(153)	(379)	(410)
Subtotal	**(3,794)**	**(3,691)**	**(11,271)**	**(10,685)**
PIS and COFINS credits	392	398	1,187	1,186
Total	**(3,402)**	**(3,293)**	**(10,084)**	**(9,499)**
Transmission and distribution system usage charges				
Basic grid charges [5]	(1,177)	(1,015)	(3,253)	(2,665)
Itaipu transport charges	(40)	(31)	(97)	(80)
Connection charges	(81)	(47)	(195)	(119)
Distribution systems use charges	(21)	(17)	(58)	(53)
System service charges – ESS [6]	-	(46)	(12)	(671)
Reserve energy charges – EER [7]	(295)	(161)	(978)	(531)
Other charges	2	(4)	7	(9)
Subtotal	**(1,612)**	**(1,321)**	**(4,586)**	**(4,128)**
PIS and COFINS credits	144	114	411	436
Total	**(1,468)**	**(1,207)**	**(4,175)**	**(3,692)**
Total energy costs	**(4,870)**	**(4,500)**	**(14,259)**	**(13,191)**

PLD – Settlement Prices of Differences.
MRE – Energy Relocation Mechanism.

(1) It refers to the acquired energy cost in the ACR which 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 2023.

(2) The increase is due to the average reduction of 17% in thermal generation and an average increase of 19% in the PLD NE. 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) The increase is due to the tariff readjustment (R$/MWh) of the generator as of April 2023.

(5) Increase in the contracted amount (MUST) and the TUST tariff (REH Aneel 3,217/23 from 07.04.2023).

(6) 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) Increase of the payment of Reserve Energy Charges to ensure the continuous financial balance from the CONER account.

(Amounts expressed in millions of reais)

7. CONSTRUCTION COSTS

				Consolidated
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Personnel	(166)	(141)	(464)	(376)
Material	(839)	(937)	(2,802)	(2,755)
Third-party services	(815)	(943)	(2,555)	(2,325)
Interest on construction in progress	(17)	(20)	(45)	(48)
Others	(87)	(114)	(257)	(311)
Special obligations	41	19	158	170
Total	**(1,883)**	**(2,136)**	**(5,965)**	**(5,645)**
Cost of the concession's infrastructure construction				
Distributors	1,115	1,522	3,580	4,127
Transmitters	768	614	2,385	1,518

(Amounts expressed in millions of reais)

8. OPERATING COSTS AND OPERATING EXPENSES

Consolidated

	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Operating costs	Sales expenses	Other general and administrative revenues (expenses)	Total	Operating costs	Sales expenses	Other general and administrative revenues (expenses)	Total
Staff and employee benefits	(323)	(22)	(200)	**(545)**	(278)	(23)	(183)	**(484)**
Management	-	-	(25)	**(25)**	-	-	(20)	**(20)**
Third party services	(244)	(65)	(176)	**(485)**	(227)	(66)	(166)	**(459)**
Photovoltaic operations	(2)	-	-	**(2)**	(8)	-	-	**(8)**
Depreciation and amortization (1)	(551)	(1)	(97)	**(649)**	(447)	(2)	(72)	**(521)**
Fuel for energy production	(120)	-	-	**(120)**	13	-	-	**13**
Provision for judicial lawsuits	-	-	(43)	**(43)**	-	-	(45)	**(45)**
Taxes	(1)	-	(4)	**(5)**	-	-	(1)	**(1)**
Other revenues and expenses, net	(59)	(2)	(40)	**(101)**	(71)	2	(44)	**(113)**
Total	**(1,300)**	**(90)**	**(585)**	**(1,975)**	**(1,018)**	**(89)**	**(531)**	**(1,638)**

Consolidated

	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	Operating costs	Sales expenses	Other general and administrative revenues (expenses)	Total	Operating costs	Sales expenses	Other general and administrative revenues (expenses)	Total
Staff and employee benefits	(927)	(61)	(612)	**(1,600)**	(847)	(74)	(540)	**(1,461)**
Management	-	-	(76)	**(76)**	-	-	(65)	**(65)**
Third party services	(700)	(196)	(523)	**(1,419)**	(661)	(195)	(458)	**(1,314)**
Photovoltaic operations	(9)	-	-	**(9)**	(15)	-	-	**(15)**
Depreciation and amortization (1)	(1,608)	(3)	(273)	**(1,884)**	(1,284)	(4)	(175)	**(1,463)**
Fuel for energy production	(360)	-	-	**(360)**	(16)	-	-	**(16)**
Provision for judicial lawsuits	-	-	(126)	**(126)**	-	-	(112)	**(112)**
Taxes	(3)	-	(34)	**(37)**	(4)	-	(23)	**(27)**
Other revenues and expenses, net	(219)	9	(78)	**(288)**	(208)	6	(73)	**(275)**
Total	**(3,826)**	**(251)**	**(1,722)**	**(5,799)**	**(3,035)**	**(267)**	**(1,446)**	**(4,748)**

(1) On September 30, 2023, the gross depreciation and amortization of PIS/COFINS credits was R$ 1,919 (R$ 1,659 on September 30, 2022).

(Amounts expressed in millions of reais)

9. FINANCIAL INCOME (EXPENSES)

				Consolidated
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Financial income				
Income from financial investments	237	273	635	597
Taxes on financial income	(23)	(26)	(62)	(70)
Interest and charges for accounts receivable and other receivable	94	91	253	348
Judicial deposits monetary variation	21	19	62	49
Monetary variation on sectoral financial assets	-	42	-	219
Post-employment benefit and other benefits	2	-	2	-
Other financial income	23	14	68	43
	354	**413**	**958**	**1,186**
Financial expenses				
Charges on debt instruments	(909)	(733)	(3,114)	(2,779)
Post-employments and others benefits	(29)	(22)	(72)	(61)
Variation of the Sectoral Financial Liabilities	(59)	(2)	(90)	(2)
Monetary variation on provision for losses on lawsuits	(42)	(22)	(164)	(137)
IOF – Tax on Financial Operation	(8)	(3)	(8)	(5)
Other financial expenses	(81)	(86)	(249)	(255)
	(1,128)	**(868)**	**(3,697)**	**(3,239)**
Other financial income (expenses), net				
Losses on foreign exchange rate variation and fair value	(438)	(481)	(769)	(1,706)
Gain on foreign exchange rate variation and fair value	52	205	1,569	2,295
Losses on derivative financial instruments – Note 19.3.b	(551)	(589)	(2,973)	(3,349)
Gain on derivative financial instruments – Note 19.3.b	597	553	1,192	2,003
Losses on foreign exchange rate and monetary variation	(104)	(36)	(339)	(98)
Gain on foreign exchange rate and monetary variation	105	23	353	55
	(339)	**(325)**	**(967)**	**(800)**
Financial income (expenses), net	**(1,113)**	**(780)**	**(3,706)**	**(2,853)**

(Amounts expressed in millions of reais)

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 taxes recognized in the statement of income is as follows:

				Consolidated
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Income before taxes on income	**1,460**	**1,004**	**3,914**	**4,262**
Nominal income taxes rate - 34%	**(497)**	**(324)**	**(1,331)**	**(1,432)**
Adjustments that affect income tax calculation:				
Corporate restructuring	-	678	-	678
Tax benefit over interest on own capital	(10)	1	124	60
Tax incentives (1)	77	119	421	317
Difference on income taxes calculated based on deemed profit	60	73	96	62
Additions (reversals) to non-recognized tax assets	479	53	352	(29)
Other additions (reversals)	(11)	(102)	(38)	(85)
Income taxes	**98**	**498**	**(376)**	**(429)**
Effective income tax rates	**-7%**	**-50%**	**10%**	**10%**
Current	(205)	(212)	(313)	(599)
Deferred	303	710	(63)	170

(1) This variation refers to the addition in the percentage of the promoted activity that affects the exploitation profit which is the basis for the determination of the Sudene benefit.

(Amounts expressed in millions of reais)

10.1.2 Deferred tax assets and liabilities

Deferred tax 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.

		Consolidated
	09/30/2023	12/31/2022
Tax loss (includes negative basis)	**613**	**498**
Surplus and provision for maintaining the integrity of shareholders' equity	**327**	**384**
Temporary differences:		
Business combination (note 15.4)	(694)	-
Post-employment benefit obligations	458	292
Provision for legal proceedings	412	387
Estimated credit losses – Accounts receivable	335	307
Right to use the overtaking revenue concession	88	91
Added value linked to property, plant and equipment, and intangible assets	98	98
Fair value of indemnified financial assets	(2,325)	(1,998)
Debt interest capitalization	(112)	(103)
Accelerated depreciation	(28)	(27)
Fair value of financial instruments	70	83
Hydrological risk (GSF)	(42)	(44)
Margin concerning the construction and remuneration of contract assets	(305)	(1,111)
Others	(199)	230
Total	**(906)**	**(913)**
Non-current assets	902	611
Non-current liabilities	(1,808)	(1,524)

The variations in deferred taxes are as follows:

		Consolidated
	Asset	Liability
Balance as of December 31, 2022	**611**	**(1,524)**
Business combination (note 15.4)	-	(694)
Effects recognized in profit or loss	254	(317)
Effects recognized in other comprehensive income	85	64
Transfers between assets and liabilities	(48)	48
Deconsolidation effect of the transmission assets (Note 15.5)	-	615
Balance as of September 30, 2023	**902**	**(1,808)**
Balance as of December 31, 2021	**727**	**(1,766)**
Effects recognized in profit or loss	(103)	273
Effects recognized in other comprehensive income	175	98
Transfers between assets and liabilities	(13)	13
Balance as of September 30, 2022	**786**	**(1,382)**

10.1.3 Uncertainties about the Treatment of Income Taxes

For the period ended September 30, 2023, there were no relevant changes in the progress of lawsuits or in the provisioned amounts, which were monetarily adjusted in the period.

On July 10, 2023, the subsidiary Neoenergia Elektro received an Infraction Notice no. 17459-720.018/2023-41, signed by the Brazilian Federal Revenue, in the amount of R$ 175, concerning the amortization of surplus that occurred in 2018. The Company's legal advisors evaluated the risk of loss related to this Infraction Notice as possible.

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

10.2 Reimbursement to consumers – Federal taxes

(Amounts expressed in millions of reais)

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 recognized a recoverable PIS and COFINS asset and a corresponding liability, which is being passed on to the consumers through annual tariff events, as per Law 14,385/22.

The balance of the recognized liabilities in the subsidiaries, adjusted by the SELIC rate and deducted from the onlending already made, as well as the changes for the period are presented below:

		Consolidated
	09/30/2023	09/30/2022
Opening balance	**4,586**	**6,029**
Recognition	-	70
Monetary adjustment	275	315
Offset	(1,160)	(1,371)
Closing balance	**3,701**	**5,043**
Current	1,500	1,690
Non-current	2,201	3,353

11. CASH AND CASH EQUIVALENTS

		Consolidated		Parent Company
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Cash and demand bank deposits	274	348	7	2
Bank Deposit Certificate (CDB)	3,013	2,646	781	598
Investment funds	4,139	3,808	458	177
Total	**7,426**	**6,802**	**1,246**	**777**

The financial instruments portfolios classified as cash and cash equivalents are made with the purpose of better profitability and the lowest level of risk. The average remuneration of these portfolios on September 30, 2023 is 100.55% of the CDI (100.31% on December 31, 2022).

The portfolio of financial investments, on September 30, 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
Exclusive funds	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Repo operations	4,139	3,808	458	177
Total	**4,139**	**3,808**	**458**	**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 asset management, which can be detailed as the investment's operations, such as custody and audit fees, along with other expenses. There are no relevant financial obligations or legal or extrajudicial claims, as well as assets from the shareholders to cover these obligations.

12. TRADE ACCOUNTS RECEIVABLE AND OTHERS

						Consolidated
			09/30/2023			12/31/2022
	Receivable	Expected credit loss	Accounts receivable, net	Receivable	Expected credit loss	Accounts receivable, net
Energy supply (note 12.1)	8,730	(2,067)	**6,663**	7,909	(1,720)	**6,189**
Commercialization of energy at CCEE	120	-	**120**	99	-	**99**
Distribution grid availability	1,069	(6)	**1,063**	938	(3)	**935**

(Amounts expressed in millions of reais)

Government Grants and subsidies	503	-	**503**	481	-	**481**
Other receivables	526	(113)	**413**	549	(108)	**441**
Total	**10,948**	**(2,186)**	**8,762**	**9,976**	**(1,831)**	**8,145**
Current assets			**8,390**			**7,805**
Non-current assets			**372**			**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:

				Consolidated
		09/30/2023		**12/31/2022**
	Receivable	**Expected credit loss**	**Receivable**	**Expected credit loss**
Residential	3,176	(1,178)	2,811	(957)
Commercial	992	(378)	857	(316)
Industrial	1,080	(242)	960	(205)
Rural	524	(168)	448	(146)
Government	484	(24)	416	(32)
Public lighting	347	(20)	326	(15)
Public service	353	(6)	329	(4)
Unbilled services	1,774	(51)	1,762	(45)
Total	**8,730**	**(2,067)**	**7,909**	**(1,720)**

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

				Consolidated
		09/30/2023		**12/31/2022**
	Receivable	**Expected credit loss**	**Receivable**	**Expected credit loss**
Due receivables	3,978	(123)	3,747	(119)
Overdue receivables:				
Between 1 and 90 days	1,600	(101)	1,440	(107)
Between 91 and 180 days	373	(113)	312	(101)
Between 181 and 360 days	589	(259)	602	(240)
After 361 days	2,190	(1,471)	1,808	(1,153)
Total	**8,730**	**(2,067)**	**7,909**	**(1,720)**

12.2 Variation of the expected credit losses (ECL)

		Consolidated
		Nine months ended
	09/30/2023	**09/30/2022**
Opening balance for the period	**(1,831)**	**(1,580)**
Recognized effect in profit or loss for the period	(489)	(385)
Effective write -off of uncollectible receivables	134	166
Closing balance for the period	**(2,186)**	**(1,799)**

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) at 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 definition mechanism can cause a time difference that derives from the difference between the projected costs and costs included in the tariff at the beginning of the tariff period, and the ones that are effectively incurred throughout the tariff's effective period. 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:

(Amounts expressed in millions of reais)

						Consolidated
		09/30/2023				12/31/2022
	Rights	Obligations	Net effect	Rights	Obligations	Net effect
CVA and Neutrality						
Energy	204	(1,306)	**(1,102)**	658	(816)	**(158)**
System Service Charges – ESS	145	(547)	**(402)**	463	(1,281)	**(818)**
Energy Development Account – CDE	102	(3)	**99**	475	-	**475**
Tariff on Use of Transmission Network – TUST	696	(5)	**691**	546	(4)	**542**
Others	100	(85)	**15**	158	(60)	**98**
Financial Components and Subsidies						
Over contracting pass-through (1)	1,526	(62)	**1,464**	1,048	(83)	**965**
Hydrological Risks	-	(879)	**(879)**	-	(933)	**(933)**
Demand's Overtaking / Surplus	22	(516)	**(494)**	15	(442)	**(427)**
Readjustment deferral	255	(224)	**31**	112	(206)	**(94)**
Eletrobras moderateness CDE	-	(436)	**(436)**	-	(792)	**(792)**
PIS/COFINS credits over ICMS (2)	689	(912)	**(223)**	928	(1,405)	**(477)**
Water Scarcity Flag (3)	635	-	**635**	1,065	-	**1,065**
Others	95	(68)	**27**	105	(125)	**(20)**
Total	**4,469**	**(5,043)**	**(574)**	**5,573**	**(6,147)**	**(574)**
Values Homologated by ANEEL	2,513	(3,005)	**(492)**	1,962	(1,723)	**239**
Values to be Homologated by ANEEL	1,956	(2,038)	**(82)**	3,611	(4,424)	**(813)**
Total	**4,469**	**(5,043)**	**(574)**	**5,573**	**(6,147)**	**(574)**
Current Assets			**295**			**252**
Current Liabilities			**(237)**			**(124)**
Non-current Liabilities			**(632)**			**(702)**

(1) On September 30, 2023, the Company calculated an asset of R$ 1,464, due to the increase of the recognition intended 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 tariff readjustment process.

(2) On June 27, 2022, Law 14,385/2022 was published. Its purpose is to regulate the reimbursement of PIS/COFINS credits on 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 2023 to March 2024, is backed by the expectations of future offsets of these credits with the Federal Revenue.

(3) This positive financial component was recognized in the 2023 Tariff Readjustment process, and it corresponds to the reversal of the costs related to the Hydric Scarcity Flag including the previous readjustment for purposes of tariff moderateness and tariff mitigation.

14. PUBLIC SERVICE CONCESSIONS

The concessions of distribution and transmission companies are not onerous, therefore there are no fixed financial obligations and payments to be made to the Granting Authority. The concession contracts granted 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, it will result in the mapping, evaluations, and determination of the amount of compensation owed to the Companies considering the values and dates of incorporation into the electric system.

14.1 Financial asset

(Amounts expressed in millions of reais)

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 assumptions inherent to this contract asset (see note 25.6). These assets had the following variations in the period:

		Consolidated
	09/30/2023	09/30/2022
Opening balance	**23,493**	**18,516**
Write-offs	(32)	(31)
Reversals	4	6
Transfers - contract assets (1)	2,414	2,502
Transfers - intangible assets	2	8
Transfers - Others (2)	59	62
Fair value adjustments (3)	977	910
Closing balance	**26,917**	**21,973**

(1) Transfer of the distributors' contract assets, classified as contract assets during the construction period;

(2) Reimbursement portion of the Program "Luz Para Todos" (Light for everyone) – LPT Batch 9;

(3) The fair value is affected by the variation of the National Wide Consumer Price Index - IPCA, if compared to the same period of the previous year. In 2023, the Financial Asset was adjusted in conformity with ANEEL Report 5th Cycle which is adherent to Sub-model 2.3 (Regulatory Remuneration Basis), PRORET (Tariff Regulation Procedures), with an impact of R$ 271.

(Amounts expressed in millions of reais)

14.2 Contract asset

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

						Consolidated
			09/30/2023			12/31/2022
	Transmission	Distribution	Total	Transmission	Distribution	Total
Current	644	-	**644**	715	-	**715**
Non-current	8,757	4,338	**13,095**	11,674	4,306	**15,980**
Total	**9,401**	**4,338**	**13,739**	**12,389**	**4,306**	**16,695**
Concluded	5,766	-	**5,766**	5,758	-	**5,758**
Ongoing	3,635	4,338	**7,973**	6,631	4,306	**10,937**

These assets had the following variations in the period:

			Consolidated
	Transmission	Distribution	Total
Balance as of December 31, 2022	**12,389**	**4,306**	**16,695**
Additions (1)	1,683	3,606	**5,289**
Write-offs	-	(22)	**(22)**
Transfers – intangible in service (1)	-	(1,120)	**(1,120)**
Transfers – financial assets (1)	-	(2,414)	**(2,414)**
Transfers – Others	-	(18)	**(18)**
Contract asset amortization	(388)	-	**(388)**
Monetary variation	921	-	**921**
Deconsolidation of the divested transmission assets (note 15.5)	(5,204)	-	**(5,204)**
Balance as of September 30, 2023	**9,401**	**4,338**	**13,739**
Cost	9,401	4,763	**14,164**
Special obligations	-	(425)	**(425)**

			Consolidated
	Transmission	Distribution	Total
Balance as of December 31, 2021	**8,680**	**4,259**	**12,939**
Additions (1)	1,932	4,148	**6,080**
Write-offs	-	(56)	**(56)**
Transfers – intangible in service (1)	-	(1,239)	**(1,239)**
Transfers – financial assets (1)	-	(2,502)	**(2,502)**
Transfers - Others	-	45	**45**
Contract asset amortization	(316)	-	**(316)**
Monetary variation	749	-	**749**
Balance as of September 30, 2022	**11,045**	**4,655**	**15,700**
Cost	11,045	4,974	**16,019**
Special obligations	-	(319)	**(319)**

(1) During the construction phase, the assets linked to the distributor's concession infrastructure are recorded as contract assets and measured at 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.

(Amounts expressed in millions of reais)

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	Associated companies	Total Consolidated	Associated companies	Total Parent Company
Balance as of December 31, 2022	**299**	**60**	**359**	**29,128**	**29,487**
Capital increase	27		**27**	1,109	**1,136**
Fair value of the transmission assets (15.5)	1,111	-	**1,111**	(2,222)	**(1,111)**
Equity effect from the consolidation of EAPSA (note 15.4)	(343)	-	**(343)**	1,146	**803**
Equity in income (losses) of subsidiaries in other comprehensive income	-	-	**-**	(282)	**(282)**
Declared dividends and interest on capital	-	-	**-**	(2,542)	**(2,542)**
Others	2	-	**2**	(10)	**(8)**
Equity in income (losses)	**44**	**9**	**53**	**2,604**	**2,657**
Equity in income (losses) of subsidiaries in profit or loss	44	9	**53**	2,726	**2,779**
Amortization of surplus	-	-	**-**	(122)	**(122)**
Fair value adjustment	**-**	**-**	**-**	**1,283**	**1,283**
Divestiture effect of equity interest of transmission assets (15.5)	-	-	**-**	(193)	**(193)**
Effects of assets exchange (note 15.4)	-	-	**-**	1,503	**1,503**
Fair value adjustment of Baguari	-	-	**-**	(27)	**(27)**
Balance as of September 30,2023	**1,140**	**69**	**1,209**	**30,214**	**31,423**
Balance as of December 31, 2021	**1,138**	**62**	**1,200**	**25,742**	**26,942**
Capital increase	33	-	**33**	1,886	**1,919**
Equity in income (losses) of subsidiaries in other comprehensive income	-	-	**-**	(506)	**(506)**
Declared dividends and interest on capital	-	-	**-**	(3,744)	**(3,744)**
Others	-	-	**-**	12	**12**
Equity in income (losses)	**(6)**	**8**	**2**	**4,279**	**4,281**
Equity in income (losses) of subsidiaries in profit or loss	(6)	8	**2**	4,400	**4,402**
Amortization of surplus	-	-	**-**	(121)	**(121)**
Balance as of September 30, 2022	**1,165**	**70**	**1,235**	**27,669**	**28,904**

(Amounts expressed in millions of reais)

15.2 Breakdown by investment class

Additional information regarding the main investees are as follows:

	Segment	Interest and voting capital	Balance of investments		Result of interest		Dividends and interest on own capital received	
			09/30/2023	12/31/2022	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Subsidiaries								
Wholly owned subsidiaries (1)	Networks	100.00%	9,224	10,316	(406)	1,089	59	257
	Liberalized	100.00%	1,442	1,800	379	626	327	65
	Renewable	100.00%	9,160	6,437	349	331	88	69
	Others	100.00%	9	9	-	-	-	-
Other subsidiaries								
Neoenergia Coelba	Networks	98.94%	5,940	5,947	1,256	1,168	502	711
Neoenergia Elektro	Networks	99.68%	3,192	3,403	686	777	361	150
Neoenergia Cosern	Networks	93.05%	1,372	1,357	421	351	392	22
Afluente T	Networks	90.13%	236	235	26	35	15	-
			30,575	**29,504**	**2,711**	**4,377**	**1,744**	**1,274**
Associates and joint ventures								
Neoenergia Transmissora (2)	Networks	50.00%	1,140	-	-	-	-	
Teles Pires Participações (note 15.3)	Renewable	51.00%	-	-	-	(48)	-	-
EAPSA (3)	Renewable	100.00%	-	299	44	42	15	23
Energética Corumbá III	Renewable	25.00%	69	60	9	8	-	2
			1,209	**359**	**53**	**2**	**15**	**25**
Shareholders' transactions			(361)	(376)	15	23	-	-
Total			**31,423**	**29,487**	**2,779**	**4,402**	**1,759**	**1,299**

(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 holds 100% of direct interest in both companies (Termope and Itapebi).

(2) Previously denominated as Neoenergia Transmissora 15 SPE S.A.

(3) As per note 15.4, in September 2023, with the transaction's conclusion the Company has 100% of the EAPSA's shares.

(Amounts expressed in millions of reais)

15.3 Non-current assets held for sale

	Consolidated		Parent Company	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Non-current assets held for sale				
Norte Energia	797	797	797	797
Teles Pires and Baguari (note 15.4)	454	933	454	780
	1,251	**1,730**	**1,251**	**1,577**
Liabilities directly associated to non-current assets held for sale				
Teles Pires and Baguari (note 15.4)	-	153	-	-
	-	**153**	**-**	**-**
Total	**1,251**	**1,577**	**1,251**	**1,577**
Non-current assets held for sale				
Norte Energia	797	797	797	797
Teles Pires and Baguari	454	780	454	780

15.4 Business combination: Asset exchange between Neoenergia and Eletronorte

On December 16, 2022, the Company entered into a Contract of Asset Exchange and Other Accordance. This contract contained an agreement to exchange the following equity interest:

Neoenergia transfers to Eletronorte its shareholdings of 50.56% of Teles Pires, 0.9% of Companhia Hidrelétrica Teles Pires, and 100% of Baguari I (Leading consortium and holder of 51% of the UHE Baguari consortium), evaluated in the amount of R$ 788; on the other hand, Eletronorte transfers to Neoenergia its shareholdings of 49% of EAPSA, 0.04% of Neoenergia Coelba, 0.04% of Neoenergia Cosern and 0.04% of Afluente T, jointly evaluated at the same amount.

In May 2023, the company Baguari Energia S.A. (“Baguari Energia”) exercised its preemptive right to purchase Baguari I shares, and the purchase and sales contract was signed with the same amount negotiated in the contract of asset exchange with Eletronorte. Therefore, the asset exchange with Eletrobrás had the transfers of shares from Teles Pires and CHTP along with the payment of R$ 454 which originated from the divestiture of the shares from Baguari I to Baguari Energia.

On September 26, 2023, the asset exchange transaction with Eletronorte was concluded after the fulfillment of every condition precedent along with the transfer of the aforementioned equity interest and the payment of R$ 454 to Eletronorte.

Considering that prior to the transaction, the Company already was the holder of 51% of EAPSA and that after the transaction’s conclusion started to own 100% of its shares, the transaction fit the criteria of a business combination accomplished in stages.

Therefore, all shares involved in the transaction were measured at fair value on the date of the effective transfer of control.

The information below presents the preliminary fair value of the identifiable acquired assets and assumed liabilities on the acquisition date. The measurement was carried out on a preliminary basis, therefore, its closing must happen within the period of up to twelve months after the acquisition date, as prescribed by IFRS 3/CPC 15 – Business Combination. Management has no expectations of relevant adjustments in the final measurement of the allocation.

Fair value of net assets acquired by the Company

(Amounts expressed in millions of reais)

Fair value of the assets acquired	
Cash and cash equivalents	208
Accounts receivable and others	40
Securities and marketable securities	17
Recoverable income taxes	18
Other current and non-current assets	14
PP & E (a)	1,372
Intangible (b)	1,227
	2,896
Fair value of the assumed liabilities	
Suppliers and trade accounts payable to contractors and operations of invoice discounting	(12)
Loans and financings	(121)
Payable income taxes	(51)
Other payable taxes and sectoral charges	(11)
Deferred income taxes (c)	(694)
Provisions and other obligations (d)	(10)
Other current and non-current liabilities	(20)
	(919)
Fair value of the net assets acquired	**1,977**
Fair value of the consideration transferred and the remeasurement of the interest previously owned[1]	2,649
Goodwill (c)	**672**

(1) On the acquisition date of control of EAPSA, the consideration transferred for the acquired portion was measured at fair value in the amount of R$ 1,327.

The Company is not subject to contingent considerations or has a right to indemnities that may affect the purchase price. The expenditures with attorneys' fees, financial advisors, due diligence, and charges among others related to the transactions totaled R$ 7. The assumptions and evaluation techniques of the main identifiable acquired assets and assumed liabilities in the acquisition of EAPSA are as follows:

a) The Company contracted an evaluation at fair value of the fixed assets of UHE Dardanelos from an independent entity specialized in this type of evaluation. Based on the appraiser's report, Management determined an adjustment of R$ 836 in the account of PP & E, which will be straight-line depreciated until December 2049 due to the deadline of the concession contract.

b) R$ 1,227 was allocated to the concession contract concerning the service provision of energy generation until December 2049. The intangible's fair value (concession contract) was evaluated through the multi-period excess earnings method, which considers the current value of the cash flows (net) expected by the concession. The key assumptions were as follows:

- Remaining concession term of 26 years and 4 months (until December 2049).

- The forecast volume considered the sale of all assured energy in the Power Plant concerning the ACR until 2040 and the ACL between 2041 and 2049. The energy sales in the ACR and ACL considered the contract prices, and the forecast market prices, respectively. Both prices are annually readjusted by the IPCA during the projection.

(Amounts expressed in millions of reais)

- The costs of purchased energy for resale to cover the deficit of energy generated by an average GSF of 96.7% were also considered. A fact worth highlighting is that the insurance SP 90 is contracted, and it maintains protection for a minimum value of GSF in 90%. The costs with network use charges concerning TUST, CFURH, ONS fee, and TFSEE were also considered. The operating expenses are composed of personnel, material, service, and other expenses, and they are also considered in the Administration's estimates.

- The investments were projected as per the Management's expectations, being essentially allocated to the infrastructure's maintenance.

- The income taxes were projected at a nominal rate of 34%, as per Brazilian tax legislation for the Actual Profit Method ("Lucro Real") for taxation purposes and adjusted by the SUDAM tax benefit and the reduction of the calculation basis for the distribution of interest on own capital.

- A discount rate reflecting the Weighted Average Capital Cost – "WACC", in an adequate level of perception of the market risk and adequate remuneration to the shareholders on the acquisition date.

c) The deferred income taxes totaled R$ 672 and were calculated based on the adjustments between the book value and the fair value of the assets and liabilities mentioned in items (i), (ii), and (iv), at a nominal rate of 34%. As a consequence of this liability's recognition, there was also a recognition of residual goodwill in the same amount.

d) The Company conducted a review of the acquiree's judicial proceedings to evaluate probable future disbursements of cash despite of the current risk evaluation of loss from the judicial proceedings. From this evaluation, an infraction notice of an environmental nature with an expected value of loss of R$ 9 was highlighted.

Had the acquisition of EAPSA been made on the first day of the period ended September 30, 2023, the Company's consolidated revenues would have been R$ 33,032, and its consolidated profit would have been R$ 3,586.

The Company ascertained a result in the acquisition of EAPSA as shown below:

Fair value of 100% of EAPSA	2.649
Book value of 100% of EAPSA	(673)
Difference of the fair value attributed to the divested shares and their book value	(473)
Total impact on the result	**1,503**

15.5 Divestiture of equity interest in transmission companies

On April 25, 2023, the Group's Board of Directors approved and entered into a Share Purchase Agreement and Other Covenants ("SPA") with Warrington Investment Pte. Ltd., concerning the sale of 50% equity interest from the subsidiary Neoenergia Transmissora 15 SPE S.A. Ltd., for the amount of R$ 1,200 and subject to usual price adjustments. The operation is subject to the usual conditions precedent outlined in the SPA.

With this, the Company has reclassified to an account of "Non-current assets held for sale" and "Liabilities directly related to non-current assets held for sale", the assets and liabilities of the following subsidiaries 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. (jointly nominated as "investees"). The reclassification was made at the lower of their fair value (net of sales expenses) and book value.

(Amounts expressed in millions of reais)

A condition precedent for the operation's implementation, in addition to the previous appliable approvals, was that the Company should contribute to the capital of Neoenergia Transmissora S.A, the total amount of its interest in the investees under the transaction's scope. On September 29, 2023, the conditions precedent were fulfilled and the transaction was concluded with a cash delivery of R$ 1,111.

The chart below outlines a summary of the ascertainment of the transaction values at the moment the interest sales were concluded:

Measurement at fair value of the investees for the offer basis	2,400
Adjustments to the offer value	(178)
Offer value	**2,222**
Cash received for the divestiture of 50% of Neoenergia Transmissora	(1,111)
Fair value of the interest maintained on Neoenergia Transmissora	1,111
Sales expenses	**(25)**
Book value of the investees	**(2,395)**
Transaction's accumulated result	**(199)**

As a consequence of the interest divestiture, the Company began to share the control of Neoenergia Transmissora with Warrington Investment Pte. Ltd., therefore, as of the operation's conclusion, the assets and liabilities of Neoenergia Transmissora are no longer consolidated. The investment at fair value of the remaining 50% of Neoenergia Transmissora started to be evaluated by the equity method. Therefore, the amount of R$ 1,111 was reclassified to the account of "Investments in subsidiaries, associates and joint ventures".

(Amounts expressed in millions of reais)

16. PP&E

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

						Consolidated
	Wind farms	Hydroelectric Power and Combined Cycle Plants	Constructions and land	Others	Assets under construction	Total
Depreciation rate per annum	**3.03% - 16.70%**	**2.00% - 20%**	**0% - 9.10%**	**2.5% - 33.30%**	**-**	
Balance as of December 31, 2022	**5,204**	**2,216**	**1,957**	**57**	**1,412**	**10,846**
Business combination	-	1,294	69	-	9	**1,372**
Additions	10	-	-	-	427	**437**
Capitalized costs (1)	-	-	-	-	22	**22**
Write-offs	-	(1)	-	-	(7)	**(8)**
Depreciation	(189)	(77)	(27)	(8)	-	**(301)**
Transfers between classes	1,288	77	(234)	24	(1,155)	**-**
Transfers - Other assets	-	-	-	-	(9)	**(9)**
Deconsolidation of the divested transmission assets (note 15.5)	-	-	4	(15)	(4)	**(15)**
Balance as of September 30, 2023	**6,313**	**3,509**	**1,769**	**58**	**695**	**12,344**
Cost	7,307	4,835	2,203	99	695	**15,139**
Accumulated depreciation	(994)	(1,326)	(434)	(41)	-	**(2,795)**
Balance as of December 31, 2021	**3,007**	**2,482**	**1,564**	**26**	**2,481**	**9,560**
Additions	6	-	-	-	1,524	**1,530**
Capitalized costs (1)	-	-	-	-	70	**70**
Write-offs	-	-	-	-	(4)	**(4)**
Depreciation	(103)	(85)	(39)	(5)	-	**(232)**
Transfers between classes	951	103	192	20	(1,266)	**-**
Transfers - Other assets	-	-	-	-	(3)	**(3)**
Balance as of September 30, 2022	**3,861**	**2,500**	**1,717**	**41**	**2,802**	**10,921**
Cost	4,619	3,593	2,071	73	2,802	**13,158**
Accumulated depreciation	(758)	(1,093)	(354)	(32)	-	**(2,237)**

(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.

(Amounts expressed in millions of reais)

17. INTANGIBLE ASSETS

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

						Consolidated
	Goodwill	Concession	Software	Others	Assets under construction	Total
Amortization rate per annum	**-**	**2.78% - 5.56%**	**0% – 20%**	**0% - 100%**	**-**	
Balance as of December 31, 2022	**671**	**11,881**	**17**	**14**	**23**	**12,606**
Business combination (note 15.4)	672	1,225	-	1	1	**1,899**
Additions	-	-	-	-	18	**18**
Write-offs	-	(51)	-	-	-	**(51)**
Amortization	-	(1,521)	(9)	(4)	-	**(1,534)**
Transfers between classes	-	3	8	5	(16)	**-**
Transfers – Financial asset (1)	-	(2)	-	-	-	**(2)**
Transfers – Contract asset (2)	-	1,120	-	-	-	**1,120**
Transfers – Other assets	-	5	(1)	(2)	1	**3**
Balance as of September 30, 2023	**1,343**	**12,660**	**15**	**14**	**27**	**14,059**
Cost	1,343	34,222	36	25	27	**35,653**
Accumulated depreciation	-	(19,952)	(21)	(11)	-	**(19,984)**
Special obligations	-	(1,610)	-	-	-	**(1,610)**
Balance as of December 31, 2021	**671**	**12,073**	**11**	**33**	**13**	**12,801**
Additions	-	-	-	-	6	**6**
Write-offs	-	(56)	-	-	-	**(56)**
Amortization	-	(1,353)	(4)	(4)	-	**(1,361)**
Transfers between classes	-	(11)	2	1	8	**-**
Transfers – Financial asset (1)	-	(8)	-	-	-	**(8)**
Transfers – Contract asset (2)	-	1,234	5	-	-	**1,239**
Transfers – Other assets (3)	-	32	-	(1)	(11)	**20**
Balance as of September 30, 2022	**671**	**11,911**	**14**	**29**	**16**	**12,641**
Cost	671	31,692	130	40	16	**32,549**
Accumulated depreciation	-	(17,971)	(116)	(11)	-	**(18,098)**
Special obligations	-	(1,810)	-	-	-	**(1,810)**

(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.

(3) Reimbursement portion of the Program "*Luz Para Todos*" (Light for Everyone) – LPT Batch 9.

(Amounts expressed in millions of reais)

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

	Consolidated	
	09/30/2023	12/31/2022
Energy	1,786	1,589
Network usage charges	582	491
Materials and services	1,633	2,206
Free energy	176	165
Total	**4,177**	**4,451**
Suppliers and accounts payable to contractors	4,177	4,094
Operations of invoice discounting	-	357
Current	4,001	4,287
Non-current	176	164

Operations 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 investing activity, depending on the nature of the product or the acquired service.

19. LOANS, FINANCINGS 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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Bank loans and financings	9,387	9,364	-	569
Development agencies	17,453	16,245	2,853	2,429
Capital market	18,659	17,894	1,594	1,603
Loans and financings (1)	**45,499**	**43,503**	**4,447**	**4,601**
(+) Derivative financial instruments (note 19.3)	996	283	711	508
(-) Cash and cash equivalents (note 11)	(7,426)	(6,802)	(1,246)	(777)
(-) Marketable securities	(658)	(513)	(106)	(61)
Net debt	**38,411**	**36,471**	**3,806**	**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 financings

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 are mostly denominated in Reais ("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.

(Amounts expressed in millions of reais)

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) Balances of contracts by currency and interest rate modality

	Consolidated		Parent Company	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Denominated in R$	**33,037**	**32,532**	**1,623**	**2,205**
Floating interest rates	33,010	32,492	1,623	2,205
Fixed interest rates	27	40	-	-
Denominated in US$	**10,013**	**9,670**	**2,860**	**2,434**
Floating interest rates	1,299	969	507	-
Fixed interest rates	8,714	8,701	2,353	2,434
Denominated in other currencies	**2,868**	**1,646**	**-**	**-**
Fixed interest rates	2,868	1,646	-	-
	45,918	**43,848**	**4,483**	**4,639**
(-) Collateral deposits	(141)	(112)	-	-
(-) Transaction costs	(278)	(233)	(36)	(38)
	45,499	**43,503**	**4,447**	**4,601**
Current liabilities	9,613	7,289	157	720
Non-current liabilities	35,886	36,214	4,290	3,881

On September 30, 2023, the debts' average cost in percentage is as follows:

	Consolidated		Parent Company	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Average cost of % CDI (1)	87.4%	90.4%	81.2%	92.5%
Average cost in fixed interest rates	11.9%	11.4%	11.0%	11.6%
Debt balance	45,499	43,503	4,447	4,601
Derivative financial instruments	996	283	711	508
Total debt, net of derivatives	**46,495**	**43,786**	**5,158**	**5,109**

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

(Amounts expressed in millions of reais)

b) Future payment flows of debts

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

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

				Consolidated
	Principal (1)	Interest (1)	Derivative instruments	Total
2023	1,582	1,075	120	2,777
2024	7,960	2,832	612	11,404
2025	5,679	2,395	198	8,272
2026	5,958	2,308	178	8,444
2027	5,729	1,748	44	7,521
Between 2028 and 2032	16,260	3,531	(448)	19,343
Between 2033 and 2037	4,071	1,135	(341)	4,865
2038 onwards	3,390	544	-	3,934
Total	**50,629**	**15,568**	**363**	**66,560**

(1) 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 September 30, 2023, with consideration that all amortizations and payments on the maturity of these loans and financing will be made at their respective negotiated 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 September 30, 2023, the average maturity of the Company's debts is 5.16 years (5.29 years in December 2022).

c) Debt reconciliation with the cash flow and other variations

		Consolidated		Parent Company
		Nine months ended		Nine months ended
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Opening balance	**43,503**	**38,623**	**4,601**	**5,373**
Effect on cash flow:				
Proceeds	8,546	11,122	475	550
Principal's amortization	(4,909)	(6,800)	(607)	(2,204)
Borrowing costs	(85)	(69)	(3)	-
Debt charges paid	(1,960)	(1,635)	(180)	(314)
Collateral deposits investment (redemption)	(27)	(16)	-	-
Non-cash effect:				
Charges incurred	3,131	2,851	234	342
Foreign exchange rate variation	(791)	(525)	(73)	(51)
Fair value measurement	(9)	(64)	-	-
Addition due to business combination (note 15.4)	121	-	-	-
Deconsolidation effect of the divested transmission assets (note 15.5)	(2,021)	-	-	-
Closing balance	**45,499**	**43,487**	**4,447**	**3,696**

In the nine-month period ended September 30, 2023, the Group raised R$ 8,546, being: (i) R$ 3,423 through bank loans and financing in foreign currency, in addition to contracts of foreign exchange swaps; (ii) R$ 150 through bank loans and financings in reais with foreign currency; (iii) R$ 2,000 through capital market; (iv) R$ 703 with a deadline of up to 10 years raised with JICA/MUFG (Japan International Cooperation Agency/Mitsubishi UFJ Financial Group, Inc.); (v) R$ 1,470 with development banks; (vi) R$ 800 with IFC (International Finance Corporation), this one is a green bond linked to ESG goals and if these goals are achieved, a stepdown of the debt's spread will be generated.

(Amounts expressed in millions of reais)

d) Credit lines

				Consolidated
Type	Currency	Raising deadline	Total amount	Used amount
Financing lines	R$	12/30/2026	5,591	3,323
Financing lines	€	12/22/2024	1,053	922
			6.644	4.245

The average cost to maintain these credit lines, on September 30, 2023, is 0.35% per annum (0.35% per annum on December 31, 2022) on the total amount.

e) Restrictive financial conditions (Covenants)

On September 30, 2023, the Company has 87% of the consolidated debt contracts with Covenants. The main covenants require that the Company must maintain certain indexes, such as net debt over EBITDA and EBITDA over financial income (expenses). The Company did not identify any event of nonconformities on September 30, 2023 and December 31, 2022. Below are the main parameters and general estimated measurements.

	Inferior contract limit (1)	Measurement (2) in 09.30.2023	Measurement (2) in 12.31.2022
Consolidated Neoenergia:			
Net debt ÷ EBITDA (*)	≤ 4.0	3.11	3.15
EBITDA ÷ Financial result (*)	≥ 2.0	2.65	3.05

(*) 12-month cumulated period.

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

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

(Amounts expressed in millions of reais)

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	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Loans and financing - hedging instruments:				
Foreign exchange rate variation risk (NDF, Options and other derivatives)	(18)	(11)	(14)	(8)
Currency swap – US$ vs R$	(568)	(117)	(698)	(494)
Currency swap – Other currencies vs R$	(443)	(189)	-	-
Interest rate swap – R$	34	33	-	-
Other transactions - hedging instruments:				
Foreign exchange rate variation risk – Goods and services	(1)	7	1	-
Price risk of own shares (NEOE3)	-	(6)	-	(6)
Net exposure	**(996)**	**(283)**	**(711)**	**(508)**
Current asset	308	183	1	-
Non-current asset	474	774	26	-
Current liabilities	(505)	(289)	(145)	(41)
Non-current liabilities	(1,273)	(951)	(593)	(467)

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

	Consolidated		Parent Company	
	09/30/2023	12/31/2022	09/30/2023	12/31/2022
Derivatives not designated for hedge accounting				
Loans and financing hedging	8	8	-	-
Other transactions hedging	1	7	-	-
Hedge to protect the prices of the own shares (NEOE3)	-	(6)	-	(6)
Derivatives designated for hedge accounting – cash flow				
Loans and financing hedging	(1,375)	(757)	(712)	(502)
Other transactions hedging	(2)	-	1	-
Derivatives designated for hedge accounting – fair value				
Loans and financing hedging	372	465	-	-
	(996)	**(283)**	**(711)**	**(508)**

(Amounts expressed in millions of reais)

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

						Consolidated
			09/30/2023			09/30/2022
	Loans and financing hedging	Other operations hedging	Total	Loans and financing hedging	Other operations hedging	Total
Opening balance	**(283)**	**-**	**(283)**	**1,903**	**(33)**	**1,870**
Gain (loss) recognized in profit or loss	(1,781)	(23)	**(1,804)**	(1,324)	(38)	**(1,362)**
Gain (loss) recognized as Capex	-	-	**-**	-	(29)	**(29)**
Gain (loss) recognized in other comprehensive income	40	(7)	**33**	(736)	8	**(728)**
Financial settlement inflow (outflow)	1,027	31	**1,058**	233	93	**326**
Closing balance	**(997)**	**1**	**(996)**	**76**	**1**	**77**
Gain (loss) recognized in profit or loss						
Cost of operations	-	(20)	**(20)**	-	(6)	**(6)**
Financial income (expenses), net	(1,781)	(3)	**(1,784)**	(1,325)	(31)	**(1,356)**

						Parent Company
			09/30/2023			09/30/2022
	Loans and financing hedging	Other operations hedging	Total	Loans and financing hedging	Other operations hedging	Total
Opening balance	**(502)**	**(6)**	**(508)**	**(104)**	**(24)**	**(128)**
Gain (loss) recognized in profit or loss	(284)	(14)	**(298)**	(198)	(19)	**(217)**
Gain (loss) recognized in other comprehensive income	(45)	-	**(45)**	(253)	10	**(243)**
Financial settlement inflow (outflow)	119	21	**140**	87	29	**116**
Closing balance	**(712)**	**1**	**(711)**	**(468)**	**(4)**	**(472)**
Gain (loss) recognized in profit or loss						
Cost of operations	-	(20)	**(20)**	-	(24)	**(24)**
Financial income (expenses), net	(284)	6	**(278)**	(198)	5	**(193)**

20. PROVISIONS, OTHER OBLIGATIONS AND JUDICIAL DEPOSITS

		Consolidated
	09/30/2023	12/31/2022
Provision for judicial lawsuits (note 20.1.a)	1,760	1,638
Provision for environmental obligations	99	118
Provision for obligations to dismantle assets	119	103
Provision for reimbursement	199	158
Total	**2,177**	**2,017**
Current liability	389	378
Non-current liability	1,788	1,639

(Amounts expressed in millions of reais)

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	165	20	(2)	-	**183**
Payments	(138)	(54)	-	(1)	**(193)**
Monetary variation	122	46	1	3	**172**
Deconsolidation effect of the transmission assets (note 15.5)	(40)	-	-	-	**(40)**
Balance as of September 30, 2023	**1,053**	**502**	**124**	**81**	**1,760**
Balance as of December 31, 2021	**829**	**475**	**135**	**104**	**1,543**
Additions and reversals, net	97	35	(5)	(28)	**99**
Payments	(131)	(63)	(4)	-	**(198)**
Monetary variation	117	43	-	1	**161**
Balance as of September 30, 2022	**912**	**490**	**126**	**77**	**1,605**

For the quarter ended September 30, 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
	09/30/2023	12/31/2022
Civil	3,369	2,763
Labor	849	816
Tax	3,800	4,043
Regulatory	337	311
Total	**8,355**	**7,933**

(Amounts expressed in millions of reais)

For the period ended September 30, 2023, the civil and tax proceedings below were included, as detailed below. For the remaining natures, there were no relevant changes in the situation of these proceedings, or the values provisioned, which were also monetarily adjusted in the period.

Subsidiaries	Nature	Description	Amount	Lawsuit process
Geração Céu Azul	Civil	Lawsuit filed against the Consortium Baixo Iguaçu, which discusses the compensation for moral and material damages among others from incidents that occurred in the usual course of business.	256	Apr/23
Neoenergia Coelba	Civil	A lawsuit was filed against the distributor due to alleged retentions of collaterals and billings concerning firmed contracts of service provision.	100	May/23
Neoenergia Pernambuco	Tax	A lawsuit was filed against the distributor which discusses the billing of ICMS (CIAP).	104	Jun/23

The other 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 and are related to lawsuits provisioned or not.

	Consolidated	
	09/30/2023	12/31/2022
Civil	744	571
Labor	352	341
Tax	312	292
Other	39	40
Total	**1,447**	**1,244**

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

(Amounts expressed in millions of reais)

21. EMPLOYEE BENEFITS

As a part of its remuneration strategy, the Company grants its employees short- and long-term benefits, in addition to salaries, vacation pay, 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 healthcare plan.

The values recognized in the statement of financial position are shown below:

		Consolidated
	09/30/2023	12/31/2022
Labor obligations and PSR	541	599
Short-term benefits – post-employment	59	202
Long-term benefits – post-employment	1,315	685
Defined contribution - CEBPREV	-	40
Total	**1,915**	**1,526**
Non-current assets [1]	(26)	(24)
Current liabilities	600	806
Non-current liabilities	1,341	744

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

(Amounts expressed in millions of reais)

21.1 Long and short-term benefits – post-employment

The following variations are highlighted:

Variations of the plans' assets and liabilities

(i) Defined benefit and post-employment healthcare benefit

					Consolidated
				Defined benefit	Healthcare
	Actuarial obligations	Assets' fair value	Cap limit effect	Net assets (liabilities)	Net assets (liabilities)
Balance as of December 31, 2022	**(3,726)**	**3,766**	**(198)**	**(158)**	**(729)**
Service cost	(2)	-	-	**(2)**	**(1)**
Interest effects	(256)	252	(11)	**(15)**	**(53)**
Contributions paid by participants	(4)	4	-	**-**	**-**
Contributions paid by the sponsor	-	38	-	**38**	**-**
Benefits paid by the plan	141	(140)	-	**1**	**49**
Resizing	(363)	52	40	**(271)**	**(233)**
Balance as of September 30, 2023	**(4,210)**	**3,972**	**(169)**	**(407)**	**(967)**
Balance as of December 31, 2021	**(3,765)**	**3,784**	**(180)**	**(161)**	**(680)**
Service cost	(6)	-	-	**(6)**	**4**
Interest effects	(320)	309	(13)	**(24)**	**(54)**
Contributions paid by participants	(5)	5	-	**-**	**-**
Contributions paid by the sponsor	-	54	-	**54**	**49**
Benefits paid by the plan	337	(337)	-	**-**	**-**
Resizing	33	(49)	(5)	**(21)**	**(48)**
Balance as of September 30, 2022	**(3,726)**	**3,766**	**(198)**	**(158)**	**(729)**
Surplus plans	(483)	680	(171)	26	-
Deficit plans	(3,727)	3,292	2	(433)	(967)

a) Amount recognized in profit or loss for the period

						Consolidated
			09/30/2023			09/30/2022
	Defined benefit	Post-employment healthcare	Total	Defined benefit	Post-employment healthcare	Total
Service costs	(2)	(1)	**(3)**	(3)	-	**(3)**
Expenses with obligation interests	(265)	(53)	**(318)**	(118)	(41)	**(159)**
Revenues with interest of assets	250	-	**250**	105	-	**105**
Total	**(17)**	**(54)**	**(71)**	**(16)**	**(41)**	**(57)**
Service cost allocation:						
Profit or loss for the period	(2)	(1)	**(3)**	(3)	-	**(3)**

(Amounts expressed in millions of reais)

b) Amount recognized in other comprehensive income

						Consolidated
			09/30/2023			09/30/2022
	Defined benefit	Post-employment healthcare	Total	Defined benefit	Post-employment healthcare	Total
Opening balance	**30**	**(216)**	**(186)**	**(49)**	**(184)**	**(233)**
Resizing:						
Changes in the assumptions	(364)	(232)	**(596)**	(359)	(22)	**(381)**
Capt limit effect of the assets/onerous liability	(2)	-	**(2)**	-	-	**-**
Plan's return on assets (excluding interest income)	94	-	**94**	52	-	**52**
Other effects	-	-	**-**	11	(2)	**9**
Gross effect	**(272)**	**(232)**	**(504)**	**(296)**	**(24)**	**(320)**
Income taxes	94	78	**172**	101	7	**108**
Net effect in other comprehensive income	**(178)**	**(154)**	**(332)**	**(195)**	**(17)**	**(212)**
Closing balance	**(148)**	**(370)**	**(518)**	**(244)**	**(201)**	**(445)**

c) Amount recognized in the statement of financial position

				Consolidated
		09/30/2023		12/31/2022
	Defined benefit	Post-employment	Defined benefit	Post-employment
Present value of actuarial obligations	(4,210)	(967)	(3,727)	(729)
Assets' fair value	3,973	-	3,768	-
Asset's limit effect (cap limit)	(170)	-	(199)	-
Total net liability (asset)	**(407)**	**(967)**	**(158)**	**(729)**
Non-current assets	25	-	24	-
Current liabilities	(46)	(12)	(81)	(120)
Non-current liabilities	(386)	(955)	(101)	(609)

(Amounts expressed in millions of reais)

d) Other information on defined benefit plans and post-employment healthcare

(i) Sensitivity analysis and actuarial/economic assumptions

The adopted actuarial/economic assumptions were prepared considering the long term for its maturity, therefore, they must be analyzed under this point of view. In the short-term they may not be necessarily fulfilled. The following economic assumptions were adopted:

							09/30/2023
	Néos - Plan BD BA	Post-employment healthcare	*Néos* – Plan BD PE	Vivest - PSAP / Elektro	*Néos* - Plan BD RN	FACEB- Plan BD	FACEB –Saldado Plan
Average nominal discount rate	8.57%	8.57%	8.57%	8.57%	8.57%	8.57%	8.57%
Average nominal rate of salary cost growth	N/A	N/A	4.28%	5.07%	N/A	3.25%	0.00%
Actual rate of inflation concerning medical costs	N/A	3.25%	N/A	N/A	N/A	N/A	N/A
Average inflation rate estimated in the long-term	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Duration (in years)	8.03	9.39	8.32	10.66	7.01	10.12	9.11

							12/31/2022
	Néos - Plan BD BA	Post-employment healthcare	*Néos* – Plan BD PE	Vivest - PSAP / Elektro	*Néos* - Plan BD RN	FACEB- Plan BD	FACEB –Saldado Plan
Average nominal discount rate	9.60%	9.60%	9.60%	9.60%	9.60%	9.60%	9.60%
Average nominal rate of salary cost growth	N/A	N/A	4.28%	5.07%	N/A	3.25%	3.25%
Actual rate of inflation concerning medical costs	N/A	3.25%	N/A	N/A	N/A	N/A	N/A
Average inflation rate estimated in the long-term	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%
Duration (in years)	8.19	9.79	8.47	12.66	7.10	10.30	9.27

(Amounts expressed in millions of reais)

The main actuarial assumptions adopted in the calculation, per defined benefit plan, are presented as follows:

	09/30/2023						12/31/2022					
	Néos - Plan BD BA	Post-employment healthcare	*Néos* – Plan BD PE	Vivest - PSAP / Elektro	*Néos* - Plan BD RN	FACEB-Plan BD	*Néos* - Plan BD BA	Post-employment healthcare	*Néos* – Plan BD PE	Vivest - PSAP / Elektro	*Néos* - Plan BD RN	FACEB- Plan BD
Mortality table	SUSEP BR - EMSsb v2015 softened in 15%	AT-2000 M&F	AT-2000 M&F softened in 10%	AT-2000 male, softened in 10%	AT-2000 M&F softened in 10%	AT-2000 M&F softened in 10%	SUSEP BR - EMSsb v2015 softened in 15%	AT-2000 M&F	AT-2000 M&F softened in 10%	AT-2000 male, softened in 10%	AT-2000 M&F Softened in 10%	AT-2000 M&F, softened in 10%
Disability entry table	N/A	N/A	Average Light	Mercer Disability segregated by gender, softened in 50%	N/A	TASA 1927	N/A	N/A	Average Light	Mercer Disability segregated by gender, softened in 50%	N/A	TASA 1927
Disability mortaility table	BR EMS sb v2010 (male)	AT-1983 weighted (40% male and 60% female), softened in 10%	AT-1983 male	AT-1949 Male, aggravated in 10%	MI85 M&F	MI85 M&F	BR EMS sb v2010 (male)	AT-1983 weighted (40% male and 60% female), softened in 10%	AT-1983 male	AT-1949 Male, aggravated in 10%	MI85 M&F	MI85 M&F
Family composition	Active: 95% are married with wife that is 4 years younger. Assisted: Real family.	Active: N/A Assisted: Real family.	Active and BPD: 80% are married wife that is 4 years younger. Assisted: Real family	Active and BPD: ExpCF_2014A ssisted: Real familil	Active and BPD: 95% are married wife that is 4 years younger. Assisted: Real family	Active and BPD: 95% are married wife that is 4 years younger. Assisted: Real family	Active: 95% are married with wife that is 4 years younger. Assisted: Real family.	Active: N/A Assisted: Real family	Active: 80% are married wife that is 4 years younger. Assisted: Real family	ExpCF_2014	Active and Deferred proportiona l benefit: 95% are married wife that is 4 years younger. Assisted: Real family	Active and BPD: 95% are married wife that is 4 years younger. Assisted: Real family

(Amounts expressed in millions of reais)

22. SHAREHOLDER'S EQUITY

22.1 Share capital

On September 30, 2023, the share capital is R$ 16,920 (R$12,920 on December 31, 2022) which corresponds to 1,213,797,248 book-entry common shares ("ON") fully subscribed, paid-up and without par value.

In April 2023, the capitalization of profit reserves, in the amount of R$ 4,000 without change in the number of shares, was approved at the Extraordinary General Meeting, as per article 199 of the Brazilian Corporate Law.

			Shareholders
	ON	ON %	R$
Iberdrola Energia S A. ("Iberdrola")	606,898,625	50.00%	8,460
Iberdrola S.A.	42,482,904	3.50%	592
Previ-Caixa de Prev. dos Func. do Banco do Brasil ("Previ")	367,647,583	30.29%	5,125
Other shareholders – *Free float*	194,381,661	16.01%	2,710
Advisors and directors	781,105	0.06%	11
Treasury shares	1,605,370	0.13%	22
Total shares	**1,213,797,248**	**100%**	**16,920**

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
		Three months ended		Nine months ended
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net income for the period	1,545	1,495	3,488	3,782
Weighted average number of the outstanding shares	1,214	1,214	1,214	1,214
Basic and diluted earnings per share	**1.27**	**1.23**	**2.87**	**3.12**

				Attributed to shareholders of Neoenergia S/A
				Parent Company
		Three months ended		Nine months ended
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Net income for the period	1,547	1,481	3,490	3,762
Weighted average number of the outstanding shares	1,214	1,214	1,214	1,214
Basic and diluted earnings per share	**1,27**	**1,22**	**2,88**	**3,10**

b) Shareholders' remuneration

In June 2023, The Board of Directors approved an anticipated remuneration to the shareholders of R$ 387 concerning the period of 2023 (R$ 167 in June 2022) as interest on own capital to be paid by the Company until December 2023.

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 information on the main transactions is 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.

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

(Amounts expressed in millions of reais)

23.1 Outstanding balance with related parties

								Consolidated
				09/30/2023				12/31/2022
	Joint ventures	Associates	Shareholders and others	Total	*Joint ventures*	Associates	Shareholders and others	Total
Assets								
Accounts receivable and others	2	2	-	**4**	46	2	-	**48**
Dividends and interest on own capital (receivable)	38	35	-	**73**	15	34	-	**49**
Other assets	-	-	29	**29**	-	-	41	**41**
	40	**37**	**29**	**106**	**61**	**36**	**41**	**138**
Liabilities								
Suppliers and accounts payable	16	124	129	**269**	48	131	168	**347**
Benefits to employees	-	-	6	**6**	-	-	23	**23**
Dividends and interest on own capital (payable)	-	-	1,362	**1,362**	-	-	1,001	**1,001**
Other liabilities	-	-	1	**1**	43	-	10	**53**
	16	**124**	**1,498**	**1,638**	**91**	**131**	**1,202**	**1,424**

								Parent Company
				09/30/2023				12/31/2022
	Subsidiaries	*Joint ventures* and associates	Shareholders and others	Total	*Subsidiaries*	*Joint ventures* and associates	Shareholders and others	Total
Assets								
Dividends and interest on own capital (receivable)	1,420	38	-	**1,458**	748	15	-	**763**
Other assets	519	-	-	**519**	149	-	-	**149**
	1,939	**38**	**-**	**1,977**	**897**	**15**	**-**	**912**
Liabilities								
Suppliers and accounts payable	-	-	113	**113**	-	-	145	**145**
Dividends and interest on own capital (payable)	-	-	1,335	**1,335**	-	-	985	**985**
Other liabilities	197	-	-	**197**	125	-	-	**125**
	197	**-**	**1,448**	**1,645**	**125**	**-**	**1,130**	**1,255**

(Amounts expressed in millions of reais)

23.2 Transactions with related parties

								Consolidated
				09/30/2023				09/30/2022
	Joint ventures	Associates	Shareholders and others	Total	Joint ventures	Associates	Shareholders and others	Total
Profit (loss) for the period								
Operating revenue, net	9	16	-	**25**	34	14	-	**48**
Service costs	(63)	(847)	(2)	**(912)**	(338)	(808)	(4)	**(1,150)**
General and administrative expenses	4	-	(167)	**(163)**	-	-	(153)	**(153)**
Financial income (expenses), net	4	-	(1)	**3**	-	-	(4)	**(4)**
	(46)	**(831)**	**(170)**	**(1,047)**	**(304)**	**(794)**	**(161)**	**(1,259)**

								Parent Company
				09/30/2023				09/30/2022
	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	2	-	-	**2**	2	-	-	**2**
General and administrative expenses	-	-	(112)	**(112)**	-	-	(94)	**(94)**
Financial income (expenses), net	248	4	-	**252**	156	-	-	**156**
	250	**4**	**(112)**	**142**	**158**	**-**	**(94)**	**64**

(Amounts expressed in millions of reais)

23.3 Key management personnel remuneration

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

				Consolidated
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Wages and recurring benefits	16	12	44	34
Short-term variable compensation	5	2	16	13
Long-term benefits	3	4	12	16
Total	**24**	**18**	**72**	**63**

				Parent Company
	Three months ended		Nine months ended	
	09/30/2023	09/30/2022	09/30/2023	09/30/2022
Wages and recurring benefits	11	10	27	29
Short-term variable compensation	4	2	12	10
Long-term benefits	3	3	12	13
Total	**18**	**15**	**51**	**52**

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 September 30, 2023, the amount of granted financial guarantees to certain joint ventures and associates totaled R$ 4,047.

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:

						Consolidated
			09/30/2023			12/31/2022
	AC	FVOCI	FVPL	AC	FVOCI	FVPL
Financial assets						
Cash and cash equivalents	3,287	-	4,139	2,994	-	3,808
Securities and marketable securities	145	-	513	168	-	345
Trade and other receivables	10,948	-	-	9,976	-	-
Derivative financial instruments	-	398	384	-	480	477
Sectoral financial assets (Portion A and others)	295	-	-	252	-	-
Public service concession (financial asset)	-	-	26,917	-	-	23,493
Other assets	255	-	-	183	-	-
	14,930	**398**	**31,953**	**13,573**	**480**	**28,123**
Financial liabilities						
Suppliers and accounts payable to contractors and operations of invoice discounting	4,177	-	-	4,451	-	-
Loans and financing	44,500	-	999	42,345	-	1,158
Sectoral financial liabilities (Portion A and others)	869	-	-	826	-	-
Derivative financial instruments	-	1,774	4	-	1,233	7
Lease obligations	208	-	-	206	-	-

(Amounts expressed in millions of reais)

Use of public asset	62	-	-	64	-	-
Other liabilities	1,418	-	19	844	-	30
	51,234	**1,774**	**1,022**	**48,736**	**1,233**	**1,195**

AC – Amortized cost
FVOCI – Fair value through other comprehensive income
FVPL– Fair value through net income

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:

				Consolidated
		09/30/2023		12/31/2022
	Level 2	Level 3	Level 2	Level 3
Financial assets				
Cash and cash equivalents	4,139	-	3,808	-
Securities and marketable securities	513	-	345	-
Derivative financial instruments	782	-	957	-
Public service concession (Financial asset)	-	26,917	-	23,493
	5,434	**26,917**	**5,110**	**23,493**
Financial liabilities				
Loans and financing	999	-	1,158	-
Derivative financial instruments	1,778	-	1,240	-
Other liabilities	19	-	30	-
	2,796	**-**	**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 nine-month period ended September 30, 2023, and 2022, related to the financial assets and liabilities measured through level 3 techniques were R$ 977 and R$ 910, 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.

(Amounts expressed in millions of reais)

				Consolidated
		09/30/2023		12/31/2022
	Book balance	Fair value estimate – Level 2	Book balance	Fair value estimate – Level 2
Loans and financings	44,500	44.683	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 Valuation methods and techniques

The valuation methods and techniques are the same ones disclosed in the financial statements for 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:

	Reference value			Fair value	
Swap US$ float vs R$ float	09/30/2023	12/31/2022	Deadline (Year)	09/30/2023	12/31/2022
Asset	US$ 111	US$ 130	2027 - 2029	560	689
Liability	R$ 361	R$ 423		(348)	(408)
Net exposure				**212**	**281**

	Reference value			Fair value	
Swap US$ fixed vs R$ float	09/30/2023	12/31/2022	Deadline (Year)	09/30/2023	12/31/2022
Asset	US$ 62	US$ 67	2025 - 2027	297	341
Liability	R$ 165	R$ 184		(163)	(181)
Net exposure				**134**	**160**

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

	Reference value			Fair value	
Swap US$ float vs R$ float	09/30/2023	12/31/2022	Deadline (Year)	09/30/2023	12/31/2022

(Amounts expressed in millions of reais)

Asset	US$ 46	US$ 54	2030	233	283
Liability	R$ 150	R$ 179		(152)	(180)
Net exposure				**81**	**103**

Swap US$ fixed vs R$ float	Reference value		Deadline (Year)	Fair value	
	09/30/2023	12/31/2022		09/30/2023	12/31/2022
Asset	US$ 1,783	US$ 1,428	2023 – 2036	8,491	7,858
Liability	R$ 9,205	R$ 7,381		(9,485)	(8,518)
Net exposure				**(993)**	**(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 classified according to the accounting hedge criteria measured at fair value through profit or loss:

Swap EUR $ fixed vs R$ float	Reference value		Deadline (Year)	Fair value	
	09/30/2023	12/31/2022		09/30/2023	12/31/2022
Asset	€ -	€ 80	2023	-	427
Liability	R$ -	R$ 357		-	(359)
Net exposure				**-**	**68**

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	Reference value		Deadline (Year)	Fair value	
	09/30/2023	12/31/2022		09/30/2023	12/31/2022
Asset	€ 170	€ 159	2023-2024	901	1.042
Liability	R$ 892	R$ 703		(902)	(710)
Net exposure				**(1)**	**332**

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	Reference value		Deadline (Year)	Fair value	
	09/30/2023	12/31/2022		09/30/2023	12/31/2022
Asset	R$ 156	R$ 157		163	155
Liability	R$ 130	R$ 122	2023-2025	(129)	(121)
Net exposure				**34**	**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 in or indexed to 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:

	Reference value			Fair value	

NDF	09/30/2023	12/31/2022	Deadline (Year)	09/30/2023	12/31/2022
Disbursement USD					
Forward	US$ 29	US$ 40	2023-2026	(17)	(14)
Net exposure				**(17)**	**(14)**

The programs below are classified according to accountign hedge criteria measured at cash flow:

	Reference value			Fair value	
NDF	**09/30/2023**	**12/31/2022**	**Deadline (Year)**	**09/30/2023**	**12/31/2022**
Disbursement USD					
Forward	-	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

	Reference value			Fair value	
NDF	**09/30/2023**	**12/31/2022**	**Deadline (Year)**	**09/30/2023**	**12/31/2022**
Disbursement USD					
Forward	€ 9	€ 1	2023-2024	(3)	(1)
Net exposure				**(3)**	**(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.

	Reference value			Fair value	
Swap Equity	**09/30/2023**	**12/31/2022**	**Deadline (Year)**	**09/30/2023**	**12/31/2022**
Asset	-	R$ 40		-	42
Liability	-	R$ 47	2023	-	(47)
Net exposure				**-**	**(5)**

Yen loans and financing hedging program

For 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.

	Reference value			Fair value	
Swap JPY fixed vs R$ float	**09/30/2023**	**12/31/2022**	**Deadline (Year)**	**09/30/2023**	**12/31/2022**
Asset	JPY 58,678	JPY 30,434		1,996	1,209
Liability	R$ 2,387	R$ 1,434	2026-2031	(2,439)	(1,458)
Net exposure				**(443)**	**(249)**

(Amounts expressed in millions of reais)

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 91 consecutive days) as of September 30, 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 September 30, 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	Dollar ($)	Dollar appreciation	5.0076	(10,012)	(10,164)	(1,526)	(3,049)
Swap long position in U.S Dollars				9,581	9,730	1,459	2,919
Net exposure				**(431)**	**(434)**	**(67)**	**(130)**
Euro denominated debt	Euro (€)	Euro appreciation	5.3000	(903)	(920)	(138)	(276)
Swap long position in Euro				901	918	138	275
Net exposure				**(2)**	**(2)**	**-**	**(1)**
Yen denominated debt	Yen (JPY)	Yen appreciation	0.0335	(1,965)	(2,026)	(304)	(610)
Swap long position in Yen				1,996	2,058	309	617
Net exposure				**31**	**32**	**5**	**7**

(Amounts expressed in millions of reais)

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)	Impact - Scenario (II)	Impact - Scenario (III)
Hedged item: portion of payments in USD	Dollar ($)	Dollar appreciation		(152)	21	41
NDF		Dollar depreciation	5.0076	152	(21)	(41)
Exposure						
Hedged item: portion of payments in Euro	Euro (€)	Euro appreciation		(43)	5	13
NDF		Euro depreciation	5.3000	43	(5)	(13)
Exposure						

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	12.65%	7,952	240	(34)	(69)
Financial Liabilities							
Loans and financings							
Debt instruments at CDI	CDI	CDI appreciation	12.65%	(14,296)	(453)	(64)	(128)
Swaps Dollar x CDI (Short position)	CDI	CDI appreciation	12.65%	(12,590)	(388)	(56)	(109)
Debt instruments at IPCA	IPCA	IPCA appreciation	4.61%	(17,182)	(402)	(30)	(59)
Swaps IPCA x CDI (Long position)	IPCA	IPCA appreciation	1.00%	163	4	-	-
Swaps Dollar x IPCA (Short position)	IPCA	IPCA appreciation	4.61%	(854)	(19)	(1)	(3)
Debt instruments at SOFR	SOFR	SOFR appreciation	5.31%	(1,299)	(22)	(2)	(6)
Swaps SOFR x CDI (Long position)	SOFR	SOFR appreciation	5.31%	1,329	27	3	7
Debt instruments at SELIC	SELIC	Selic appreciation	12.65%	(19)	(1)	-	-
Debt instruments at TJLP	TJLP	TJLP appreciation	6.55%	(1,517)	(32)	(4)	(7)

(Amounts expressed in millions of reais)

25. SUBSEQUENT EVENTS

Exchange of assets between Neoenergia and Eletronorte

On October 16, Neoenergia transferred to Baguari Energia S.A. the common shares, corresponding to 100% of the share and voting capital of Baguari I Geração de Energia Elétrica S.A., for R$ 454. Therefore, it no longer has any interest in the Consórcio UHE Baguari.

Tariff readjustment

On October 17, 2023, ANEEL approved the Tariff Review of the subsidiary Neoenergia Brasília, as per the chart below:

	Neoenergia Brasília
High tension consumers	9.95%
Low tension consumers	7.78%
Average readjustment in the tariff	9.32%
Process model:	RTP
No. of the resolution	3,276
Date of the resolution	10/22/2023