

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

Neoenergia S.A.

Report on Review of Interim
Financial Information for the
Six-month Period Ended June 30, 2022

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and Management of
Neoenergia S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Neoenergia S.A. ("Company"), included in the Interim Financial Information Form (ITR) for the quarter ended June 30, 2022, which comprises the statement of financial position as at June 30, 2022, and the related statements of income and of comprehensive income for the three- and six-month periods then ended, and the statements of changes in shareholders' equity and of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

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

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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 six-month period ended June 30, 2022, 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 individual and consolidated interim financial information taken as a whole.

Audit and review of the corresponding figures

The interim financial information referred to above includes individual and consolidated accounting information corresponding to the statements of income and of comprehensive income for the three- and six-month periods ended June 30, 2021, and the statements of changes in shareholders' equity, of cash flows and of added value for the six-month period then ended, obtained from the individual and consolidated interim financial information for the quarter then ended, and the individual and consolidated statements of financial position as of December 31, 2021, obtained from the individual and consolidated financial statements for the year ended December 31, 2021, presented for purposes of comparison. The review of the individual and consolidated interim financial information for the quarter ended June 30, 2021 and the audit of the individual and consolidated financial statements for the year ended December 31, 2021, were conducted by another auditor, who issued unqualified review and audit reports dated July 20, 2021 and February 17, 2022, respectively.

Convenience translation

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

Salvador, July 26, 2022


DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.


Jônatas José Medeiros de Barcelos
Engagement Partner

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Rio de Janeiro, July 26, 2022 – Neoenergia discloses on this date its second quarter of 2022 and half-yearly results (2Q22 and 6M22).



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HIGHLIGHTS (R\$ MM) 2Q22	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Net Operating Revenue	9,642	9,529	1%	19,524	18,112	8%
Gross Margin	4,316	3,210	34%	8,496	6,398	33%
Operating Expenses	(965)	(869)	11%	(1,854)	(1,670)	11%
EBITDA	3,226	2,300	40%	6,395	4,584	40%
Financial Income (Loss)	(1,156)	(426)	171%	(2,073)	(808)	157%
Profit assigned to controlling shareholders	1,075	1,002	7%	2,287	2,009	14%
Financial Asset (Concession)	676	338	100%	1,208	661	83%
IFRS 15	298	260	15%	507	661	(23%)
GSF Agreement	-	-	-	-	43	(100%)
Cash EBITDA	2,252	1,702	32%	4,680	3,219	45%



OPERATING INDICATORS						
Distributes Energy (GWh) ⁽¹⁾	16,775	16,663	0.7%	33,601	33,712	(0.3%)
Injected Energy (GWh) ⁽¹⁾	18,822	18,675	0.8%	38,299	38,440	(0.4%)
Number of Customers (thousand) ⁽¹⁾	15,877	15,568	2%			

Financial Debt Indicators	2Q22	2021	Variation
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	2.96	3.12	(0.16)
Corporate Rating (S&P)	AAA	AAA	-

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

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

⁽³⁾ EBITDA 12 months

Cash EBITDA increased by 32% reaching R\$2.3 billion in the 2Q22, and R\$4.7 billion in the 6M22 (+45% vs. 6M21).

- Injected energy of 18,822 GWh in the 2Q22, +0.8% vs. 2Q21 and 38,299 GWh in 6M22, in line with 6M21;
- Operating Expenses of R\$965 million in the 2Q22 (+11% vs. 2Q21). In 6M22, with Neoenergia Brasília on a comparable basis, expenses totaled R\$1,806 million (+8% vs. 6M21), absorbing inflation, a higher number of customers, higher headcount and new business;
- EBITDA of R\$3.2 billion in 2Q22 (+40% vs. 2Q21) and R\$6.4 billion in 6M22 (+40% vs. 6M21);
- Net income of R\$1.1 billion in 2Q22 (+7% vs. 2Q21) and R\$2.3 billion in 6M22 (+14% vs. 6M21);
- Capex of R\$4.6 billion in 6M22 (+30% vs. 6M21) due to the progress of the Oitis and Luzia Complex projects, in addition to the expansion of the Distributors' networks;
- Net Debt/EBITDA of 2.96x in 2Q22 (3.12x in 4Q21);
- Total 12-month Losses continue a downward course, declining in four of the five distributors vs. 1Q22, Neoenergia Elektro and Neoenergia Cosern are still within the regulatory limit, Neoenergia Brasília, with reduction for the 6th consecutive quarter.

2Q22 TELECONFERENCE
 Wednesday, July 27, 2022
Time: 10:00 (BRT) | 9:00 (EST)
(with simultaneous translation into English)
Telephone number for connection: +55 (11) 3181-8565 or +55 (11) 4090-1621
EUA/Canada: (Toll Free) +1 844 204-8942 – (Dial In) +1 412 717-9627
Other countries: +1 412 717-9627 or +55 (11) 3181-8565
Password: Neoenergia
Access to Webcast: <https://choruscall.com.br/neoenergia/2q22.htm>

NEOENERGIA DISCLOSES THE RESULTS FOR THE SECOND QUARTER of 2022 AND FIRST HALF (2Q22 AND 6M22) BASED ON MANAGEMENT'S ANALYSES THAT THE BOARD OF DIRECTORS UNDERSTANDS TO TRANSLATE THE COMPANY'S BUSINESS IN THE BEST MANNER, AND RECONCILED WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS).

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1. ECONOMIC AND FINANCIAL PERFORMANCE

1.1. Consolidated

CONSOLIDATED STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Operating Revenue ⁽¹⁾	9,642	9,529	113	1%	19,524	18,112	1,412	8%
Costs with Energy ⁽²⁾	(6,002)	(6,657)	655	(10%)	(12,236)	(12,375)	139	(1%)
Gross Margin w/out Concession Financial Assets	3,640	2,872	768	27%	7,288	5,737	1,551	27%
Concession Financial Assets (VNR)	676	338	338	100%	1,208	661	547	83%
GROSS MARGIN	4,316	3,210	1,106	34%	8,496	6,398	2,098	33%
Operating Expenses	(965)	(869)	(96)	11%	(1,854)	(1,670)	(184)	11%
Provision for Doubtful Receivables (PECLD)	(128)	(33)	(95)	288%	(258)	(146)	(112)	77%
(+) Equity Accounting	3	(8)	11	(138%)	11	2	9	450%
EBITDA	3,226	2,300	926	40%	6,395	4,584	1,811	40%
Depreciation	(537)	(514)	(23)	4%	(1,064)	(947)	(117)	12%
Financial Income (Loss)	(1,156)	(426)	(730)	171%	(2,073)	(808)	(1,265)	157%
IR/CS	(440)	(315)	(125)	40%	(927)	(745)	(182)	24%
Minority shareholdings	(18)	(43)	25	(58%)	(44)	(75)	31	(41%)
NET INCOME	1,075	1,002	73	7%	2,287	2,009	278	14%

⁽¹⁾ Considers Construction Revenue

⁽²⁾ Considers Construction Costs

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

Neoenergia ended the 2Q22 with Gross Margin of R\$ 4,316 million, +34% vs. 2Q21, driven by the effects of (i) the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern effective as of the end of April/22 (variation of Parcel B: +14.14%, +14.82% and +14.75% respectively); (ii) the 2021 Tariff Reset of Neoenergia Elektro with a variation of Parcel B of +32.49%, (iii) the Tariff Review of Neoenergia Brasília of October 2021; (iv) higher Concession Financial Assets (+R\$338 million vs. 2Q21); (v) better result of transmission; (vi) better result of wind businesses due to the start of operation of the Chafariz Wind Complex and (vii) higher margin of Termopernambuco.

In the half year, Gross Margin was R\$8,496 million (+33% vs. 6M21), driven by the effects of (i) the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern effective as of the end of April/22 (variation of parcel B: +14.14%, +14.82% and +14.75% respectively); (ii) the 2021 Tariff Resets of Neoenergia Coelba, Neoenergia Cosern and Neoenergia Elektro (variation of parcel B: +29.90%, +30.63% and +32.49% respectively); (iii) the 2021 Tariff reviews of Neoenergia Pernambuco (+8.99%) and Neoenergia Brasília (+11.10%); (iv) higher Concession Financial Assets (+R\$547 million vs. 6M21); (v) better result of the wind businesses due to the start of operation of the Chafariz Wind Complex and (vi) higher margin of Termopernambuco.

Operating expenses amounted to R\$965 million in the 2Q22, +11% vs. 2Q21, below the 12-month IPCA that was 12%. Disregarding the amounts of Neoenergia Brasília in January and February 2022, expenses amounted to R\$1.806 million in 6M22 (+8% vs. 6M21), absorbing inflation, the higher number of customers, higher headcount and new businesses (start of operation of the transmission projects – sections four and five of Dourados, Santa Luzia, Jalapão, and the Chafariz Wind Power Complex).

AFDA for the quarter was R\$128 million, +R\$95 million vs. 2Q21. Disregarding the +R\$62 million of Neoenergia Distribuição Brasília in the 2Q21, the variation would have been R\$33 million. In 6M22, AFDA was R\$258 million, +R\$50 million vs. 6M21, already considering the non-recurring effect of Brasília. The quarterly and year-to-date increase is explained by greater gross billing.

Equity in the 2Q22 was +R\$3 million vs. -R\$8 million in the 2Q21 and in 6M22 it was +R\$11 million vs. +R\$2 million in 6M21.

As a result of the abovementioned effects, EBITDA was R\$3,226 million in the 2Q22 (+40% vs. 2Q21), and R\$6,395 million in 6M22 (+40% vs. 6M21), due to the 2021 and 2022 Tariff Resets and Tariff Reviews, higher Concession Financial Assets, maintenance of cost efficiency and discipline, greater margin of Termopernambuco, as well as the start of operation of the Chafariz Wind Complex, which added R\$99 million to EBITDA in the second quarter and R\$172 million in the half year.

The Financial Result was -R\$1,156 million in the quarter, down by R\$730 million vs. 2Q21. In 6M22 in turn, it was -R\$ 2,073 million, down by R\$1,265 million vs. 6M21. This increase is explained mainly by higher expenses with debt charges, higher CDI, as well as the increase to the average balance of the debt due to funding used for the Capex of new transmission, wind and solar projects, in addition to Distributors.

Net income ended the quarter at R\$1,075 million, (+7% vs. 2Q21), and the 6M22 at R\$2,287 million (+14% vs. 6M21).

1.2. Networks

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

NETWORKS STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	9,298	9,282	16	0%	18,839	17,570	1,269	7%
Costs with energy	(6,268)	(6,783)	515	(8%)	(12,735)	(12,628)	(107)	1%
Gross Margin w/out Concession Finar	3,030	2,499	531	21%	6,104	4,942	1,162	24%
Concession Financial Assets (VNR)	676	338	338	100%	1,208	661	547	83%
Gross Margin	3,706	2,837	869	31%	7,312	5,603	1,709	31%
Operating Expenses	(799)	(720)	(79)	11%	(1,558)	(1,372)	(186)	14%
Provision for Doubtful Receivables (PECI)	(125)	(33)	(92)	279%	(255)	(146)	(109)	75%
EBITDA	2,782	2,084	698	33%	5,499	4,085	1,414	35%
Depreciation	(402)	(407)	5	(1%)	(786)	(732)	(54)	7%
Financial Income (Loss)	(878)	(327)	(551)	169%	(1,564)	(641)	(923)	144%
IR CS	(384)	(289)	(95)	33%	(803)	(670)	(133)	20%
NET INCOME	1,118	1,061	57	5%	2,346	2,042	304	15%

The Networks segment ended the 2Q22 with a Gross Margin of R\$3,706 million, +31% vs. 2Q21, driven by the effects (i) of the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern in effect as of April/22 (variation of parcel B: +14.14%, +14.82% and +14.75% respectively); and (ii) the Tariff Reset of Neoenergia with variation of parcel B of + 32.49% (iii) Tariff Review of Neoenergia Brasília in October 2021; (iv) higher Concession Financial Assets (+R\$338 million vs. 2Q21); and(v) better result in transmission.

In the half year, Gross Margin was R\$7,312 million (+31% vs. 6M21), explained by the effects of (i) the 2022 Tariff Resets of Neoenergia Coelba, Neoenergia Pernambuco and Neoenergia Cosern effective as from the end of April/22 (variation of parcel B: +14.14%, +14.82% and +14.75% respectively); (ii) the 2021 Tariff Resets of Neoenergia Coelba, Neoenergia Cosern and Neoenergia Elektro (variation of parcel B: +29.90%, +30.63% and +32.49% respectively); (iii) the 2021 Tariff Reviews of Neoenergia Pernambuco (+8.99%) and Neoenergia Brasília (+11.10%) and (iv) the higher Concession Financial Assets (+ R\$547 million vs. 6M21).

Operating expenses amounted to R\$799 million in the 2Q22, +11% vs. 2Q21, below the 12-month IPCA that was 12%. Disregarding the amounts of Neoenergia Brasília in January and February 2022, expenses amounted to R\$1.510 million in 6M22 (+10% vs. 6M21), absorbing inflation, the higher number of customers, higher headcount and new businesses (start of operation of the transmission projects of Santa Luzia, Jalapão, and sections four and five of Dourados).

AFDA was R\$125 million in the quarter, +R\$92 million vs. 2Q21. Disregarding the +R\$62 million of Neoenergia Distribuição Brasília in the 2Q21, the variation would have been R\$30 million. In 6M22, AFDA was R\$ 255 million, greater by R\$ 47 million vs. 6M21, already disregarding the non-recurring effect of Brasília. The increase for the quarter and year-to-date is explained by the higher volume of gross billing.

As a result of the aforementioned effects, EBITDA amounted to R\$ 2,782 million in the 2Q22 (+33% vs. 2Q21), and R\$5,499 million in 6M22 (+35% vs. 6M21) due to the 2022 and 2021 Tariff Resets and the 2021 Tariff Reviews, higher Concession Financial Assets and cost discipline.

S/I TRANSMISSION (R\$ MM)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	973	816	157	19%	1,659	1,617	42	3%
Cosntruction Costs	(549)	(505)	(44)	9%	(904)	(861)	(43)	5%
Gross Margin	424	311	113	36%	755	756	(1)	(0%)
Operating Expenses	(48)	(16)	(32)	200%	(74)	(29)	(45)	155%
Contingencies	-	-	-	-	-	(1)	1	(100%)
EBITDA	376	295	81	27%	681	726	(45)	(6%)
Financial Income (Loss)	(136)	(55)	(81)	147%	(233)	(153)	(80)	52%
IR CS	(62)	(78)	16	(21%)	(124)	(186)	62	(33%)
NET INCOME	178	162	16	10%	324	387	(63)	(16%)
IFRS15	298	260	38	15%	507	661	(154)	(23%)

Transmission companies showed a Gross Margin of R\$424 million in the quarter (+36% vs. 2Q21), based on higher financial adjustment to revenue from transmission due to the higher balance of contract assets, and of R\$755 million in 6M22, in line with the 6M21.

Operating expenses totaled R\$48 million in the 2Q22, R\$32 million in excess of that of the same period of the previous year, of which R\$12 million was a one-time expense related to studies for the June 2022 auction, due to higher personnel costs as a result of the start of operation of the December 2017 auction lots, and the completion of the deliveries of the April 2017 lots (Dourados). Year-to-date, expenses amounted to R\$74 million (+R\$45 million vs. 6M21), for the same reasons as in the quarter.

Transmission EBITDA ended the quarter at R\$376 million (+27% vs. 2Q21) and the first half of the year at R\$681 million (-6% vs. 6M21). Cash EBITDA for the quarter was R\$78 million (+123% vs. 2Q21) and R\$174 million for the first half (+168% vs. 6M21), as a result of the deliveries of the lots of April and December 2017 auctions.

The use of IFRS15 had an impact of R\$298 million on EBITDA in the quarter (+R\$38 million vs. 2Q21), and in the year-to-date the impact was of R\$507 million (-R\$154 million vs. 6M21), due to the lower actual Capex.

As to Net Income, it was R\$178 million in the 2Q22 (+R\$16 million vs. 2Q21) and R\$324 million in 6M22 (-R\$63 million vs. 6M21).

1.2.1. NEOENERGIA COELBA

STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		2022	2021	Variation	
			R\$	%			R\$	%
Net Revenue	3,191	3,179	12	0%	6,548	6,114	434	7%
Costs with Energy	(1,996)	(2,136)	140	(7%)	(4,150)	(4,205)	55	(1%)
Gross Margin w/out Concession Financial Assets	1,195	1,043	152	15%	2,398	1,909	489	26%
Concession Financial Assets (VNR)	314	120	194	162%	585	284	301	106%
Gross Margin	1,509	1,163	346	30%	2,983	2,193	790	36%
Operating Expenses	(329)	(307)	(22)	7%	(634)	(591)	(43)	7%
Provision for Doubtful Receivables (PECLD)	(47)	(38)	(9)	24%	(104)	(79)	(25)	32%
EBITDA	1,133	818	315	39%	2,245	1,523	722	47%
Depreciation	(183)	(167)	(16)	10%	(356)	(318)	(38)	12%
Financial Income (Loss)	(347)	(162)	(185)	114%	(632)	(275)	(357)	130%
IR CS	(136)	(69)	(67)	97%	(272)	(173)	(99)	57%
NET INCOME	467	420	47	11%	985	757	228	30%

Neoenergia Coelba ended the 2Q22 with a Gross Margin of R\$1,509 million (+30% vs. 2Q21) driven by the variation in portion B of +14.14% in April/22, due to higher Concession Financial Assets, given the higher IPCA in the period. In the year-to-date, the Gross Margin was 36% higher when compared to 6M21 due to the variation of parcel B +14.14% in April/22 and +29.9% in April/21, in addition to higher Concession Financial Assets and increase in customer base.

Operating expenses were R\$329 million in 2Q22 (+7% vs. 2Q21) and R\$634 million in 6M22 (+7% vs. 6M21), absorbing the period's 12% inflation, customer-base growth and the inflow of operational activities.

In the quarter, AFDA was R\$47 million, +R\$9 million vs. 2Q21 and YTD was R\$104 million, +R\$25 million, reflecting higher gross sales.

As a result of the abovementioned variations, EBITDA in 2Q22 was R\$1,133 million, an increase of 39% vs. 2Q21. Year-to-date, EBITDA was R\$2,245 million, +47% vs. 6M21.

Net Income was R\$467 million in 2Q22 (+11% vs. 2Q21) and R\$985 million in 6M22 (+30% vs. 6M21).

1.2.2. NEOENERGIA PERNAMBUCO

STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		2022	2021	Variation	
			R\$	%			R\$	%
Net Revenue	1,798	1,911	(113)	(6%)	3,668	3,684	(16)	(0%)
Energy costs	(1,349)	(1,485)	136	(9%)	(2,729)	(2,836)	107	(4%)
Gross Margin w/out Concession Financial Assets	449	426	23	5%	939	848	91	11%
Concession Financial Assets (VNR)	95	142	(47)	(33%)	198	204	(6)	(3%)
Gross Margin	544	568	(24)	(4%)	1,137	1,052	85	8%
Operating Expenses	(174)	(157)	(17)	11%	(345)	(315)	(30)	10%
Provision for Doubtful Receivables (PECLD)	(41)	(32)	(9)	28%	(98)	(75)	(23)	31%
EBITDA	329	379	(50)	(13%)	694	662	32	5%
Depreciation	(87)	(89)	2	(2%)	(173)	(165)	(8)	5%
Financial Income (Loss)	(211)	(77)	(134)	174%	(368)	(150)	(218)	145%
IR CS	(17)	(56)	39	(70%)	(56)	(90)	34	(38%)
NET INCOME	14	157	(143)	(91%)	97	257	(160)	(62%)

Neoenergia Pernambuco ended 2Q22 with a Gross Margin of R\$ 544 million (-4% vs. 2Q21), given that despite the variation in Portion B of +14.82% in April/22, which caused Gross Margin to increase without Concession Financial Assets; the one-off adjustment of Concession Financial Assets in the 2Q21 due to the tariff review of R\$114 million mitigates the impact. Year-to-date, the Gross Margin stood at R\$1,137 million (+8% vs. 6M21) driven by the variation of parcel B of +14.82% in April/22, and by the tariff review of April 2021.

Operating expenses amounted to R\$174 million in the 2Q22 (+11% vs. 2Q21) and R\$345 million in 6M22 (+10% vs. 6M21), absorbing the period's 12% inflation, customer growth and higher headcount, confirming cost discipline,

In the quarter, AFDA amounted to R\$41 million, R\$9 million in excess of that of the 2Q21, and R\$98 million in the year-to-date, R\$23 million in excess of that of 6M21, due to higher gross billing. It is worth mentioning the reduction in the default ratio (AFDA/ROB) in the 2Q22 to 2.13%, when compared to the 2.26% of the 1Q22.

As a result of the variations mentioned above, EBITDA in the quarter was R\$329 million, -13% vs. 2Q21. In the year-to-date, EBITDA ended at R\$694 million, +5% vs. 6M21.

Net Income was R\$14 million in the 2Q22 (-R\$143 million vs. 2Q21) and R\$97 million in 6M22 (-R\$160 million vs. 6M21).

1.2.3. NEOENERGIA COSERN

STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		2022	2021	Variation	
			R\$	%			R\$	%
Net Revenue	812	811	1	0%	1,618	1,520	98	6%
Costs with Energy	(538)	(580)	42	(7%)	(1,096)	(1,090)	(6)	1%
Gross Margin w/out Concession Financial Assets	274	231	43	19%	522	430	92	21%
Concession Financial Assets (VNR)	49	26	23	88%	103	59	44	75%
Gross Margin	323	257	66	26%	625	489	136	28%
Operating Expenses	(63)	(59)	(4)	7%	(122)	(115)	(7)	6%
Provision for Doubtful Receivables (PECLD)	(8)	(3)	(5)	167%	(6)	(2)	(4)	200%
EBITDA	252	195	57	29%	497	372	125	34%
Depreciation	(37)	(32)	(5)	16%	(70)	(60)	(10)	17%
Financial Income (Loss)	(47)	(7)	(40)	571%	(82)	(13)	(69)	531%
IR CS	(34)	(20)	(14)	70%	(69)	(51)	(18)	35%
NET INCOME	134	136	(2)	(1%)	276	248	28	11%

Neoenergia Cosern ended the 2Q22 with a Gross Margin of R\$323 million (+26% vs. 2Q21), driven by the variation in parcel B of +14.75% in April/22 and by the higher Concession Financial Assets (+R\$23 million vs. 2Q21), given the higher IPCA in the period. In the year-to-date, the Gross Margin was R\$ 625 million (+28% vs. 6M21), due to the variation of parcel B of +14.75% in April/22 and of +30.63% in April/21, in addition to higher Concession Financial Assets and the increase in customer base.

Operating expenses amounted to R\$63 million in the 2Q22 (+7% vs. 2Q21) and R\$122 million in 6M22 (+6% vs. 6M21), absorbing the period's 12% inflation, customer-base growth and the highest headcount, confirming cost discipline.

In the 2Q22, AFDA amounted to R\$8 million, +R\$5 million vs. 2Q21, and in 6M22 it was R\$6 million, +R\$4 million compared to the same period of 2021, due to higher revenue in the year-to-date.

As a result of the variations mentioned above, EBITDA for the quarter was R\$252 million (+29% vs. 2Q21) and in the half year it was R\$497 million (+34% vs. 6M21).

Net Income was R\$134 million in the 2Q22, in line with the 2Q21, and R\$276 million in 6M22, 11% in excess of that reported in 6M21.

1.2.4. NEOENERGIA ELEKTRO

STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		2022	2021	Variation	
			R\$	%			R\$	%
Net Revenue	1,761	1,760	1	0%	3,793	3,597	196	5%
Costs with Energy	(1,198)	(1,351)	153	(11%)	(2,562)	(2,705)	143	(5%)
Gross Margin w/out Concession Financial Assets	563	409	154	38%	1,231	892	339	38%
Concession Financial Assets (VNR)	215	44	171	389%	314	106	208	196%
Gross Margin	778	453	325	72%	1,545	998	547	55%
Operating Expenses	(138)	(120)	(18)	15%	(270)	(243)	(27)	11%
Provision for Doubtful Receivables (PECLD)	(15)	(19)	4	(21%)	(38)	(44)	6	(14%)
EBITDA	625	314	311	99%	1,237	711	526	74%
Depreciation	(74)	(86)	12	(14%)	(145)	(150)	5	(3%)
Financial Income (Loss)	(108)	(39)	(69)	177%	(200)	(63)	(137)	217%
IR CS	(133)	(43)	(90)	209%	(268)	(147)	(121)	82%
NET INCOME	310	146	164	112%	624	351	273	78%

Neoenergia Elektro ended the 2Q22 with a Gross Margin of R\$778 million (+72% vs. 2Q21) driven by the variation in parcel B of +32.49% in August/21 and by the higher Concession Financial Assets given the higher IPCA (variation of +1.10 p.p. in 2Q22 vs. 2Q21). In the year-to-date, the Gross Margin was R\$1,545 million (+55% vs. 6M21), for the same abovementioned reasons.

Operating expenses amounted to R\$138 million in the 2Q22 (+15% vs. 2Q21). In the year-to-date, it was R\$270 million, +11% vs. 6M21, operating below inflation for the period (12%), absorbing inflation, with customer-base growth and inflow activities.

In the quarter, AFDA totaled R\$15 million, -R\$4 million vs. the 2Q21, and in the first half it accounted for R\$38 million, -R\$6 million vs. 6M21, as a result of collection actions and debt renegotiations. It is worth mentioning the reduction in the default indicator (AFDA/ROB) in the 2Q22 to 0.56% (vs. 0.91% in 2Q21), and in 6M22 to 0.68% (vs. 0.94% in 6M21).

As a result of the abovementioned variations, EBITDA for the quarter was R\$625 million, an increase of 99% vs. 2Q21. In the first half, EBITDA was R\$1,237 million, +74% vs. 6M21.

Net Income was R\$310 million in the 2Q22 (+112% vs. 2Q21) and R\$624 million in 6M22 (+78% vs. 6M21).

1.2.5. NEOENERGIA BRASÍLIA

STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		2022	2021	Variation	
			R\$	%			R\$	%
Net Revenue	773	830	(57)	(7%)	1,566	1,070	496	46%
Costs with Energy	(637)	(726)	89	(12%)	(1,294)	(931)	(363)	39%
Gross Margin w/out Concession Financial Assets	136	104	32	31%	272	139	133	96%
Concession Financial Assets (VNR)	4	5	(1)	(20%)	9	8	1	13%
Gross Margin	140	109	31	28%	281	147	134	91%
Operating Expenses	(60)	(81)	21	(26%)	(125)	(106)	(19)	18%
Provision for Doubtful Receivables (PECLD)	(13)	59	(72)	NA	(8)	55	(63)	NA
EBITDA	67	88	(21)	(24%)	148	96	52	54%
Depreciation	(14)	(12)	(2)	17%	(29)	(16)	(13)	81%
Financial Income (Loss)	(30)	13	(43)	NA	(50)	13	(63)	NA
IR CS	(8)	(30)	22	(73%)	(25)	(32)	7	(22%)
NET INCOME	15	59	(44)	(75%)	44	61	(17)	(28%)

Neoenergia Brasília was merged into the Group on March 2, 2021, and from that date onwards the results were 100% consolidated.

Neoenergia Brasília ended the 2Q22 with a Gross Margin of R\$140 million (+28% vs. 2Q21), and in the 6M22 it was R\$281 million (+91% vs. 6M21), mainly explained by the average increase of 11.1% of the October/21 tariff review and by the increase in the customer base (+3.0%).

Operating expenses amounted to R\$60 million in the quarter, -26% vs. 2Q21. In the year-to-date, excluding the amounts of Neoenergia Brasília in January and February 2022, expenses amounted to R\$77 million in 6M22 (-27% vs. 6M21), reflecting the turnaround carried out that provided efficiency gains for being part of the Neoenergia Group.

In the quarter, AFDA was R\$13 million, R\$72 million worse than in the 2Q21, explained by the reversal of R\$62 million in the 2Q21 due to the adoption of the methodology already in place in the Neoenergia group. It is worth noting that previously CEB-D had a policy of provisioning a large portion of the unpaid debt balance, and given that practically a year went by with no collection actions, the change to Neoenergia's methodology allowed the current levels of AFDA. Disregarding this non-recurring item, the variation would have been R\$10 million. Thus in the year-to-date, AFDA closed at R\$8 million, in line with 6M21.

EBITDA in the quarter was R\$67 million (-24% vs. 2Q21), and R\$148 million in the first half, +54% vs. 6M21, Disregarding the non-recurring effects on AFDA, EBITDA increased by 157% in the 2Q22 vs. 2Q21 and 335% in 6M22 vs. 6M21.

Net Income for the 2Q22 was R\$15 million (-75% vs. 2Q21) and R\$44 million in 6M22 (-28% vs. 6M21).

1.3. Renewables

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

RENEWABLES STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	376	229	147	64%	782	472	310	66%
Costs with Energy	(55)	(28)	(27)	96%	(174)	(21)	(153)	729%
GROSS MARGIN	321	201	120	60%	608	451	157	35%
Operating Expenses	(63)	(53)	(10)	19%	(123)	(99)	(24)	24%
(+) Equity Accounting	3	(8)	11	NA	11	2	9	450%
EBITDA	261	140	121	86%	496	354	142	40%
Depreciation	(62)	(50)	(12)	24%	(134)	(96)	(38)	40%
Financial Income (Loss)	(87)	(39)	(48)	123%	(159)	(77)	(82)	106%
IR/CS	(24)	(10)	(14)	140%	(52)	(39)	(13)	33%
NET INCOME	88	41	47	115%	151	142	9	6%

HYDRO PLANTS STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net revenue	143	133	10	8%	310	277	33	12%
Costs with Energy	(23)	(19)	(4)	21%	(43)	(1)	(42)	4200%
GROSS MARGIN	120	114	6	5%	267	276	(9)	(3%)
Operating Expenses	(29)	(23)	(6)	26%	(55)	(43)	(12)	28%
(+) Equity Accounting	3	(8)	11	NA	11	2	9	450%
EBITDA	94	83	11	13%	223	235	(12)	(5%)
Depreciation	(21)	(22)	1	(5%)	(45)	(41)	(4)	10%
Financial Income (Loss)	(15)	(19)	4	(21%)	(33)	(37)	4	(11%)
IR/CS	(8)	(10)	2	(20%)	(24)	(39)	15	(38%)
NET INCOME (LOSS)	50	32	18	56%	121	118	3	3%

WIND FARMS STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net revenue	233	96	137	143%	472	195	277	142%
Costs with Energy	(32)	(9)	(23)	256%	(131)	(20)	(111)	555%
GROSS MARGIN	201	87	114	131%	341	175	166	95%
Operating Expenses	(34)	(30)	(4)	13%	(68)	(56)	(12)	21%
EBITDA	167	57	110	193%	273	119	154	129%
Depreciation	(41)	(28)	(13)	46%	(89)	(55)	(34)	62%
Financial Income (Loss)	(72)	(20)	(52)	260%	(126)	(40)	(86)	215%
IR/CS	(16)	-	(16)	-	(28)	-	(28)	-
NET INCOME	38	9	29	322%	30	24	6	25%

The Renewables segment ended the 2Q22 with a gross margin of R\$321 million (+R\$120 million vs. 2Q21) mainly impacted by wind farms (+R\$114 million vs. 2Q21) based on the increase in generation in the period (+124% vs. 2Q21), with emphasis on the start of operation of Chafariz in the 4Q21, which added 464 GWh in the 2Q22. The hydroelectric plants' margin was R\$120 million (+5% vs. 2Q21), explained by the adjustments to the contracts,

In the first half, the segment's gross margin was R\$608 million (+ R\$157 million vs. 6M21), impacted by +R\$166 million from wind farms, as a result of the start-up of operations at Chafariz. The hydroelectric plants' margin was R\$267million, R\$9 million lower than in 6M21. Excluding the non-recurring effect of Itapebi GSF renegotiation (revenue of +R\$37 million) in the 1Q22, the margin would have been R\$28 million higher.

Operating expenses ended the 2Q22 at R\$63 million (+R\$10 million vs. 2Q21) mainly due to the start of operations at Chafariz Complex and payroll adjustments, in addition to O&M contracts. In the first half, expenses were R\$123 million, +R\$24 million vs. 6M21, for the same reasons mentioned above.

Equity was +R\$3 million in the 2Q22 (+R\$11 million vs. 2Q21) and +R\$11 million in 6M22 (+R\$9 million vs. 6M21).

Due to these effects, EBITDA of the Renewables segment was R\$261 million in the quarter (+R\$121 million vs. 2Q21) and R\$496 million in the half year (+R\$142 million vs. 6M21), due to the good performance of wind farms, worth mentioning the contribution of the start of operation of the Chafariz Wind Complex (R\$99 million in the 2Q22 and R\$172 million in 6M22).

The profit recorded in the 2Q22 was R\$88 million (+R\$47 million vs. 2Q21) and in 6M22 it was R\$151 million (+R\$9 million vs. 6M21).

1.4. Liberalized

LIBERALIZED STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	842	657	185	28%	1,612	1,222	390	32%
Costs with Energy	(543)	(493)	(50)	10%	(1,015)	(883)	(132)	15%
Gross Margin	299	164	135	82%	597	339	258	76%
Operating Expenses	(42)	(40)	(2)	5%	(75)	(91)	16	(18%)
Provision for Doubtful Receivables (PECLD)	(3)	-	(3)	-	(3)	-	(3)	-
EBITDA	254	124	130	105%	519	248	271	109%
Depreciation	(18)	(17)	(1)	6%	(34)	(32)	(2)	6%
Financial Income (Loss)	(22)	(8)	(14)	175%	(60)	(25)	(35)	140%
IR CS	(32)	(12)	(20)	167%	(68)	(29)	(39)	134%
NET INCOME	182	87	95	109%	357	162	195	120%

TERMOPERNAMBUCO STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	407	352	55	16%	762	652	110	17%
Costs with Energy	(131)	(184)	53	(29%)	(202)	(326)	124	(38%)
Gross Margin	276	168	108	64%	560	326	234	72%
Operating Expenses	(29)	(33)	4	(12%)	(49)	(73)	24	(33%)
EBITDA	247	135	112	83%	511	253	258	102%
Depreciation	(18)	(15)	(3)	20%	(33)	(31)	(2)	6%
Financial Income (Loss)	(22)	(6)	(16)	267%	(60)	(21)	(39)	186%
IR CS	(30)	(17)	(13)	76%	(65)	(32)	(33)	103%
NET INCOME	177	97	80	82%	353	169	184	109%

COMERC. STATEMENT OF INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Revenue	433	297	136	46%	843	563	280	50%
Costs with Energy	(410)	(301)	(109)	36%	(806)	(549)	(257)	47%
Gross Margin	23	(4)	27	NA	37	14	23	164%
Operating Expenses	(14)	(7)	(7)	100%	(27)	(19)	(8)	42%
Provision for Doubtful Receivables (PECLD)	(3)	-	(3)	-	(3)	-	(3)	-
EBITDA	6	(11)	17	NA	7	(5)	12	NA
Depreciation	(1)	(1)	-	-	(1)	(1)	-	-
Financial Income (Loss)	-	(2)	2	(100%)	-	(5)	5	(100%)
IR CS	(2)	5	(7)	NA	(3)	4	(7)	NA
NET INCOME	3	(9)	12	NA	3	(7)	10	NA

The Liberalized segment consolidated gross margin of R\$299 million in the 2Q22 (+R\$135 million vs. 2Q21) and R\$597 million in the year-to-date (+R\$258 million vs. 6M21), impacted by the higher margin in Termopernambuco (+R\$108 million vs. 2Q21 and +R\$234 million vs. 6M21), mainly explained by the impact of the tariff reset (dollarized) and the purchase of energy at a lower Spot Price. The trading company contributed with R\$23 million to the gross margin in the quarter (+ R\$27 million vs. 2Q21) and R\$37 million in the year-to-date (+R\$23 million vs. 6M21).

Operating expenses were R\$42 million in the 2Q22 (+R\$2 million vs. 2Q21). In the year-to-date, these expenses were R\$75 million, -R\$16 million compared to the same period of the previous year, mainly explained by the smaller number of operating days at Termopernambuco.

As a result of these variations, Liberalized EBITDA was R\$254 million in the 2Q22 (+R\$130 million vs. 2Q21) and R\$519 million in 6M22 (+R\$271 million vs. 6M21).

Net income was R\$182 million in the quarter (+R\$95 million vs. 2Q21) and R\$357 million in the first half (+R\$195 million vs. 6M21).

2. EBITDA

In compliance with CVM Instruction nº 527 we show below the reconciliation of EBITDA (Earnings Before Income Tax, Depreciation and Amortization), and we further state that the calculations shown are in line with the criteria of that same instruction:

EBITDA (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Net Income for the Period (A)	1,075	1,002	73	7%	2,287	2,009	278	14%
Profit assigned to minority shareholders (B)	(18)	(43)	25	(58%)	(44)	(75)	31	(41%)
Financial Expenses (C)	(1,315)	(623)	(692)	111%	(2,371)	(1,201)	(1,170)	97%
Financial Revenues (D)	432	201	231	115%	773	364	409	112%
Other net financial income (loss) (E)	(273)	(4)	(269)	6725%	(475)	29	(504)	(1738%)
Income tax and social contribution (F)	(440)	(315)	(125)	40%	(927)	(745)	(182)	24%
Depreciation and amortization (G)	(537)	(514)	(23)	4%	(1,064)	(947)	(117)	12%
EBITDA = (A-(B+C+D+E+F+G))	3,226	2,300	926	40%	6,395	4,584	1,811	40%

3. FINANCIAL INCOME (LOSS)

NET FINANCIAL INCOME (R\$ MN)	2Q22	2Q21	Variation		6M22	6M21	Variation	
			R\$	%			R\$	%
Revenue from financial investments	201	31	170	548%	324	49	275	561%
Charges, monetary and exchange variations and debt derivative financial Instruments	(1,411)	(456)	(955)	209%	(2,491)	(882)	(1,609)	182%
Other financial income (loss) not related to debt	54	(1)	55	NA	94	25	69	276%
Interest, commissions and arrears interest	122	167	(45)	(27%)	257	303	(46)	NA
Monetary and exchange variations - other	(18)	(19)	1	(5%)	(30)	(19)	(11)	58%
Adjustment to provision for contingencies / judicial deposits	(36)	(43)	7	(16%)	(85)	(93)	8	NA
Adjustment to sector financial assets / liabilities	104	(2)	106	NA	177	(5)	182	NA
Post-employment liabilities	(20)	(21)	1	(5%)	(39)	(41)	2	NA
Other net financial revenues (expenses)	(98)	(83)	(15)	18%	(186)	(120)	(66)	55%
Total	(1,156)	(426)	(730)	171%	(2,073)	(808)	(1,265)	157%

The Consolidated Financial Income (Loss) was -R\$1,156 million in the 2Q22, -R\$730 million vs. 2Q21, mainly explained by higher expenses with debt charges (+R\$955 million), based on the 42% increase in the average debt balance due to funding used for Capex of new transmission and wind projects, in addition to the Distributors. Furthermore, in the period we noted an increase of 2.12 percentage points in the CDI for the period (60% of the indebtedness linked to that index).

In 6M22, the Financial Result was -R\$2,073 million, -R\$1,265 million vs. 6M21 for the same reasons as in the quarter.

4. INVESTMENTS

Capex of Neoenergia ended the 6M22 at R\$4,6 billion, as shown below:

CAPEX Neoenergia (R\$ million)	2Q22	2Q21	Δ %	6M22	6M21	Δ %
Networks	1,749	1,395	25%	3,384	2,744	23%
Distributors	1,197	885	35%	2,475	1,758	41%
Transmission Lines	551	510	8%	909	986	(8%)
Renewables	362	282	28%	1,169	743	57%
Liberalized	12	26	(54%)	16	37	(58%)
TOTAL	2,122	1,702	25%	4,569	3,524	30%

4.1. Networks

4.1.1. Distribution

In 6M22, Capex for distributors was R\$2.5 billion, of which R\$1.5 billion was allocated to network expansion. Below is a table with the breakdown of Capex by distributor:

INVESTMENTS MADE (amounts in R\$ MN)	 NEOENERGIA COELBA	 NEOENERGIA PERNAMBUCO	 NEOENERGIA COSERN	 NEOENERGIA ELEKTRO	 NEOENERGIA BRASILIA	CONSOLIDATED		
	2Q22					2Q22	6M22	
Network Expansion	(518)	(101)	(58)	(127)	(15)	(819)	(1,522)	58%
Program Luz para Todos	(233)	-	-	-	-	(233)	(440)	
New Connections	(155)	(74)	(34)	(65)	(6)	(333)	(650)	
New SE's and RD's	(130)	(26)	(24)	(62)	(9)	(251)	(430)	
Assets Renewal	(88)	(34)	(23)	(38)	(11)	(195)	(379)	15%
Network Improvement	(51)	(16)	(21)	(21)	(15)	(124)	(244)	10%
Losses and Default	(35)	(25)	(9)	(4)	(17)	(91)	(162)	7%
Other	(55)	(20)	(14)	(26)	(10)	(124)	(248)	10%
Movement of Material (Inventory x Works)	(6)	(29)	(31)	(25)	(32)	(123)	(247)	
(=) Gross Investment	(753)	(225)	(155)	(242)	(100)	(1,475)	(2,802)	
GRANTS	130	9	2	11	2	155	80	
(=) Net Investment	(623)	(216)	(153)	(231)	(98)	(1,320)	(2,722)	
Movement of Material (Inventory x Works)	6	29	31	25	32	123	247	
(=) CAPEX	(617)	(187)	(123)	(205)	(65)	(1,197)	(2,475)	
BAR	(55)	(20)	(14)	(26)	(10)	(124)	(248)	10%
BRR	(692)	(176)	(111)	(190)	(58)	(1,228)	(2,307)	90%

4.1.2. Transmission

In 6M22, Capex of Transmission was R\$909 million, R\$78 million below the actual Capex of 6M21.

It is worth mentioning: a) lots of the December 2018 auction: start of works on the substation and transmission line of Itabapoana, IL of Guanabara issued in May/22, monitoring of the repair of the Synchronous Compensators (SE Marmeleiro and SE Livramento III) of Lagoa dos Patos for energizing scheduled for the second half of 2022, environmental licensing of the other sections and obtaining the IL of Vale do Itajaí subject to conditions; b) December 2019 auction: Rio Formoso works continue, and c) December 2020 auction: process of licensing and land clearance of Morro do Chapeú, with the last PLs issued in June/22.

4.2. Renewables

4.2.1. Wind Farms

Investments made in the wind farms amounted to R\$693.4 million in 6M22, in line with 6M21:

(i) Chafariz Complex: start of full operation of farms in the 4Q21 and actual Capex at the beginning of 2022

(ii) Oitis Complex: construction of the complex continued, with the start of operation of the 23 first windmills in June/22.

4.2.2. Solar Parks

Investments made in the solar complex Luzia amounted to R\$436.4 million in 6M22. Part of the complex (41MWp) started operation on July 6, and the remaining part will start over the second half of the year.

4.2.3. Hydroelectric Plants

Investments of approximately R\$39.6 million in 6M22, compared to R\$52.2 million in 6M21. Emphasis on the recording of the Itapebi intangible asset arising from the GSF agreement, which took place in the 1Q21.

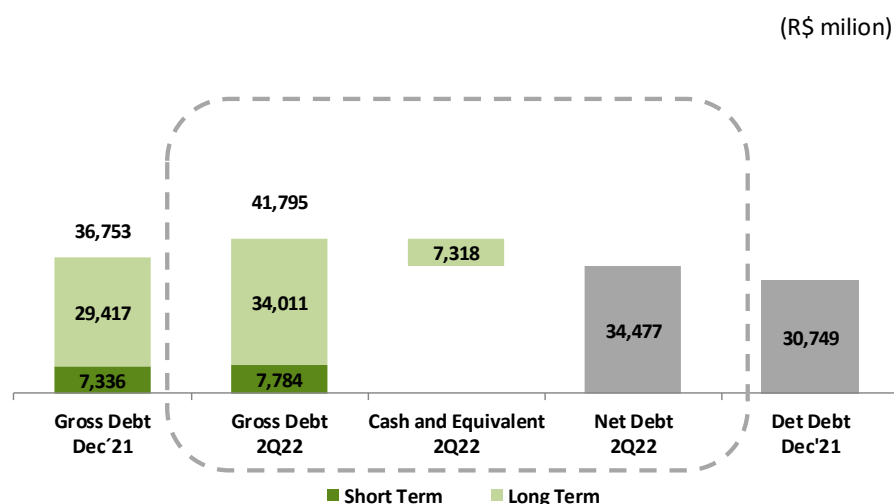
4.3. Liberalized

Termopernambuco made investments of approximately R\$14.5 million in 6M22, 61% less than actual investments in 6M21, based on the complete shutdown of the plant due to the lack of gas supply.

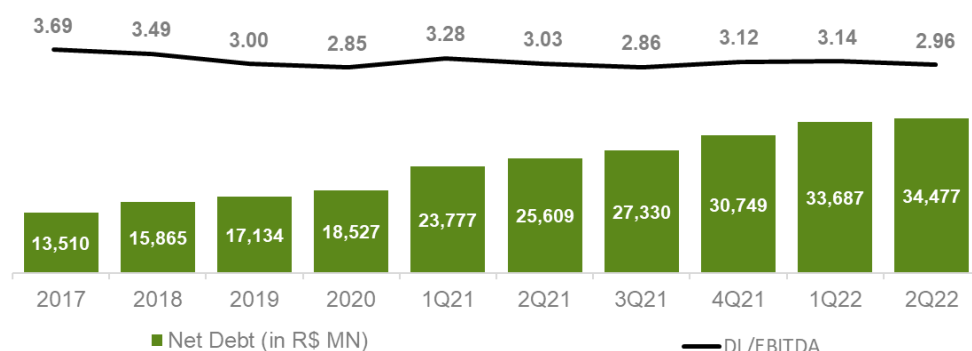
5. INDEBTEDNESS

5.1. Debt Situation and Financial Leverage

In June 2022, Neoenergia's consolidated net debt, including cash, cash equivalents and marketable securities, reached R\$34,477 million (gross debt of R\$41,795 million), an increase of 12% (R\$3,728 million) compared to December 2021, mainly explained by the actual Capex of the grid and renewable projects. Regarding the segregation of the debt balance, Neoenergia has 81% of its debt accounted for in the long term and 19% in the short term.



The financial indicator Total Net Debt/EBITDA decreased from 3.12x in December 2021 to 2.96x in June 2022.



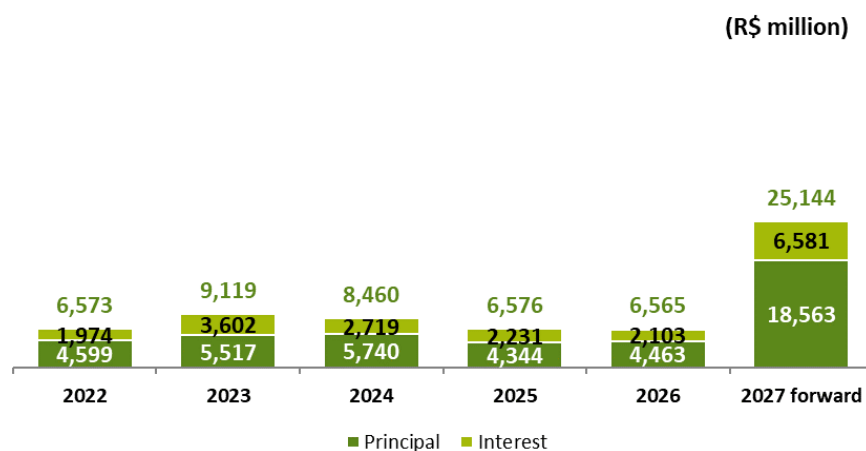
5.2. Debt Amortization Schedule

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

For 2023, the Company anticipates amortizations by Neoenergia Coelba in the amount of R\$2,391 million, payments by Neoenergia Pernambuco in the estimated amount of R\$704 million, by the Holding in the estimated amount of R\$676 million and by Neoenergia Elektro in the amount of R\$524 million. The total amortizations by the Holding and the three distributors represent 78% of the consolidated amount to be amortized in this period.

For 2024, the Company anticipates amortizations by Neoenergia Coelba of the order of R\$2,091 million, by Neoenergia Pernambuco the amount estimated is R\$1,374 million and by Neoenergia Elektro R\$596 million. The total amortization of the three distributors is equivalent to 74% of the consolidated amount to be amortized in this period.

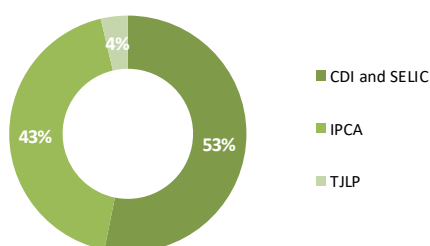
The average term of Neoenergia's indebtedness in June 2022 was 5.07 years (vs. 5.06 years in December 2021). The chart below shows the schedules of maturities of the debt principal and interest using market forward curves for indexers and currencies linked to the indebtedness effective at the end of 6M22.



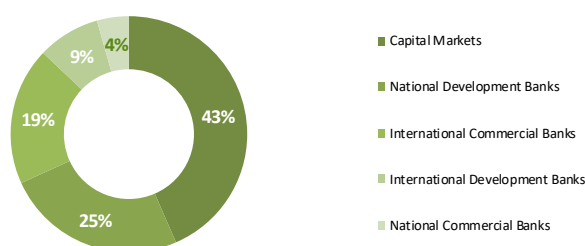
5.3. Debt Profile

The charts below show the debt balances segregated by funding source and by indexer. The average cost of the consolidated debt in the 2Q22 was 11.1% (vs. 8.1% in December 2021) due to the increase of Selic.

NET DEBT PER INDEX (post swap)



DEBT PER FUNDING



In the 2Q22 we funded a total of R\$ 3,084 million. We point out the debt contracting lines that follow:

- i. Contracting of 4131 with Citibank for Neoenergia Coelba (R\$200 million), with a 2-year term;
- ii. BNDES payout to Neoenergia Pernambuco, in the amount of R\$32 million, with a 19-year term;
- iii. BNDES payout to Neoenergia Jalapão, in the amount of R\$18 million, with a 20-year term;
- iv. 14th issue of debentures by Neoenergia Coelba in the total amount of R\$1,200 million, and a term of up to 10 years;
- v. 12th issue of debentures by Neoenergia Pernambuco in the total amount of R\$1,200 million, and a term of up to 10 years;
- vi. BNDES payout to Chafariz Complex, in the amount of R\$104 million, with a 24-year term;
- vii. BNDES payout to Neoenergia Elektro, in the total amount of R\$50 million, with a 19-year term;
- viii. Contracting of 4131 with BofA for Neoenergia Guanabara of R\$100 million, with a term of 1 year;
- ix. Contracting of 4131 with Santander for Neoenergia Lagoa dos Patos of R\$180 million, with a term of 1 year.

2. RECONCILIATION NOTE

Neoenergia discloses the results for the 2Q22 and 6M22 based on Management's analyses that the board understands to best translate the Company's business, reconciled with International Financial Reporting Standards – IFRS.

Calculation Memory (CONSOLIDATED)	Current Year		Previous Year		Corresponding Explanatory Notes
	2Q22	6M22	2Q21	6M21	
(+) Net Revenue	10,462	21,010	9,975	18,972	Incement Statement
(-) Estimated Replacement Value of Concession	(676)	(1,208)	(338)	(661)	Note 5
(-) Other revenues	(354)	(511)	(111)	(222)	Note 5
(+) Gain/Loss on RAP	171	155	27	25	Note 5.4
(+) Revenue from Operation and Maintenance	30	63	(26)	(16)	Note 5.4
(+) Photovoltaic Operations	6	11	3	8	Note 5.4
(+) Other revenues - Other revenues	3	4	(1)	6	Note 5.4
= Net Operating REVENUE	9,642	19,524	9,529	18,112	
(+) Costs with electric energy	(4,114)	(8,691)	(5,056)	(9,304)	Incement Statement
(+) Fuel for energy production	(27)	(29)	(124)	(218)	Note 8
(+) Construction costs	(1,858)	(3,509)	(1,474)	(2,846)	Incement Statement
(+) Photovoltaic Operations	(3)	(7)	(3)	(7)	Note 8
= Energy costs	(6,002)	(12,236)	(6,657)	(12,375)	
(+) Estimated replacement value of concession	676	1,208	338	661	Note 5
= GROSS MARGIN	4,316	8,496	3,210	6,398	
(+) Operating costs	(1,033)	(2,017)	(1,051)	(1,974)	Incement Statement
(+) Sales expenses	(89)	(178)	(93)	(170)	Incement Statement
(+) Other general and administrative revenues/expenses	(493)	(915)	(414)	(789)	Incement Statement
(-) Fuel for energy production	27	29	124	218	Note 8
(-) Photovoltaic Operations	3	7	3	7	Note 9
(-) Depreciation	476	942	454	839	Note 8
(+) Gain/Loss on RAP	354	511	111	222	Note 5
(-) Gain/Loss on RAP	(171)	(155)	(27)	(25)	Note 5.4
(-) Revenue from operation and maintenance	(30)	(63)	26	16	Note 5.4
(-) Photovoltaic Operations	(6)	(11)	(3)	(8)	Note 5.4
(-) Other revenues - Other revenues	(3)	(4)	1	(6)	Note 5.4
= Operating Expenses (PMSO)	(965)	(1,854)	(869)	(1,670)	
Provision for Doubtful Receivables (PECLD)	(128)	(258)	(33)	(146)	Incement Statement
(+) Equity Accounting	3	11	(8)	2	Incement Statement
EBITDA	3,226	6,395	2,300	4,584	
(+) Depreciation and Amortization	(537)	(1,064)	(514)	(947)	Incement Statement and Note 8
(+) Financial Income/Loss	(1,156)	(2,073)	(426)	(808)	Incement Statement
(+) IR/CS	(440)	(927)	(315)	(745)	Incement Statement
(+) Minority shareholders	(18)	(44)	(43)	(75)	Incement Statement
NET INCOME	1,075	2,287	1,002	2,009	Incement Statement

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



DISCLAIMER

contained in this document reflects current conditions and our view to date, and is subject to change. The statements that represent NEOENERGIA expectations and projections about future events, which the guarantee will materialize, since they involve a number of risks and uncertainties and may have results or 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).

STATEMENT OF INCOME

For the six-month period ended June 30, 2022, and 2021

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



	Notes	Consolidated				Parent Company			
		3 month-period ended on		6 month-period ended on		3 month-period ended on		6 month-period ended on	
		06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Operating income, net	5	10,462	9,975	21,010	18,972	2	1	2	2
Service costs		(7,005)	(7,581)	(14,217)	(14,124)	-	-	-	-
Energy costs	6	(4,114)	(5,056)	(8,691)	(9,304)	-	-	-	-
Construction costs	7	(1,858)	(1,474)	(3,509)	(2,846)	-	-	-	-
Operating costs	8	(1,033)	(1,051)	(2,017)	(1,974)	-	-	-	-
Gross profit		3,457	2,394	6,793	4,848	2	1	2	2
Expected credit loss	12.2	(128)	(33)	(258)	(146)	-	-	-	-
Sales expenses	8	(89)	(93)	(178)	(170)	-	-	-	-
Other general and administrative income (expenses)	8	(493)	(414)	(915)	(789)	(72)	(51)	(121)	(105)
Amortization of appreciation	15	(61)	(60)	(122)	(108)	(41)	(41)	(81)	(82)
Equity in income (losses) of subsidiaries	15	3	(8)	11	2	1,356	1,150	2,782	2,267
Operating income		2,689	1,786	5,331	3,637	1,245	1,059	2,582	2,082
Financial income (expenses)	9	(1,156)	(426)	(2,073)	(808)	(168)	(63)	(301)	(85)
Financial income		432	201	773	364	61	44	113	85
Financial expenses		(1,315)	(623)	(2,371)	(1,201)	(176)	(105)	(324)	(167)
Other financial income (expenses), net		(273)	(4)	(475)	29	(53)	(2)	(90)	(3)
Income before taxes		1,533	1,360	3,258	2,829	1,077	996	2,281	1,997
Income taxes	10.1.1	(440)	(315)	(927)	(745)	-	-	-	-
Current		(134)	(36)	(387)	(244)	-	-	-	-
Deferred		(306)	(279)	(540)	(501)	-	-	-	-
Net income for the period		1,093	1,045	2,331	2,084	1,077	996	2,281	1,997
Attributable to:									
Controlling interest		1,075	1,002	2,287	2,009	1,077	996	2,281	1,997
Non-controlling interest		18	43	44	75	-	-	-	-
Basic and diluted earnings per share – R\$:	23.2	0.89	0.86	1.88	1.72	0.89	0.82	1.88	1.65

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

STATEMENT OF COMPREHENSIVE INCOME
For the six-month period ended June 30, 2022, and 2021
(Amounts expressed in millions of reais)



	Consolidated				Parent Company			
	3 month-period ended on		6 month-period ended on		3 month-period ended on		6 month-period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net income for the period	1,093	1,045	2,331	2,084	1,077	996	2,281	1,997
Other comprehensive income								
Item that will not be classified to profit and loss:								
Obligations with benefits to employees	(326)	(198)	(326)	(198)	-	-	-	-
Cash flow hedge	42	(17)	8	(239)	-	-	-	-
Deferred taxes on comprehensive income	111	83	111	83	-	-	-	-
Gain (loss) on hedge operations with benefits to employees from the investees	-	-	-	-	(159)	(132)	(193)	(354)
Sum of the items that will not be classified to profit and loss	(173)	(132)	(207)	(354)	(159)	(132)	(193)	(354)
Items that will be classified to profit and loss:								
Cash flow hedge	(253)	(183)	(468)	(277)	(67)	12	(158)	(41)
Deferred taxes on comprehensive income	50	62	103	80	-	-	-	-
Gain (loss) on hedge operations with benefits to employees from the investees	-	-	-	-	(132)	(133)	(200)	(154)
Sum of the items that will be classified to profit and loss	(203)	(121)	(365)	(197)	(199)	(121)	(358)	(195)
Other comprehensive income/loss for the period, net of taxes	(376)	(253)	(572)	(551)	(358)	(253)	(551)	(549)
Comprehensive income for the period	717	792	1,759	1,533	719	743	1,730	1,448
Attributable to:								
Controlling interest	717	745	1,736	1,456	719	743	1,730	1,448
Non-controlling interest	-	47	23	77	-	-	-	-

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

STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2022, and 2021
(Amounts expressed in millions of reais)



	Consolidated		Parent Company	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Cash flow from operating activities				
Net income for the period	2,331	2,084	2,281	1,997
Adjusted by:				
Depreciation and amortization	959	853	2	2
Writtle-off on non-current assets	80	34	-	-
Amortization of appreciation	122	108	81	82
Equity income (loss) from investes	(11)	(3)	(2,782)	(2,267)
Income taxes	927	745	-	-
Financial income (expenses), net	2,073	808	301	85
Concession's estimated replacement value	(1,208)	(661)	-	-
Others	(4)	(339)	-	-
Changes in working capital:				
Trade accounts and other receivables	1,104	150	-	-
Public Service Concession (Contract and financial assets)	(1,546)	(1,650)	-	-
Suppliers and accounts payable to contractors	(1,831)	(876)	(64)	(86)
Wages, employment benefits and charges payable, net	(185)	(128)	(9)	(11)
Sectorial financial assets and liabilities, net (Portion A and others)	1,627	(936)	-	-
Other recoverable (payable) taxes and sectorial charges, net	(791)	(120)	(25)	9
Provisions, net of judicial deposits	(28)	(8)	-	-
Other assets and liabilities, net	(949)	(157)	321	(226)
Cash flow from operating activities, net	2,670	(96)	106	(415)
Dividends and interest on own capital received	23	14	1,297	745
Payment of debt charges	(1,186)	(558)	(213)	(81)
Derivative financial instruments paid, net	(412)	101	(115)	9
Income from financial investment	324	49	33	2
Payment of interest – Leases	(10)	(6)	-	-
Income taxes paid	(160)	(237)	-	-
Cash flow generated (used) by operating activities	1,249	(733)	1,108	260
Cash flow from investing activities				
Acquisition of fixed and intangible assets	(1,138)	(704)	-	-
CEB's acquisition of control, net of cash obtained in the acquisition	-	(2,415)	-	-
Capital increase in investees	(34)	(15)	(1,556)	(2,867)
Public Service Concession (Contract and financial asset)	(2,368)	(2,138)	-	-
Investments in securities and marketable securities	(448)	(105)	(57)	-
Redemption in securities and marketable securities	310	32	-	-
Received (applied) loans with investees	-	-	(32)	230
Cash flow generated (used) by investing activities	(3,678)	(5,345)	(1,645)	(2,637)
Cash flow from financing activities				
Funds raised through loans and financing	6,213	7,598	550	2,500
Payment of fundraising costs	(45)	(34)	-	(9)
Amortization of principal from loans and financing	(2,765)	(2,894)	(500)	-
Collateral deposits	(3)	-	-	-
Public Service Concessions obligations	183	145	-	-
Payment of principal – leases	(22)	(17)	-	-
Derivative financial instruments received, net	201	432	-	-
Dividends and interest on own capital paid to Neoenergia's shareholders	(145)	(241)	(145)	(241)
Dividends and interest on own capital paid to non-controlling interest	(40)	(19)	-	-
Received (applied) loans with investees	-	-	261	-
Cash flow generated (used) by financing activities	3,577	4,970	166	2,250
Increase (decrease) in cash and cash equivalents for the period	1,148	(1,108)	(371)	(127)
Cash and cash equivalents at the beginning of the period	5,545	5,060	1,131	367
Cash and cash equivalents at the end of the period	6,693	3,952	760	240
Non-cash transactions:				
Addition and adjustment to capitalized provisions – Contract asset	32	48	-	-
Addition and adjustment to capitalized provisions – fixed and intangible	6	1	-	-
Capitalized interest and financial charges – fixed and intangible assets	25	36	-	-
Capitalized interest and financial charges – Contract asset	28	21	-	-
Additions of special obligations – incorporated through the donation of goods	10	29	-	-
Leasing contracts - IFRS 16	58	17	-	-

STATEMENT OF FINANCIAL POSITION
As of June 30, 2022 and December 31, 2021
(Amounts expressed in millions of reais)



		Consolidated		Parent Company	
	Notes	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Assets					
Current					
Cash and cash equivalents	11	6,693	5,545	760	1,131
Trade accounts receivable and others	12	7,779	8,626	-	-
Securities and marketable securities		136	72	-	-
Derivative financial instruments	19.3	381	738	-	-
Recoverable income taxes	10.1.3	901	848	199	192
Other recoverable taxes	10.2.1	2,307	2,085	1	1
Dividends and interest on own capital receivable		2	25	1,815	629
Sectorial financial asset (Portion A and others)	13	1,578	1,681	-	-
Public Service Concession (Contract asset)	14.2	637	492	-	-
Other current assets		1,034	871	381	634
Assets held for sale		797	797	797	797
Total current assets		22,245	21,780	3,953	3,384
Non-current					
Trade accounts receivable and others	12	378	378	-	-
Securities and marketable securities		489	387	57	-
Derivative financial instruments	19.3	963	1,463	-	-
Recoverable income taxes	10.1.3	8	7	-	-
Other recoverable taxes	10.2.1	4,067	4,863	-	-
Deferred income taxes	10.1.2	707	727	-	-
Judicial deposits	20	1,159	1,087	58	55
Sectorial financial asset (Portion A and others)	13	-	352	-	-
Public Service Concession (Financial asset)	14.1	21,191	18,516	-	-
Public Service Concession (Financial asset)	14.2	14,338	12,447	-	-
Other non-current assets		82	94	7	9
Investments in subsidiaries, associates and joint ventures	15	1,245	1,200	28,271	26,942
Right of use		168	138	-	-
Property, Plant & Equipment ("PP&E")	16	10,604	9,560	25	26
Intangible assets	17	12,611	12,801	2	2
Total non-current assets		68,010	64,020	28,420	27,034
Total assets		90,255	85,800	32,373	30,418

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

STATEMENT OF FINANCIAL POSITION
As of June 30, 2022 and December 31, 2021
(Amounts expressed in millions of reais)



Liabilities	Notes	Consolidated		Parent Company	
		06/30/2022	12/31/2021	06/30/2022	12/31/2021
Current					
Suppliers and trade accounts payable to contractors	18	3,749	5,538	58	122
Loans and financing	19.2	7,906	7,940	1,806	2,276
Lease obligations		48	38	-	-
Derivative financial instruments	19.3	259	134	31	27
Wages, employment benefits and charges payable	22	489	661	12	22
Payable income taxes	10.1.3	91	29	-	-
Other taxes and sectorial charges payable	10.2.2	1,224	1,690	54	67
Reimbursements to consumers – Federal taxes	10.3	1,880	1,500	-	-
Dividends and interest on own capital		835	805	792	786
Provisions	20	326	256	-	-
Other current liabilities	21	1,045	1,349	241	51
Total current liabilities		17,852	19,940	2,994	3,351
Non-current					
Suppliers and trade accounts payable to contractors	18	157	148	-	-
Loans and financing	19.2	34,150	30,683	3,577	3,097
Lease obligations		134	108	-	-
Derivative financial instruments	19.3	824	197	356	101
Wages, employment benefits and charges payable	22	1,143	789	-	-
Payable income taxes	10.1.3	28	27	7	7
Deferred income taxes	10.1.2	2,072	1,766	3	3
Other taxes and sectorial charges payable	10.2.2	1,215	1,128	-	-
Reimbursements to consumers – Federal taxes	10.3	3,525	4,529	-	-
Sectorial financial liability (Portion A and others)	13	1,337	342	-	-
Provisions	20	1,686	1,601	2	1
Other non-current liabilities	21	352	304	20	22
Total non-current liabilities		46,623	41,622	3,965	3,231
Shareholders' equity	23				
Attributable to controlling interest		25,470	23,886	25,414	23,836
Attributable to non-controlling interest		310	352	-	-
Total shareholders' equity		25,780	24,238	25,414	23,836
Total liabilities and shareholders' equity		90,255	85,800	32,373	30,418

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended June 30, 2022 and 2021
(Amounts expressed in millions of Reais)

	Consolidated										
					Profite reserves						
	Share capital	Capital reserve	Shareholders' transaction reserve	Other comprehensive income	Legal reserve	Unrealized profit reserve	Profit retention reserve	Retained earnings	Attributed to controlling interest	Attributed to non-controlling interest	Total
Balance as of December 31, 2021	12,920	129	(1,579)	(281)	1,200	284	11,213	-	23,886	352	24,238
Net income for the period	-	-	-	-	-	-	-	2,287	2,287	44	2,331
Other comprehensive income	-	-	-	(551)	-	-	-	-	(551)	(21)	(572)
Share-based payments	-	15	-	-	-	-	-	-	15	-	15
Remuneration to non-controlling interest	-	-	-	-	-	-	-	-	-	(65)	(65)
Interest on own capital (note 23.2.b)	-	-	-	-	-	-	-	(167)	(167)	-	(167)
Balance as of June 30, 2022	12,920	144	(1,579)	(832)	1,200	284	11,213	2,120	25,470	310	25,780
Balance as of December 31, 2020	12,920	96	(1,597)	3	1,006	247	8,492	-	21,167	342	21,509
Net income for the period	-	-	-	-	-	-	-	2,009	2,009	75	2,084
Other comprehensive income	-	-	-	(549)	-	-	-	-	(549)	(2)	(551)
Share-based payments	-	15	-	-	-	-	-	-	15	-	15
Remuneration to non-controlling interest	-	-	-	-	-	-	-	-	-	(73)	(73)
Interest on own capital (note 23.2.b)	-	-	-	-	-	-	-	(171)	(171)	-	(171)
Balance as of June 30, 2021	12,920	111	(1,597)	(546)	1,006	247	8,492	1,838	22,471	342	22,813

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended June 30, 2022 and 2021
(Amounts expressed in millions of Reais)

	Parent Company							
	Share capital	Capital reserve	Shareholders' transaction reserve	Other comprehensive income	Legal reserve	Profit reserves Unrealized profit reserve	Profit retention reserve	Retained earnings Total
Balance as of December 31, 2021	12,920	129	(1,579)	(281)	1,200	234	11,213	- 23,836
Net income for the period	-	-	-	-	-	-	-	2,281 2,281
Other comprehensive income	-	-	-	(551)	-	-	-	- (551)
Share-based payments	-	15	-	-	-	-	-	- 15
Interest on own capital (note 23.2.b)	-	-	-	-	-	-	-	(167) (167)
Balance as of June 30, 2022	12,920	144	(1,579)	(832)	1,200	234	11,213	2,114 25,414
Balance as of December 31, 2020	12,920	96	(1,597)	3	1,006	234	8,492	- 21,154
Net income for the period	-	-	-	-	-	-	-	1,997 1,997
Other comprehensive income	-	-	-	(549)	-	-	-	- (549)
Share-based payments	-	13	-	-	-	-	-	- 13
Interest on own capital (note 23.2.b)	-	-	-	-	-	-	-	(171) (171)
Balance as of June 30, 2021	12,920	109	(1,597)	(546)	1,006	234	8,492	1,826 22,444

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

STATEMENT OF ADDED VALUE
For the six-month period ended June 30, 2022 and 2021
(Amounts expressed in millions of Reais)



	Consolidated		Parent Company	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenues				
Sales of energy, services and others	30,289	26,456	2	2
Revenue from the construction of own assets	765	276	-	-
Expected credit loss	(258)	(146)	-	-
	30,796	26,586	2	2
Inputs acquired from third parties				
Electricity purchased for resale	(6,994)	(7,647)	-	-
Transmission network use charges	(2,807)	(2,655)	-	-
Consumed raw materials	(26)	(216)	-	-
Materials, third-party services and others	(5,355)	(4,107)	(81)	(72)
	(15,182)	(14,625)	(81)	(72)
Gross added value	15,614	11,961	(79)	(70)
Depreciation and amortization ⁽¹⁾	(1,081)	(961)	(82)	(84)
Net added value produced by the company	14,533	11,000	(161)	(154)
Added value received through transfer				
Financial income	4,389	2,457	421	193
Equity income (loss) from investees	11	2	2,782	2,267
	4,400	2,459	3,203	2,460
Total added value for distribution	18,933	13,459	3,042	2,306
Added value distribution				
Personnel				
Wages	593	439	29	24
Provision for vacation and 13th salary	117	91	-	-
Social charges (except INSS)	51	59	-	-
Employee benefits	339	333	2	-
Others	(238)	(177)	-	1
Subtotal	862	745	31	25
Taxes, fees and contributions				
National Institute of Social Security (INSS) (on payroll)	160	115	5	4
Added value from State VAT (ICMS)	4,845	4,004	-	-
Taxes on revenue (PIS/COFINS)	1,044	1,137	6	5
Income taxes	927	745	-	-
Intra-sectorial obligations	2,305	1,352	-	-
Others	41	33	2	1
Subtotal	9,322	7,386	13	10
Lenders and lessors				
Interest and foreign exchange rate variations	6,418	3,242	717	274
Leases	-	2	-	-
Subtotal	6,418	3,244	717	274
Shareholders				
Dividends and interest on own capital	167	171	167	171
Retained earnings	2,120	1,838	2,114	1,826
Non-controlling interest	44	75	-	-
Subtotal	2,331	2,084	2,281	1,997
Distributed added value	18,933	13,459	3,042	2,306

⁽¹⁾ Gross value, not excluding PIS/COFINS credits

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

1. OPERATIONAL CONTEXT

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

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

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

Until June 30, 2022, 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 05, 2022, the transmission line Jalapão began its commercial operation (Batch 04 – Transmission Auction 02/2017, from December 2017). The line, LT 500 kV Miracema – Gilbués II – Barreiras II, has an extension of 729 km and is Neoenergia's largest operating transmission line, passing through the states of Tocantins, Piauí and Bahia.

The Jalapão batch has a total annualized RAP (Annual Allowed Revenue) of R\$ 149 and was delivered 14 months in advance, with a Capex saving of 34%, both measures being compared with that estimated by Aneel. With this implementation, Neoenergia finishes the delivery of all acquired projects in the Auction from December 2017, with average advance of 15.6 months concerning Aneel's deadline and a saving Capex of 33% in relation to the initial estimation by the Regulator.

On March 31, 2022, the concession contract 04/2022-ANEEL, regarding Batch 04, which was acquired by the Group during the Transmission Auction 02/2021 conducted by Aneel on December 17, 2021, was signed. This batch comprises the installation of three synchronous compensators in the Estreito substation, located in the state of Minas Gerais, with an Annual Allowed Revenue (RAP) of R\$ 37.

On June 30, 2022, in the Transmission Auction 01/2022 conducted by ANEEL, the Group acquired two batches. Batch 2, the project with highest offered extension, provides for the construction of 1,707 kilometers of lines between the states of Minas Gerais and São Paulo and was acquired with an Annual Allowed Revenue (RAP) of R\$ 360 and a discount of 50.33%. The projected investment by the regulator in this project is R\$ 4,938. The Company also acquired batch 11, located in Mato Grosso do Sul, with a RAP of R\$ 38.2 and a discount of 45.74%.

Renewables

Solar Power Plants

On May 30, 2022, the energy generation from the Solar Plant Luzia ("Luzia") began in the form of test operations. The forecast is that the entry into commercial operation will start. The complete entry into commercial operation will occur throughout the second semester of 2022.

Luzia will have a total capacity of 149.3 MWdc and its generated energy will be used for commercialization in the free energy market with a significant portion of this generation already being contracted.

Wind Power Plants

On June 13, 2022, the first seven wind turbines from Oitis Wind Complex ("Oitis Complex") started operating in the form of test operations.

The Oitis Complex is located in the states of Piauí and Bahia, will have a total installed capacity of 566.5 MW, with 103 wind turbines, each one having a power of 5.5 MW, and it will be composed of 12 Wind Power Plants with 96% of its energy generation being used for commercialization in the regulated energy market.

The Complex is projected to fully enter into operation in the second semester of 2022.

The complete information on the Company's concession contracts is disclosed in the Consolidated Financial Statements for the period ended December 31, 2021; therefore, the current interim financial statements for the period ended June 30, 2022, must be read together with the aforementioned financial statements.

1.2 Financial and operational risk management

The Group's financial and operational risk policies were updated in relation to the policies disclosed in the consolidated financial statements for December 31, 2021, according to the expected review process.

The Financial Risk Policy applies to every business that is part of the Neoenergia group, within the projected limits and applicable to the regulated activities that generate exposure to financial risks; therefore, they must also be applied by its subsidiaries and in accordance with their bylaws and applicable legislation. The following guidelines and specific limits for risk management are included: exchange rate and commodities risk; interest rate and price index risks; liquidity and solvency risk, as well as the use of derivative instruments for protection purpose, whose application for speculative purpose is strictly prohibited. The Operational Risk Policy related to Market Transactions establishes the control and management of risks in long- and short-term transactions regarding the management of energy and treasury.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The Company's consolidated and individual interim financial statements have been prepared and are disclosed according with IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB") and CPC 21 – Interim Financial Statements (accounting practices adopted in Brazil) and must be read together with the Group's consolidated annual financial statements for December 31, 2021, that were previously disclosed. The financial statements are presented in compliance with the laws issued by CVM and applicable to quarterly information.

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

The Company also makes use of guidelines from the Accounting Manual from the Brazilian electric sector and regulations defined by ANEEL, when they are not in conflict with the accounting practices adopted in Brazil and/or the international accounting practices.

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

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

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

The disclosure of these interim financial statements was authorized by the Board of Directors on April 26, 2022.

2.2 Functional and presentation currency

The functional currency from the Company and its subsidiaries is the Brazilian real (R\$), which is the currency from its main operating economic environment. The interim financial statements are expressed in millions of R\$, unless otherwise indicated.

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

2.3 Accounting policies and critical estimates

The regulations, 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, 2021; therefore, they must be read together.

2.4 New standards and effective and non-effective 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) Changes in current accounting pronouncements

Standards	Description of the change	Effective date
IAS 37 / CPC 25: Provisions, Contingent Liabilities and Contingent Assets	Specify which costs a company should include when assessing whether a contract is onerous or not. The costs directly related to the fulfilment of the contract must be considered in the cash flow assumptions (e.g: Cost of labor, materials and other expenses related to the contract's operation)	01/01/2022
IAS 16 / CPC 27: Property, Plant and Equipment	Allow the recognition of revenues and costs concerning the amounts related to the sale of items produced during the assets' test phase.	

The changes in the Pronouncements that entered into force on January 1, 2022 did not have significant effects on the consolidated financial statements.

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

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

	Net income		Shareholders' equity	
	06/30/2022	06/30/2021	06/30/2022	12/31/2021
Parent Company	2,281	1,997	25,414	23,836
Share-based compensation plan ⁽¹⁾	(1)	-	(4)	(3)
Capitalization of financial charges ⁽²⁾	12	19	93	81
Income taxes ⁽²⁾	(4)	(7)	(32)	(28)
Depreciation	(1)	-	(1)	-
Consolidated	2,287	2,009	25,470	23,886

⁽¹⁾ Adjustment concerning the share-based compensation plan accounted for by the Group's subsidiaries.

⁽²⁾ Capitalization of financial charges from loans and financing by the Parent Company and transferred to its subsidiaries, through a capital increase to finance the construction of wind parks.

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

4. SEGMENT INFORMATION

The Company operates the following reportable segments: Networks, Renewable, Liberalized and Others. The segments were defined based on the products and services provided and reflect the structure used by 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 Board and the Board of Directors.

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

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended June 30, 2022 and 2021
(Amounts expressed in millions of reais)



4.1 Results by segment

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

	Consolidated										
	3 months ended June 30, 2022										
			Networks Total Networks	Wind generation	Hydraulic generation	Renewable Total Renewable	Gas generation	Commercialization and services	Liberalized Total liberalized	Others Total	Result
	Distribution	Transmission									
Gross revenue from third parties											
Inter-segment gross revenue	13,285 3	1,044 23	14,329 26	117 135	58 105	175 240	9 535	435 75	444 610	1 1	14,949 877
Deductions from gross revenue	(4,142)	(94)	(4,236)	(19)	(20)	(39)	(137)	(75)	(212)	-	(4,487)
Operating costs and expenses ¹											
Inter-segment operating costs and expenses ¹	(6,037) (579)	(590) (7)	(6,627) (586)	(54) (12)	(41) (11)	(95) (23)	(101) (58)	(216) (210)	(317) (268)	(72) -	(7,111) (877)
Expected credit losses	(125)	-	(125)	-	-	-	-	(3)	(3)	-	(128)
Gain (loss) on equity interest	-	-	-	-	3	3	-	-	-	-	3
EBITDA	2,405	376	2,781	167	94	261	248	6	254	(70)	3,226
Depreciation and amortization ²	(402)	-	(402)	(41)	(21)	(62)	(17)	(1)	(18)	(55)	(537)
Operating profit	2,003	376	2,379	126	73	199	231	5	236	(125)	2,689
Financial income (expenses), net											
Income taxes	(742) (322)	(136) (62)	(878) (384)	(72) (16)	(15) (8)	(87) (24)	(22) (30)	- (2)	(22) (32)	(169) -	(1,156) (440)
Net profit	939	178	1,117	38	50	88	179	3	182	(294)	1,093
</											

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended June 30, 2022 and 2021
(Amounts expressed in millions of reais)



Income taxes	(211)	(78)	(289)	-	(10)	(10)	(17)	5	(12)	(4)	(315)
Net profit	900	162	1,062	9	32	41	96	(9)	87	(145)	1,045

⁽¹⁾ Does not include depreciation and amortization.

⁽²⁾ Includes the amortization of added value.

	Consolidated										
	6 months ended June 30, 2022										
	Networks					Renewable			Liberalized	Others	
	Distribution	Transmission	Total Networks	Wind generation	Hydraulic generation	Total Renewable	Gas generation	Commercialization and services	Total liberalized	Total	Result
Gross revenue from third parties	27,292	1,771	29,063	233	147	380	8	838	846	-	30,289
Inter-segment gross revenue	6	48	54	279	204	483	1,015	157	1,172	2	1,711
Deductions from gross revenue	(8,631)	(161)	(8,792)	(40)	(41)	(81)	(261)	(145)	(406)	-	(9,279)
Operating costs and expenses ¹	(12,473)	(962)	(13,435)	(107)	(78)	(185)	(191)	(437)	(628)	(120)	(14,368)
Inter-segment operating costs and expenses ¹	(1,121)	(16)	(1,137)	(92)	(20)	(112)	(59)	(403)	(462)	-	(1,711)
Expected credit losses	(255)	-	(255)	-	-	-	-	(3)	(3)	-	(258)
Gain (loss) on equity interest	-	-	-	-	11	11	-	-	-	-	11
EBITDA	4,818	680	5,498	273	223	496	512	7	519	(118)	6,395
Depreciation and amortization ²	(786)	-	(786)	(89)	(45)	(134)	(33)	(1)	(34)	(110)	(1,064)
Operating profit	4,032	680	4,712	184	178	362	479	6	485	(228)	5,331
Financial income (expenses), net	(1,330)	(234)	(1,564)	(126)	(33)	(159)	(60)	-	(60)	(290)	(2,073)
Income taxes	(679)	(124)	(803)	(28)	(24)	(52)	(65)	(3)	(68)	(4)	(927)
Net profit	2,023	322	2,345	30	121	151	354	3	357	(522)	2,331

	Consolidated										
	6 months ended June 30, 2021										
			Networks			Renewable			Liberalized	Others	
	Distribution	Transmission	Total Networks	Wind generation	Hydraulic generation	Total Renewable	Gas generation	Commercialization and services	Total liberalized	Total	Result
Gross revenue from third parties	23,754	1,760	25,514	189	124	313	31	598	629	-	26,456
Inter-segment gross revenue	5	21	26	30	189	219	846	76	922	2	1,169
Deductions from gross revenue	(6,929)	(165)	(7,094)	(24)	(37)	(61)	(225)	(104)	(329)	-	(7,484)
Operating costs and expenses ¹	(12,413)	(886)	(13,299)	(63)	(25)	(88)	(343)	(409)	(752)	(105)	(14,244)
Inter-segment operating costs and expenses ¹	(912)	(4)	(916)	(13)	(18)	(31)	(56)	(166)	(222)	-	(1,169)
Expected credit losses	(146)	-	(146)	-	-	-	-	-	-	-	(146)
Gain (loss) on equity interest	-	-	-	-	2	2	-	-	-	-	2
EBITDA	3,359	726	4,085	119	235	354	253	(5)	248	(103)	4,584
Depreciation and amortization ²	(732)	-	(732)	(55)	(41)	(96)	(31)	(1)	(32)	(87)	(947)
Operating profit	2,627	726	3,353	64	194	258	222	(6)	216	(190)	3,637
Financial income (expenses), net	(488)	(153)	(641)	(40)	(37)	(77)	(20)	(5)	(25)	(65)	(808)
Income taxes	(484)	(186)	(670)	-	(39)	(39)	(33)	4	(29)	(7)	(745)
Net profit	1,655	387	2,042	24	118	142	169	(7)	162	(262)	2,084

⁽¹⁾ Does not include depreciation and amortization.

⁽²⁾ Includes amortization of added value

4.2 Assets by allocated segments

					Consolidated
					Balance as of June 30, 2022
	Accounts receivable	Sectorial financial assets (liabilities)	Public service concessions ¹	Investments in equity interests	Right of use, PP&E and intangible assets
Networks					
Distribution	7,825	241	25,940	-	12,364
Transmission	47	-	10,226	-	29
	7,872	241	36,166	-	12,393
Renewable					
Wind generation	79	-	-	-	7,010
Hydraulic generation	31	-	-	1,245	2,933
	110	-	-	1,245	9,943
Liberalized					
Gas generation	-	-	-	-	995
Commercialization and services	175	-	-	-	9
	175	-	-	-	1,004
Outros	-	-	-	-	43
	8,157	241	36,166	1,245	23,383
					Consolidated
					Balance as of December 31, 2021
	Accounts receivable	Sectorial financial assets (liabilities)	Public service concessions ¹	Investments in equity interests	Right of use, PP&E and intangible assets
Networks					
Distribution	8,682	1,691	22,775	1	12,509
Transmission	30	-	8,680	-	25
	8,712	1,691	31,455	1	12,534
Renewable					
Wind generation	112	-	-	-	5,959
Hydraulic generation	24	-	-	1,199	2,939
	136	-	-	1,199	8,898
Liberalized					
Gas generation	-	-	-	-	1,015
Commercialization and services	156	-	-	-	8
	156	-	-	-	1,023
Others	-	-	-	-	44
	9,004	1,691	31,455	1,200	22,499

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

4.3 Additions to the main non-current assets (economic capital expenditures - Capex)

				3 months ended	
		06/30/2022		06/30/2021	
	Public service concessions ¹	Investments, right of use, PP&E and intangible assets	Public service concessions ¹	Investments, right of use, PP&E and intangible assets	
Networks					
Distribution	1,304	9	984	15	
Transmission	784	1	707	-	
	2,088	10	1,691	15	
Renewable					
Wind generation	-	365	-	246	
Hydraulic generation	-	11	-	21	
	-	376	-	267	
Liberalized					
Gas generation	-	11	-	23	
Commercialization and services	-	2	-	1	
	-	13	-	24	
Others	-	-	-	18	
	2,088	399	1,691	324	

				6 months ended	
		06/30/2022		06/30/2021	
	Public service concessions ¹	Investments, right of use, PP&E and intangible assets	Public service concessions ¹	Investments, right of use, PP&E and intangible assets	
Networks					
Distribution	2,611	31	2,013	27	
Transmission	1,271	4	1,445	1	
	3,882	35	3,458	28	
Renewable					
Wind generation	-	1,130	-	650	
Hydraulic generation	-	40	-	31	
	-	1,170	-	681	
Liberalized					
Gas generation	-	14	-	36	
Commercialization and services	-	3	-	1	
	-	17	-	37	
Others	-	-	-	18	
	3,882	1,222	3,458	764	

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

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the period ended June 30, 2022 and 2021
(Amounts expressed in millions of reais)



5. NET OPERATING REVENUE

	3 months ended June 30, 2022				3 months ended June 30, 2021			
	Networks	Renewable	Liberalized	Total	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	5,644	160	430	6,234	4,801	128	300	5,229
Electric grid availability (note 5.2)	5,960	-	-	5,960	4,824	-	-	4,824
Concession's infrastructure construction ⁽¹⁾	1,907	-	-	1,907	1,677	-	-	1,677
Electric Energy Trading Chamber – CCEE	118	9	-	127	397	7	7	411
Surplus Sale Mechanism – MVE	1	-	-	1	87	-	-	87
Concession's estimated replacement value ⁽²⁾	676	-	-	676	338	-	-	338
Contract asset's remuneration	247	-	-	247	178	-	-	178
Sectorial financial assets and liabilities effects (note 5.3)	(557)	-	-	(557)	965	-	-	965
Other revenues (note 5.4)	333	6	15	354	99	4	8	111
Gross operating income	14,329	175	445	14,949	13,366	139	315	13,820
(-) Deductions from the gross income (note 5.5)	(4,236)	(39)	(212)	(4,487)	(3,640)	(28)	(177)	(3,845)
Net operating revenue	10,093	136	233	10,462	9,726	111	138	9,975

	6 months ended June 30, 2022				6 months ended June 30, 2021			
	Networks	Renewable	Liberalized	Total	Networks	Renewable	Liberalized	Total
Energy supply (note 5.1)	12,094	276	821	13,191	9,345	283	581	10,209
Electric grid availability (note 5.2)	11,645	-	-	11,645	9,572	-	-	9,572
Concession's infrastructure construction ⁽¹⁾	3,691	-	-	3,691	3,429	-	-	3,429
Electric Energy Trading Chamber – CCEE	200	94	-	294	633	21	34	688
Surplus Sale Mechanism – MVE	-	-	-	-	87	-	-	87
Concession's estimated replacement value ⁽²⁾	1,208	-	-	1,208	661	-	-	661
Contract asset's remuneration	477	-	-	477	308	-	-	308
Sectorial financial assets and liabilities effects (note 5.3)	(728)	-	-	(728)	1,280	-	-	1,280
Other revenues (note 5.4)	476	10	25	511	199	9	14	222
Gross operating income	29,063	380	846	30,289	25,514	313	629	26,456
(-) Deductions from the gross income (note 5.5)	(8,792)	(81)	(406)	(9,279)	(7,094)	(61)	(329)	(7,484)
Net operating revenue	20,271	299	440	21,010	18,420	252	300	18,972

⁽¹⁾ In 2022, the revenue from the concession's infrastructure construction refers to: (i) Distributors' construction of R\$ 2,605 (in 2021 R\$ 1,985 and R\$ 1,444) (ii) Transmitters' construction of R\$ 1,086 (in 2021 R\$ 1,444).

⁽²⁾ Adjustment to the financial asset due to the concession's indemnifiable instalment, through the Basis for Calculating Remuneration ('BRR').

5.1 Energy supply

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Residential	4,794	4,421	10,272	8,736
Commercial	2,132	1,629	4,837	3,194
Industrial	1,334	1,248	2,284	2,485
Rural	561	544	1,106	1,051
Government	560	396	1,117	744
Public lighting	321	312	725	570
Public utility	379	316	776	606
Non-billed supply	26	(122)	69	(119)
Transfer – Electric grid availability	(5,160)	(4,159)	(10,102)	(8,293)
Subsidies and state grants	1,287	644	2,107	1,235
	6,234	5,229	13,191	10,209

5.2 Electric grid availability

The revenue from Distribution use-of-system Charges (TUSD) basically refers to the sale of energy to free and captive consumers with the billing of tariffs for the use of the distribution grid.

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Free consumer	800	665	1,543	1,279
Captive consumer ⁽¹⁾	5,160	4,159	10,102	8,293
	5,960	4,824	11,645	9,572

⁽¹⁾ Revenues from the availability of the electric grid infrastructure measured with the average distribution use-of-system charges after its approval by ANEEL for the captive consumer.

5.3 Sectorial financial assets and liabilities effects

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
CVA and Neutrality				
Energy ⁽¹⁾	(495)	601	(1,080)	726
System service charges – ESS ⁽²⁾	(1,181)	13	(2,035)	235
Energetic Development Account - CDE ⁽³⁾	163	13	449	108
TUST ⁽⁴⁾	(73)	108	(119)	319
Neutrality of sectorial charges	67	(51)	88	(72)
PROINFA	27	10	93	34
	(1,492)	694	(2,604)	1,350
Financial components and subsidies				
Over-contracting on-lending ⁽⁵⁾	207	75	585	92
Hydrological risk	(8)	(5)	(31)	(70)
Excess demand/reactive surplus	46	25	120	(14)
Readjustment deferral	131	7	131	6
Compensation of bilateral agreements from CCEAR	(66)	(21)	1	(63)
COVID Account – liability	3	(52)	2	(225)
Pis/Cofins credit over ICMS ⁽⁶⁾	324	218	700	218
Others	298	24	368	(14)
	935	271	1,876	(70)
Total	(557)	965	(728)	1,280

⁽¹⁾ Energy: passive CVA, arising from differences between the incurred energy costs concerning ANEEL's tariff coverage, with emphasis on the decrease of expenses from the regulated purchase of energy per availability and recognition of financial events from CCEE, in the short-term in 2022, according to ANEEL's resolution, which resulted in a more passive CVA this year;

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- (2) System service charges - ESS: passive CVA, arising from differences between the incurred energy costs concerning ANEEL's tariff coverage, with emphasis on the tariff flag reducer allocated to the ESS in 2022 and the Energy Security Charge itself and the Risk Aversion Curve Overtaking (ESS_CAR), according to ANEEL's resolution, which resulted in a more passive CVA this year;
- (3) Energetic Development Account - CDE: active CVA, due to the 3,034/2022, which approved the temporary monthly fees from the Energetic Development Account – CDE, related to the period from January to December 2022, to be collected by the distribution concessionaires and resulting in a more active CVA;
- (4) TUST – Basic network: passive CVA, reduced by the 2,896/2021, with validity from July 1st, 2021 to June 1st, 2022, which established the tariff readjustments related to the transmission system use, thus fulfilling them below ANEEL's tariff coverage;
- (5) Over-contracting on-lending: The group 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) PIS/COFINS credit on ICMS: Recognition of the reversal's anticipation of the values that originated from the ICMS exclusion from PIS/COFINS calculation basis as an extraordinary negative financial component to be compensated based on the collection of the taxes through the total amount approved by the Brazilian Federal Reserve Service - RFB.

5.4 Other revenues

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Revenue from the provision of service	14	6	21	13
Leases and rents	112	77	215	141
Charged service	-	5	5	9
Public lighting fee	2	1	4	3
Fraud invoice management	1	4	3	5
Third party service commission	15	15	30	28
RAP gain / loss	171	27	155	25
O&M revenues	30	(26)	63	(16)
Photovoltaic operations	6	3	11	8
Other revenues	3	(1)	4	6
Total	354	111	511	222

5.5 Gross revenue deductions

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Taxes				
State VAT – ICMS	(2,316)	(2,048)	(4,845)	(4,004)
Taxes on revenue- PIS and COFINS	(1,014)	(1,065)	(2,114)	(2,118)
Service tax – ISS	(8)	(4)	(15)	(10)
	(3,338)	(3,117)	(6,974)	(6,132)
Sectorial charges				
Energy Development Account – CDE	(974)	(572)	(1,965)	(1,080)
Energy Efficiency Program – PEE	(35)	(38)	(73)	(70)
Consumers' charges – PROINFA and CCRBT	(81)	(59)	(146)	(93)
Other charges ⁽¹⁾	(59)	(59)	(121)	(109)
	(1,149)	(728)	(2,305)	(1,352)
Total	(4,487)	(3,845)	(9,279)	(7,484)

(1) The following charges are considered: National Fund for Scientific and Technological Development-FNDCT, Energy Research Company-EPE, Research and Development-P&D, Supervision Fee for Electric Energy Services-TFSEE and Financial Compensations of Hydraulic Resources-CFURH.

6. ENERGY COSTS

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Energy purchased for sale				
Energy acquired through regulated environment auction – ACR	(1,647)	(1,768)	(3,189)	(3,657)
Energy acquired in the Free Contracting Environment – ACL	(387)	(332)	(907)	(602)
Variable Costs from the Short-Term Market – MCP	(168)	(671)	(261)	(968)
Short-Term Energy – PLD and MRE	(100)	(294)	(197)	(364)
Agreements based on physical assurance quotas	(441)	(396)	(878)	(771)
Energy acquired from a bilateral agreement	(222)	(192)	(430)	(287)
Itaipu energy	(254)	(591)	(528)	(591)
Quotas from Angra I and Angra II Power Plants	(173)	(98)	(347)	(207)
Others	(140)	70	(257)	(200)
Subtotal	(3,532)	(4,272)	(6,994)	(7,647)
PIS and COFINS credits	391	411	788	754
Total	(3,141)	(3,861)	(6,206)	(6,893)
Transmission and distribution system usage charges				
Basic grid charges	(813)	(916)	(1,650)	(1,756)
Itaipu transport charges	(25)	(20)	(49)	(44)
Connection charges	(47)	(46)	(72)	(103)
Distribution system use charges	(18)	69	(36)	(21)
System service charges – ESS ⁽¹⁾	12	(169)	(625)	(569)
Reserve energy charges – EER ⁽²⁾	(192)	(138)	(370)	(144)
Other charges	(4)	(94)	(5)	(18)
Subtotal	(1,087)	(1,314)	(2,807)	(2,655)
PIS and COFINS credits	114	119	322	244
Total	(973)	(1,195)	(2,485)	(2,411)
Total energy costs	(4,114)	(5,056)	(8,691)	(9,304)

⁽¹⁾ System service charges - ESS: addition due to the increase of the System service charge and also by the creation of the charge of ESS by the Incentive Program for the Voluntary Reduction of Energy Consumption and the flag of water scarcity (sep/21 to apr/22), under PRT MME 22/2021 and Aneel Order 397/2022;

⁽²⁾ Reserve energy charges – ERR: addition in the payment of the Reserve energy charges aiming to ensure the continuous financial balance of the CONER account.

7. CONSTRUCTION COSTS

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Personnel	(130)	(111)	(235)	(208)
Material	(896)	(805)	(1,818)	(1,631)
Third-party services	(858)	(548)	(1,382)	(1,072)
Interest on construction in progress	(16)	(12)	(28)	(21)
Others	(103)	(119)	(197)	(82)
Special obligations	145	121	151	168
Total	(1,858)	(1,474)	(3,509)	(2,846)

On June 30, 2022, the cost of the concession's infrastructure construction, in the amount of R\$ 2,605 and R\$ 904 (R\$ 1,985 and R\$ 985 on June 30, 2021) refers to the construction costs of the distributors and transmitters, respectively.

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8. OPERATING COSTS AND OPERATING EXPENSES

	3 months ended June 30, 2022				Consolidated 3 months ended June 30, 2021			
	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total
Staff and employee benefits	(287)	(25)	(185)	(497)	(255)	(32)	(169)	(456)
Management	-	-	(23)	(23)	-	-	(20)	(20)
Third-party services	(226)	(67)	(165)	(458)	(227)	(62)	(125)	(414)
Photovoltaic operations	(2)	-	-	(2)	(3)	-	-	(3)
Depreciation and amortization (note 8.1)	(421)	(1)	(54)	(476)	(389)	(1)	(64)	(454)
Fuel for energy production	(27)	-	-	(27)	(124)	-	-	(124)
Provision for lawsuits	-	-	(34)	(34)	-	-	(36)	(36)
Taxes	(1)	-	(6)	(7)	(3)	-	(2)	(5)
Other revenues and expenses, net	(69)	4	(26)	(91)	(50)	2	2	(46)
Total	(1,033)	(89)	(493)	(1,615)	(1,051)	(93)	(414)	(1,558)

	6 months ended June 30, 2022				Consolidated 6 months ended June 30, 2021			
	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total	Operating costs	Sales expenses	Other general and administrative revenue/expenses	Total
Staff and employee benefits	(569)	(51)	(357)	(977)	(465)	(56)	(310)	(831)
Management	-	-	(45)	(45)	-	-	(39)	(39)
Third-party services	(434)	(129)	(292)	(855)	(437)	(110)	(251)	(798)
Photovoltaic operations	(7)	-	-	(7)	(7)	-	-	(7)
Depreciation and amortization (note 8.1)	(837)	(2)	(103)	(942)	(740)	(1)	(98)	(839)
Fuel for energy production	(29)	-	-	(29)	(218)	-	-	(218)
Provision for lawsuits	-	-	(67)	(67)	-	-	(70)	(70)
Taxes	(4)	-	(22)	(26)	(3)	-	(19)	(22)
Other revenues and expenses, net	(137)	4	(29)	(162)	(104)	(3)	(2)	(109)
Total	(2,017)	(178)	(915)	(3,110)	(1,974)	(170)	(789)	(2,933)

8.1 Depreciation and amortization

	3 month-period ended on		6 month-period ended on	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Depreciation and amortization quota for the period	(480)	(419)	(953)	(811)
Write-off of residual value of intangible assets	(4)	(42)	(6)	(42)
(-) PIS/COFINS credits	8	7	17	14
Residual depreciation and amortization in profit or loss	(476)	(454)	(942)	(839)

9. FINANCIAL INCOME (EXPENSES)

	3 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Financial income				
Income from financial investments	201	31	324	49
(-) Taxes on financial income	(25)	(13)	(44)	(23)
Interest and charges on receivables and other receivables	122	167	257	303
Monetary variation of judicial deposits	17	2	30	2
Monetary variation of sectorial financial assets	104	3	177	4
Other financial income	13	11	29	29
	432	201	773	364
Financial expenses				
Charge on debt instruments ⁽¹⁾	(1,156)	(471)	(2,046)	(930)
Post-employments and other benefits	(20)	(21)	(39)	(42)
Monetary variation of sectorial financial liabilities	-	(5)	-	(9)
Monetary variation of provision for losses on lawsuits	(53)	(45)	(115)	(95)
IOF ("Tax on Financial Operations")	(1)	(2)	(2)	(6)
Other financial expenses	(85)	(79)	(169)	(119)
	(1,315)	(623)	(2,371)	(1,201)
Others financial income (expenses), net				
Losses on foreign exchange rate variation and fair value adjustments – Debt	(1,179)	(27)	(1,225)	(701)
Gain on foreign exchange rate variation and fair value adjustments – Debt	260	1,186	2,090	1,205
Losses on derivative financial instruments – Note 19.3.b	(713)	(1,215)	(2,760)	(1,313)
Gain on derivative financial instruments – Note 19.3.b	1,377	71	1,450	857
Losses on foreign exchange rate and monetary variation	(35)	(23)	(62)	(27)
Gain on foreign exchange rate and monetary variation	17	4	32	8
	(273)	(4)	(475)	29
Financial result, net	(1,156)	(426)	(2,073)	(808)

⁽¹⁾ Includes the variable portion of interest related to price ratios on national currency debts, such as IPCA, *índice Geral de Preços de Mercado* – IGP-M ("General Market Price Index") among others and recognition of borrowing costs.

10. INCOME TAXES, OTHERS TAXES, SECTORIAL 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 Income taxes recognized in the statement of income reconciliation

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

	3 months ended		Consolidated 6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Income before taxes	1,533	1,360	3,258	2,829
Nominal income taxes - 34%	(522)	(462)	(1,108)	(962)
Adjustments to income tax calculation:				
Tax benefit over income on own capital	59	61	59	61
Tax incentives	79	96	198	197
Differences on income taxes calculated based on deemed profit	29	26	17	26
Additions (reversals) to unrecognized tax loss carryforwards	(5)	(19)	(11)	(64)
Other additions (reversals)	(80)	(17)	(82)	(3)
Income taxes	(440)	(315)	(927)	(745)
Effective income tax rate	29%	23%	28%	26%
Current	(134)	(36)	(387)	(244)
Deferred	(306)	(279)	(540)	(501)

10.1.2 Deferred tax assets and liabilities

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

	Consolidated	
	06/30/2022	12/31/2021
Tax loss (includes negative basis)	466	404
Added value and provision for maintaining the integrity of shareholders' equity	423	461
Temporary differences:		
Business combination (note 15.3)	-	(671)
Post-employment benefit obligations	393	287
Provision for lawsuits	368	353
Estimated credit losses - Accounts receivable	314	281
Right to use the overtaking revenue concession	94	96
Added value linked to property, plant and equipment, and intangible assets	(607)	48
Fair value of indemnified financial assets	(1,955)	(1,535)
Debt interest capitalization	(165)	(160)
Accelerated depreciation	(42)	(40)
Fair value of financial instruments	124	14
Hydrological risk (GSF)	(38)	(42)
Others	(740)	(535)
Total	(1,365)	(1,039)
Non-current assets	707	727
Non-current liabilities	(2,072)	(1,766)

The variations in deferred taxes are as follows:

	Asset	Consolidated Liability
Balance as of December 31, 2021	727	(1,766)
Recognized effects on income	(158)	(382)
Effects recognized in other comprehensive income	151	63
Transfers between assets and Liabilities	(13)	13
Balance as of June 30, 2022	707	(2,072)
Balance as of December 31, 2020	656	(503)
Addition by business combination (note 15.3)	375	(600)
Recognized effects on income	(298)	(203)
Effects recognized in other comprehensive income	165	(2)
Transfers between assets and Liabilities	97	(97)
Balance as of June 30, 2021	995	(1,405)

10.1.3 Current tax assets and liabilities

	06/30/2022	Consolidated 12/31/2021
IRPJ	781	732
CSLL	128	123
Asset	909	855
Current	901	848
Non-current	8	7
	06/30/2022	Consolidated 12/31/2021
IRPJ	57	38
CSLL	62	18
Liability	119	56
Current	91	29
Non-current	28	27

Uncertainties about the Treatment of Income Taxes

On June 30, 2022 and December 31, 2021, the Company had R\$ 28 and R\$ 27 recognized in income taxes payable which refers to the impact of the uncertain tax positions.

In addition to the tax uncertainties in the treatment of income taxes that were recognized, on June 30, 2022, and December 31, 2021, the Company has the amount of R\$ 3,625 and R\$ 3,674, respectively.

This is related to the tax treatment adopted which is subject to inquiries from the tax authorities, where the Company's prognosis, supported by its legal advisors, is that such tax treatment adopted is accepted by the administrative and/or judicial authorities, when necessary. The main natures are listed below, as follows:

- (i) Non-addition of goodwill amortization expense in the IRPJ and CSLL calculation basis, of R\$ 3,232 (R\$ 3,249 on December 31, 2021).
- (ii) Administrative proceedings from the non-recognition of compensation requests made through credit rights of IRPJ and CSLL, totaling R\$ 133 (R\$ 126 on December 31, 2021).

10.2 Other taxes

10.2.1 Other recoverable taxes

	Consolidated	
	06/30/2022	12/31/2021
State VAT - ICMS	834	755
Tax on revenue - PIS ⁽¹⁾	985	1,090
Tax on revenue - COFINS ⁽¹⁾	4,513	5,056
National Institute of Social Security – INSS	27	28
Others	15	19
Other recoverable taxes	6,374	6,948
Current	2,307	2,085
Non-current	4,067	4,863

⁽¹⁾ See note n 10.3

10.2.2 Other taxes and sectorial charges payable

	Consolidated	
	06/30/2022	12/31/2021
State VAT - ICMS	622	808
Tax on revenue - PIS	200	169
Tax on revenue - COFINS	929	785
Withholding taxes and contributions	106	111
Others	50	67
Other taxes payable	1,907	1,940
Research and Development - R&D	186	189
Energy Efficiency Program – PEE	271	304
Others	5	312
Sectorial charges	70	73
Total other taxes and sectorial charges payable	532	878
	2,439	2,818
Current		
Non-current	1,224	1,690
State VAT - ICMS	1,215	1,128

10.3 Reimbursement to consumers – Federal taxes

In March 2017, the Federal Supreme Court (“STF”) concluded the judgment of the Extraordinary Appeal 574.706-PR, on a general repercussion basis, thus confirming that the ICMS is not a part of the calculation basis of PIS and COFINS. The Federal government filed a motion for clarification seeking to modulate the effects and definition of the ICMS value that will be excluded from the calculation basis of these contributions. In May 2021, the STF judged the motions and accepted them to some extent to (i) modulate in time the unconstitutionality decision, whose effects will occur after 03.15.2017 (judgment date of the leading case’s merit), setting aside judicial or administrative lawsuits filed until the referred date; and (ii) set that the ICMS portion to be deducted from the contributions’ calculations basis is the one separately disclosed in the invoice, and not the one effectively paid.

Considering the lawsuits filed by some subsidiaries and the modulation of the effects of the STF decision, the Company recognized a recoverable PIS and COFINS asset. The referred credits have been compensated pursuant to the regulation issued by the RFB in light of the maturing obligations. On the other hand, a corresponding liability was recognized, which is being transferred to the consumers through annual tariff events as the compensations are being made.

The balance of the liabilities recognized in the subsidiaries (Neoenergia Cosern, Neoenergia Coelba, Neoenergia Pernambuco, Neoenergia Distribution Brasília, and Neoenergia Elektro), adjusted by the SELIC rate and discounted from the compensations already made, represents the amount of R\$ 5,405 on June 30, 2022.

With the enactment of Law No. 14,385/22, of June 27, 2022, it was defined that the values concerning the reimbursement of undue payments by the energy distributors related to the final sentences from lawsuits or due to the excess collection regarding the exclusion of the ICMS from the calculation basis of PIS and COFINS must be allocated to the consumers through tariff proceedings.

The variations in reimbursements to consumers are presented below:

	Consolidated
Balance as of Decemeber 31, 2020	5,755
Addition by business combination (note 15.3)	148
Recognition	892
Adjustment	167
Payment	(1)
Portion A transfer (note 13)	(343)
Balance as of June 30, 2021	6,618
Balance as of December 31, 2021	6,029
Recognition	68
Adjustment	196
Compensation	(888)
Balance as of June 30, 2022	5,405
Current liability	1,880
Non-current liability	3,525

11. CASH AND CASH EQUIVALENTS

Cash equivalents are highly liquid operations, without use restrictions which are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Cash and demand deposits	184	296	1	-
Bank Deposit Certificate (CDB)	1,701	1,649	457	785
Investment funds	4,808	3,600	302	346
Total	6,693	5,545	760	1,131

The financial instruments portfolio classified as cash and cash equivalents is created with the purpose of better profitability and a lower level of risk. The average remuneration of these portfolios on June 30, 2022, is 100.19% of the CDI (99.31% on December 31, 2021).

12. TRADE ACCOUNTS RECEIVABLE AND OTHERS

	Consolidated			Consolidated		
	06/30/2022		12/31/2021		12/31/2021	
	Receivable	Expected credit loss	Accounts receivable, net	Receivable	Expected credit loss	Accounts receivable, net
Energy supply (note 12.1)	7,911	(1,643)	6,268	8,284	(1,492)	6,792
Commercialization of energy at CCEE	121	-	121	321	-	321
Distribution grid availability	651	(4)	647	668	(4)	664
Government Grant and subsidies	622	-	622	833	-	833
Other receivables	598	(99)	499	478	(84)	394
Total	9,903	(1,746)	8,157	10,584	(1,580)	9,004
Current asset			7,779			8,626
Non-current asset			378			378

12.1 Energy supply

The trade accounts receivable regarding energy supply comprise the receivable from distribution, generation and commercialization of energy.

The breakdown of trade accounts receivable regarding energy supply, per consumer class, is as follows:

	06/30/2022		Consolidated 12/31/2021	
	Receivable	Expected credit loss	Receivable	Expected credit loss
Residential	2,843	(899)	2,937	(800)
Commercial	779	(296)	918	(258)
Industrial	1,079	(192)	919	(191)
Rural	439	(152)	457	(140)
Government	463	(49)	466	(60)
Public lighting	346	(19)	367	(20)
Public service	308	(4)	313	(7)
Unbilled services	1,654	(32)	1,907	(16)
Total	7,911	(1,643)	8,284	(1,492)

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

	06/30/2022		Consolidated 12/31/2021	
	Receivable	Expected credit loss	Receivable	Expected credit loss
Current receivables	3,730	(111)	4,285	(91)
Overdue receivables:				
90 days	1,547	(108)	1,728	(115)
Between 91 and 180 days	442	(146)	377	(115)
Between 181 and 360 days	610	(261)	460	(175)
Over 361 days	1,582	(1,017)	1,434	(996)
	7,911	(1,643)	8,284	(1,492)

12.2 Variation of expected credit losses – PCE

	Consolidated 6 months ended	
	06/30/2022	06/30/2021
Balance at the beginning of the period	(1,580)	(1,271)
Addition by business combination (note 15.3)	-	(171)
Recognized effect on profit or loss for the period	(258)	(146)
Effective losses written-off	92	131
Balance at the end of the period	(1,746)	(1,457)

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

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

	06/30/2022			Consolidated 12/31/2021		
	Rights	Obligations	Net effect	Rights	Obligations	Net effect
CVA and Neutrality						
Energy	1,126	(397)	729	1,734	(8)	1,726
System Service Charges – ESS	1,021	(1,230)	(209)	1,766	-	1,766
Energy Development Account – CDE	516	-	516	82	(34)	48
Tariff on Use of Transmission Network – TUST	396	(9)	387	482	(4)	478
Others	219	(93)	126	67	(128)	(61)
Financial Components and Subsidies						
Overcontracting onlending ⁽¹⁾	486	(223)	263	111	(426)	(315)
Hydrological Risks	-	(971)	(971)	-	(912)	(912)
Demand's Overtaking / Surplus	-	(481)	(481)	-	(594)	(594)
COVID account – Liability	-	(15)	(15)	-	(34)	(34)
PIS/COFINS credits over ICMS ⁽²⁾	434	(792)	(358)	917	(1,116)	(199)
Water shortage flag ⁽³⁾	232	-	232	-	-	-
Others	405	(383)	22	173	(385)	(212)
Total	4,835	(4,594)	241	5,332	(3,641)	1,691
Values homologated by Aneel (under reversal)	2,497	(1,311)	1,186	1,742	(1,033)	709
Values to be homologated by Aneel (under construction)	2,338	(3,283)	(945)	3,590	(2,608)	982
Total	4,835	(4,594)	241	5,332	(3,641)	1,691
Current asset			1,578			1,681
Non-current asset			-			352
Non-current liabilities			(1,337)			(342)

⁽¹⁾ In August 2020, ANEEL published order 2,508, which established the exposure values to be treated as involuntary, in the energy purchase scope concerning the 2016/2017 biennium. On a timely basis, the company presented an administrative appeal regarding these values, contesting the criteria adopted in its calculation. The discussion around the unintended over-contracting due to Covid (CP 35/2020) continued, which had an impact on the determination of the over-contracting in the year 2020.

⁽²⁾ The transfer in the tariffs of the PIS/COFINS credits over ICMS will still be a subject of regulation by ANEEL in the Public Consultation 05/2021, however, ANEEL authorized the anticipated use of these values in special situations, where there is a possibility of an expressive tariff increase. Therefore, in the 2021 Tariff Readjustment, the anticipation of the reversal of the values from these credits as a negative financial component was recognized and its deferral for the next 12 months, from April/21 to Mar/22, is based on the expectation of these credits being compensated in the future along with the Federal Revenue.

⁽³⁾ The financial component was recognized in the process of Tariff Readjustment of 2022, as per the distributors' balance before the Flag Account in January/2022, to exclude the effects of the costs that are not covered by the Flags and that will be recovered during the cycle of the Water Shortage Flag.

14. PUBLIC SERVICE CONCESSIONS

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

14.1 Financial asset

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

	Consolidated	
	06/30/2022	06/30/2021
Balance at the beginning of the period	18,516	14,403
Addition by business combination (note 15.3)	-	137
Disposals	(17)	(13)
Reversals	5	1
Transfers – contract assets ¹	1,410	967
Transfers – intangible assets	5	12
Transfers – others ²	64	-
Fair value adjustments	1,208	661
Balance at the end of the period	21,191	16,168
Non-current asset	21,191	16,168

⁽¹⁾ Transfer of the distributor's financial asset classified as contract asset during the construction period.

⁽²⁾ Portion of the refunds concerning the program "Luz Para Todos" – LPT Tranch 9.

The tariff revision occurs every four years on Neoenergia Pernambuco and Neoenergia Elektro and every five years on Neoenergia Coelba, Neoenergia Cosern and Neoenergia Brasília.

14.2 Contract asset

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

	06/30/2022			Consolidated 12/31/2021		
	Transmission	Distribution	Total	Transmission	Distribution	Total
Current	637	-	637	492	-	492
Non-current	9,589	4,749	14,338	8,188	4,259	12,447
Total	10,226	4,749	14,975	8,680	4,259	12,939

These assets had the following variations in the period:

	Consolidated		
	Transmission	Distribution	Total
Balance as of December 31, 2021	8,680	4,259	12,939
Additions ⁽¹⁾	1,271	2,611	3,882
Disposals	-	(38)	(38)
Transfers - intangible in progress ⁽¹⁾	-	(703)	(703)
Transfers – financial assets ⁽¹⁾	-	(1,410)	(1,410)
Transfers – others	-	30	30
Contract asset amortization	(202)	-	(202)
Monetary variation	477	-	477
Balance as of June 30, 2022	10,226	4,749	14,975
Current asset			637
Non-current asset			14,338
Cost	10,226	5,168	15,394
Special obligations	-	(419)	(419)

	Consolidated		
	Transmission	Distribution	Total
Balance as of December 31, 2020	5,025	3,849	8,874
Addition by business combination (note 15.3)	-	141	141
Additions ⁽¹⁾	1,445	2,013	3,458
Disposals	-	(25)	(25)
Transfers - intangible in progress ⁽¹⁾	-	(617)	(617)
Transfers – financial assets ⁽¹⁾	-	(967)	(967)
Transfers – others	-	(41)	(41)
Contract asset amortization	(74)	-	(74)
Monetary variation	308	-	308
Balance as of June 30, 2021	6,704	4,353	11,057
Current asset			381
Non-current asset			10,676
Cost	6,704	4,636	11,340
Special obligations	-	(283)	(283)

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

15. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

15.1 Changes during the period

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

	Joint ventures	Associates	Total Consolidated	Subsidiaries	Total Parent Company
Balance as of December 31, 2021	1,138	62	1,200	25,742	26,942
Capital increase	34	-	34	1,522	1,556
Equity income (loss) of investees	5	6	11	2,771	2,782
Amortization of added value	-	-	-	(81)	(81)
Participation in other comprehensive income (loss)	-	-	-	(393)	(393)
Declared dividends	-	-	-	(2,544)	(2,544)
Others	-	-	-	9	9
Balance as of June 30, 2022	1,177	68	1,245	27,026	28,271
Balance as of December 31, 2020	1,026	1,401	2,427	20,350	22,777
Capital increase	16	-	16	2,852	2,868
Equity income (loss) of investees	35	(33)	2	2,265	2,267
Amortization of added value	-	-	-	(82)	(82)
Participation in other comprehensive income (loss)	-	-	-	(508)	(508)
Declared dividends	-	-	-	(2,003)	(2,003)
Others	-	-	-	1	1
Balance as of June 30, 2021	1,077	1,368	2,445	22,875	25,320

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15.2 Breakdown by investment class

Additional information regarding the main investees are as follows:

	Segment	Equity interest and voting capital	Balance of investments in		Gain (loss) on equity interest		Dividends received	
			06/30/2022	12/31/2021	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Subsidiaries								
Wholly-owned subsidiaries	Networks	100.00%	6,672	5,789	312	398	6	13
	Liberalized	100.00%	824	1,519	385	201	65	146
	Renewable	100.00%	6,845	5,229	120	100	69	96
	Others	100.00%	12	12	(28)	(2)	-	-
Other subsidiaries								
Neoenergia Coelba	Networks	98.94%	6,293	6,229	975	733	711	238
Neoenergia Elektro	Networks	99.68%	3,682	3,861	622	350	150	148
Neoenergia Pernambuco	Networks	89.65%	1,498	1,819	87	230	251	-
Neoenergia Cosern	Networks	93.05%	1,355	1,467	257	227	22	66
Afluenta T	Networks	90.13%	236	223	26	11	-	24
			27,417	26,148	2,756	2,248	1,274	731
Associates and joint ventures								
Teles Pires Participações	Renewable	50.56%	813	808	(32)	(1)	-	-
Companhia Hidrelétrica Teles Pires	Renewable	51.00%	25	26	-	-	-	-
Águas da Pedra	Renewable	51.00%	340	304	37	35	23	14
Norte Energia S.A. (NESA) ⁽¹⁾	Renewable	10.00%	-	-	-	(35)	-	-
Energética Corumbá III	Renewable	25.00%	67	62	6	4	-	-
			1,245	1,200	11	3	23	14
Shareholders' transactions			(391)	(406)	15	16	-	-
Total			28,271	26,942	2,782	2,267	1,297	745

⁽¹⁾ Risks related to legal compliance at NESA: In 2014, the *Ministério Público Federal* – MPF (“General Attorneys’ Office”) started investigations regarding irregularities involving contractors and suppliers from the Project HPP Belo Monte and NESA’s other shareholders, which are still ongoing.

In 2015, NESA hired specialized law and audit firms, in connection with the internal investigation process conducted by an Independent Commission that was approved in the context of one of the investee’s shareholders, *Centrais Elétricas Brasileiras S.A. – Eletrobrás*, whose services were completed in 2016, which included that certain contracts contained an estimated overprice of 1% of the contracts’ amount. As a consequence, NESA recognized impairment losses in proportion to its interest in the project. Considering that the MPF investigation is still ongoing and there are no new facts, it is not possible to predict any impact on the investee.

15.3 Business combination: acquisition of CEB Distribuição S.A. (“CEB-D”), current Neoenergia Brasília

On December 4, 2020, the Company, through its subsidiary Bahia Geração de Energia S.A. (“Bahia PCH III”), was the winner of the Public Session in the Auction 01/2020-CEB-D (“Auction”) concerning the privatization of the Electric Energy Distributor CEB-D, having presented the winning bid of R\$ 2,515 for the acquisition of 100% of the issued shares from CEB-D, whose settlement occurred on March 2, 2021, after the previous approval by the Administrative Council for Economic Defense (“CADE”) and previous approval of the National Electric Energy Agency (“ANEEL”), which occurred on January 14 and 22, 2021, respectively.

CEB-D is an energy distributor from the Federal District and holds the concession for the energy distribution in the Federal District for 30 years, until July 7, 2045. The acquisition of CEB-D was Yearther step aligned with the Company’s expansion plan in the Brazilian Electric Sector.

Below is presented the result from the business combination through the comparison of the value paid and the fair value of the main identifiable acquired assets and liabilities assumed on March 2, 2021, the business combination date:

Paid compensation value	2,515
(-) Cash acquired in the acquisition	(100)
Net value of the cash outflow	2,415
Fair value of the assets acquired	
Accounts receivable and others	621
Recoverable taxes	164
Judicial deposits	23
Public service concession (financial asset)	137
Public service concession (contract asset)	134
Deferred income taxes	393
Other assets	97
Fixed assets	46
Intangible assets (Concession contract) ⁽¹⁾	2,716
Other intangible assets	8
	4,339
Fair value (-) of the assumed liabilities	
Suppliers and accounts payable to contractors	(461)
Payable sectorial taxes and charges	(460)
Loans and financing	(226)
Payable wages, benefits to employees and charges	(115)
Sectorial financial liability (Portion A and others)	(198)
Provisions ⁽²⁾	(199)
Reimbursement to consumers – Federal taxes	(148)
Deferred income taxes ⁽³⁾	(671)
Other liabilities	(117)
	(2,595)
Net asset acquired	1,744
(=) Goodwill	671

The Company is not subject to contingent compensations or has the right to indemnities that may affect the purchase price. The expenses with legal fees, financial advisors, due diligence, taxes, among others, related to the acquisition of CEB-D totalled R\$ 25.

The assumptions and evaluation techniques of the main identified acquired assets and liabilities assumed in the acquisition of CEB-D are as follows:

⁽¹⁾ Intangible related to the concession contract of service provision related to the distribution of energy in the Federal District until July 7, 2045, for R\$ 2,516, where the fair value adjustment made in the process of allocating the purchase price was R\$ 1,945. The intangible's fair value (concession contract) was evaluated through the multi-period excess earnings method, which considers the present value of the concession's net expected cash flows. The key assumptions were:

- The remaining concession period of 24 years.
- Expected energy volume and respective tariffs per consumer class, based on ANEEL's established methodology.
- Operating expenses based on the Management's estimates, considering the Company's experience in the management of concession contracts.
- Investment expectations for the maintenance and improvement of the structure from CEB-D, considering the evaluation parameters which are consistent with the size and long-term strategic planning from CEB-D.
- Income taxes of 34%.
- Discount rate reflecting the Weighted Average Capital Cost – WACC, in an adequate level of perception to the Market risk and adequate remuneration to the shareholders on the acquisition date.

⁽²⁾ Contingent liabilities related to judicial proceedings under tax, civil, labor and regulatory matters, based on the best estimation of loss according to the Management's judgment in the amount of R\$ 199, where the fair value adjustment made in the process of allocating the purchase price was R\$ 93, which reflects in the Management's best expectation with regard to the disbursements concerning the ongoing judicial proceedings, based on recent judicial decisions and broad case law that was formed in relation to the claims of the referred judicial proceedings. The fair value of the judicial proceeding of civil, labor, tax and regulatory natures on the acquisition date are as follows:

Judicial proceedings	
Civil	23
Labor	58
Tax	31
Regulations	87
Provisions and contingent values at fair value	199
(-) Provision for judicial proceedings previously recognized by CEB-D	(106)
(=) Fair value adjustment	93

⁽³⁾ The deferred income taxes calculated over the adjustments between the book values and the fair values of the assets and liabilities aforementioned (i) and (ii), at the nominal rate of 34% totalled R\$ 671. The goodwill and the judicial proceedings adjustments in the amounts of R\$ 671 e R\$ 31 are not part of the calculation basis, respectively.

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16.PP&E

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

	Consolidated					
	Wind farms	Combined cycle plants	Hydropower plants	Constructions and land	Others	Assets under development
Depreciation rate p.y	3.03% - 16.70%	2.50% - 20.00%	2.00% - 16.70%	0.00% - 9.10%	2,5% - 20,00%	
Balance at December 31, 2021	3,007	724	1,758	1,564	26	2,481
Additions	-	-	-	-	-	1,154
Capitalized costs ⁽¹⁾	-	-	-	-	-	45
Disposals	-	-	-	-	-	(1)
Depreciation	(67)	(28)	(30)	(26)	(3)	-
Transfers between classes	293	80	5	85	17	(480)
Balance as of June 30, 2022	3,233	776	1,733	1,623	40	3,199
Cost	3,955	1,348	2,226	1,964	70	3,199
Accumulated depreciation	(722)	(572)	(493)	(341)	(30)	-
Balance at December 31, 2020	1,699	776	1,806	1,074	39	1,427
Addition by business combination (note 15.3)	-	-	-	-	10	36
Additions	-	-	-	-	-	703
Capitalized costs ⁽¹⁾	-	-	-	-	-	69
Disposals	-	-	-	-	-	(2)
Depreciation	(45)	(27)	(27)	(14)	(4)	-
Transfers between classes	54	-	6	(33)	(13)	(14)
Transfers - Other Assets	-	-	-	-	-	(162)
Balance as of June 30, 2021	1,708	749	1,785	1,027	32	2,057
Cost	2,379	1,323	2,222	1,253	112	2,057
Accumulated depreciation	(671)	(574)	(437)	(226)	(80)	-

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

17. INTANGIBLE ASSETS

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

	Consolidated				
	Goodwill	Concession	Software	Others	Assets under development
Amortization p.y.	0%	2.78% - 5.56%	6.20% - 20%	0% - 50%	
Balance as of December 31, 2021	671	12,073	11	33	13
Additions	-	-	-	-	3
Disposals	-	(30)	-	-	-
Amortization	-	(888)	(3)	(2)	-
Transfers – between intangible	-	-	2	-	(2)
Transfers – Financial asset ⁽¹⁾	-	(5)	-	-	-
Transfers – Contract asset ⁽²⁾	-	703	-	-	-
Transfers – Others ⁽³⁾	-	32	-	-	-
Balance as of June 30, 2022	671	11,885	10	31	14
Cost	671	31,370	125	41	14
Accumulated amortization	-	(17,638)	(115)	(10)	-
Special obligations	-	(1,847)	-	-	-
Balance as of December 31, 2020	-	9,366	6	84	5
Addition by business combination (note 15.3)	671	2,596	8	-	-
Additions	-	-	-	35	5
Disposals	-	(36)	-	-	-
Amortization	-	(773)	(5)	(6)	-
Transfers – Between intangible	-	-	1	3	(4)
Transfers – Financial asset ⁽¹⁾	-	(12)	-	-	-
Transfers – Contract asset ⁽²⁾	-	611	6	-	-
Transfers – Others	-	5	-	5	-
Balance as of June 30, 2021	671	11,757	16	121	6
Cost	671	29,999	122	144	6
Accumulated amortization	-	(16,102)	(106)	(23)	-
Special obligations	-	(2,140)	-	-	-

⁽¹⁾ Refers to the Distributors' contractual right to receive cash from the users due to the services of construction and improvements of the power distributors 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, accordingly to the remuneration arrangements.

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

⁽³⁾ Portion of the refund from the program "Luz Para Todos" – LPT Tranche 9.

18. SUPPLIERS AND ACCOUNTS PAYABLE TO CONTRACTORS

	Consolidated	
	06/30/2022	12/31/2021
Energy	1,529	1,650
Network usage charges	421	1,155
Material and services	1,798	2,696
Liberalized energy	158	185
Total	3,906	5,686
Current	3,749	5,538
Non-current	157	148

19. LOANS, FINANCING AND DERIVATIVE FINANCIAL INSTRUMENTS

19.1 Net debt

The Company evaluates net debt in order to ensure the business long-term continuity, being able to add value for its shareholders, through the payment of dividends and capital appreciation. Net debt is comprised as follows:

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Loans and financing from financial institutions	9,878	9,747	567	524
Development agencies	13,906	12,699	1,521	1,621
Capital markets	18,272	16,177	3,295	3,228
Loans and financing⁽¹⁾	42,056	38,623	5,383	5,373
(+) Debt hedging derivative financial instruments (note 19.3)	(261)	(1,870)	387	128
(-) Cash and cash equivalents (note 11)	(6,693)	(5,545)	(760)	(1,131)
(-) Market securities	(625)	(459)	(57)	-
Net debt	34,477	30,749	4,953	4,370

⁽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 by amortizing the related debts.

19.2 Loans and financing

The Company's debts are composed of funds mainly raised through bank loans, funding agencies and the capital market (debentures) and they mostly are 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 by the (i) amortized cost; or (ii) fair value through profit and loss.

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

a) Balance of the contracts by currency and interest rate

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Denominated in R\$	31,453	27,920	3,898	3,792
Floating interest rates	31,067	27,522	3,898	3,792
Fixed interest rates	386	398	-	-
Denominated in US\$	9,453	9,054	1,526	1,626
Floating interest rates	1,037	1,187	-	-
Fixed interest rates	8,416	7,867	1,526	1,626
Denominated in other currencies	1,450	1,921	-	-
Fixed interest rates	1,450	1,921	-	-
	42,356	38,895	5,424	5,418
(-) Collateral deposits	(93)	(90)	-	-
(-) Borrowing costs	(207)	(182)	(41)	(45)
	42,056	38,623	5,383	5,373
Current liability	7,906	7,940	1,806	2,276
Non-current liability	34,150	30,683	3,577	3,097

On June 30, 2022, the debts' average cost in percentage is as follows:

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Average cost in % CDI ⁽¹⁾	122.8%	171.4%	125.0%	180.2%
Average cost in fixed interest rate	11.1%	8.1%	11.3%	8.5%
Debt balance	42,056	38,623	5,383	5,373
Derivative financial instrument	(261)	(1,870)	387	128
Total debt, net of derivatives	41,795	36,753	5,770	5,501

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

b) Loans and financing amortization schedule

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

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

	Consolidated		
	Principal ²	Interest ²	Derivative instruments
2022	4,998	1,451	124
2023	5,830	2,661	629
2024	6,521	2,126	(186)
2025	5,090	1,825	(340)
2026	5,063	1,790	(288)
Between 2027 and 2031	13,299	3,927	(458)
Between 2032 and 2036	4,556	1,422	(722)
2037 onwards	2,573	546	-
Total	47,930	15,748	(1,241)

⁽¹⁾ The estimated future payment flow, including the principal and interest is calculated based on the interest rate curves (pre and post rates) and exchange rate in effect on June 30, 2022 and considering that all amortizations and payments upon maturity of the loans and financing will be made in the contracted deadlines. The amount includes estimated future payment of charges to incur (still not provisioned) and the incurred charges that are already recognized in the financial statements.

c) Debt reconciliation with the cash flow and other variations

	Consolidated		Parent Company	
	6 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Balance at the beginning of the period	38,623	26,380	5,373	2,128
Addition by business combination (note 15.3)	-	224	-	-
Cash transactions:				
Proceeds	6,214	7,598	550	2,500
Principal's amortization	(2,765)	(2,894)	(500)	-
Borrowing costs	(45)	(34)	-	(9)
Charges paid	(1,186)	(558)	(213)	(81)
Collateral deposits (redemption)	(3)	-	-	-
Non-cash transactions:				
Charges incurred	2,083	957	274	135
Foreign exchange rate variation	(814)	(467)	(101)	(28)
Fair value adjustments	(51)	(37)	-	-
Balance at the end of the period	42,056	31,169	5,383	4,645

In the six month period ended June 30, 2022, the Group raised R\$ 6,214, as follows: (i) R\$ 2,300 through bank loans and financing in foreign currency, along with the contracting of foreign Exchange swaps; (ii) R\$ 2,400 through the issuance of Capital Market instrument (debenture and Promissory Notes); and (iii) R\$ 1,514 through financing with national funding banks, including BNDES, BNB and BASA.

d) Credit lines

Type	Currency	Fundraising deadline	Total amount	Consolidated Used amount
Financing lines	R\$	29/12/2024	12,364	7,557
Financing lines	€	22/12/2024	1,097	-
Financing lines	US\$	21/07/2024	191	-
			13,651	7,557

e) Restrictive financial conditions (Covenants)

Some of the Company's debts contain covenants. The Company's main covenants indicate the obligation to maintain certain ratios, such as the debt on EBITDA and EBITDA on financial income (expenses) ratios.

The Company did not identify any event of non-compliance on June 30, 2022, and December 31, 2021.

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, options and other derivatives financial instruments for economic and financial protection purposes, as a part of the Company's risk management strategy.

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

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Loans and financing hedging instruments:				
Foreign exchange rate variation risk (NDF, Options and other derivatives)	(9)	1	(7)	(1)
Currency swap – US\$ vs R\$	292	1,571	(375)	(104)
Currency swap – Other currencies vs R\$	(99)	226	-	-
Interest rate swap – R\$	89	105	-	-
Other transactions hedging instruments:				
Foreign exchange rate variation risk – Goods and services	(7)	(19)	-	(9)
Price risk of own shares (NEOE3)	(5)	(14)	(5)	(14)
Net exposure	261	1,870	(387)	(128)
Current assets	381	738	-	-
Non-current assets	963	1,463	-	-
Current liabilities	(259)	(134)	(31)	(27)
Non-current liabilities	(824)	(197)	(356)	(101)

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

	Consolidated		Parent Company	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Derivatives not designated for hedge accounting				
Loans and financing hedging	1	2	-	-
Other transactions hedging	(7)	(12)	-	-
Hedge for the prices of the own shares (NEOE3)	(5)	(14)	(5)	(14)
Derivatives designated as hedge accounting – cash flow				
Loans and financing hedging	(325)	1,140	(382)	(105)
Other transactions hedging	(2)	(7)	-	(9)
Derivatives designated as hedge accounting – fair value				
Loans and financing hedging	599	761	-	-
	261	1,870	(387)	(128)

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

	Consolidated			Consolidated		
	06/30/2022			06/30/2021		
	Loans and financing hedging	Other operations hedging	Total	Loans and financing hedging	Other operations hedging	Total
Opening balance	1,903	(33)	1,870	2,546	37	2,583
Gain (loss) recognized in profit or loss	(1,300)	(29)	(1,329)	(469)	47	(422)
Gain (loss) recognized as capex	-	(29)	(29)	-	1	1
Gain (loss) recognized in other comprehensive income (loss)	(460)	-	(460)	(117)	(192)	(309)
Financial settlement inflow (outflow)	131	78	209	(482)	(51)	(533)
Closing balance	274	(13)	261	1,478	(158)	1,320
Gain (loss) recognized in profit and loss						
Operating costs	-	(14)	(14)	-	40	40
Financial income (expenses), net	(1,302)	(13)	(1,315)	(462)	6	(456)

	Parent Company			Parent Company		
	06/30/2022			06/30/2021		
	Loans and financing hedging	Other operations hedging	Total	Loans and financing hedging	Other operations hedging	Total
Opening balance	(104)	(23)	(128)	(89)	(5)	(94)
Gain (loss) recognized in profit or loss	(197)	(19)	(216)	(35)	12	(23)
Gain (loss) recognized in other comprehensive income (loss)	(168)	9	(158)	(18)	(23)	(41)
Financial settlement inflow (outflow)	87	28	115	4	(11)	(7)
Closing balance	(382)	(5)	(387)	(138)	(27)	(165)
Gain (loss) recognized in profit and loss						
Operating costs	-	(24)	(24)	-	14	14
Financial income (expenses), net	(197)	5	(191)	(35)	(1)	(36)

20. PROVISIONS AND JUDICIAL DEPOSITS

	Consolidated	
	06/30/2022	12/31/2021
Provision for lawsuits (note 20.1)	1,615	1,543
Provision for environmental obligations	127	129
Provision for asset dismantling obligations	106	101
Provision for reimbursement	164	84
	2,012	1,857
Current liability	326	256
Non-current liability	1,686	1,601

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 at 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, 2021	829	475	135	104	1,543
Additions and reversals, net	78	20	(10)	(24)	64
Payments	(86)	(37)	-	-	(123)
Monetary variation	100	29	-	2	131
Balance as of June 30, 2022	921	487	125	82	1,615
Balance as of December 31, 2020	623	405	149	12	1,189
Business combination (Note 15.3)	23	58	31	87	199
Additions and reversals, net	81	17	1	-	99
Payments	(75)	(37)	(38)	(2)	(152)
Monetary variation	67	37	-	3	107
Balance as of June 30, 2021	719	480	143	100	1,442

Among the relevant lawsuits whose risk of loss is considered as probable, the Company highlight:

⁽¹⁾ Civil lawsuits: From the total of R\$ 921 (R\$ 829 on December 31, 2021) provisioned, we highlight:

- Civil lawsuits where the indemnities for moral and property damage, among others, from incidents that occurred during the usual course of business, amounting to R\$ 407 (R\$ 362 on December 31, 2021).
- The Company is a party to civil lawsuits at the administrative and judicial levels, regarding landholding indemnity lawsuits, arising from discrepancies between the Company's evaluation value and the one claimed by the property owner. The provision for losses arising from these lawsuits are estimated and adjusted by the Company, supported by the opinion of its legal advisors, in the amount of R\$ 214 (R\$163 on December 31, 2021).

(2) Labor lawsuits: From the total of R\$ 487 (R\$ 475 on December 31, 2021) provisioned, we highlight:

- A collective action filed by the Electricians Union of Rio Grande do Norte, for the implementation of the Career and Salary Positions Plan, thus claiming the promotions for merit and seniority with all the legal consequences. Part of the court decision was upheld, and the process is at the sentence settlement stage. The amount provisioned of R\$ 88 (R\$ 85 on December 31, 2021) corresponds to the probable estimate of resources necessary to settle this discussion.
- Lawsuits filed by employees and former employees against the Company, involving the charges of overtime hours, additional pay for health hazard, salary equalization/reclassification, discussion about the career and salary positions plan and others, whose provisioned value is R\$ 215 (R\$ 209 on December 31, 2021);
- Lawsuits filed by former employees from contractors (joint and/or subsidiary liability) involving the charge of indemnifying installments and others, where the estimated amount is R\$ 100 (R\$ 104 on December 31, 2021).

b) Contingent liabilities

Contingent liabilities correspond to unrecognized lawsuits since they are current obligations whose outflow of resources is not probable or which obligation value cannot be estimated reliably, based on the legal opinions. The contingent liabilities are shown below:

	Consolidated	
	06/30/2022	12/31/2021
Civil ⁽¹⁾	2,934	2,688
Labor ⁽²⁾	841	800
Tax ⁽³⁾	4,204	3,457
Regulatory ⁽⁴⁾	385	353
	8,364	7,298

The relevant lawsuits whose probability of loss was considered as possible are presented below:

⁽¹⁾ Civil: Refers to actions of a commercial and indemnity nature, brought by individuals and legal entities, involving repetition of undue damages, property damages, pain and suffering, among others, whose highlights are discussed below:

- Action filed by the General Attorneys' Office in 2017 questioning the collection of home insurance by Elektro and offered to its consumers together with the electricity bill. In 2020, the lower court judged the illegitimacy of ANEEL and the federal government to be part of the lawsuit and declared the Federal Court's absolute incompetence to judge the claim. Thus, it determined the transfer of the records to the State Justice for judging the action. Elektro filed motions to clarify against such decision in order to obtain also the declaration of MPF's lack of standing to sue (sole plaintiff), which would lead to the extinction of the fact. The estimated amount of the claim is R\$ 245 (R\$ 220 on December 31, 2021).
- Judicial discussion that questions normative regulatory acts from ANEEL (Normative Resolution 387/2009 and SFF/ANEEL Order 2571/2010), which addresses the calculation methodology of the balance from free energy between the generators and distributors. The estimated value is R\$ 178 (R\$ 164 on December 31, 2021).

- Indemnity action filed by Jaguaripe Agro Industrial S / A, against Neoenergia Coelba due to a power cut at its facilities without prior notice, in the estimated amount of R\$ 68 (R\$ 63 on December 31, 2021).
- Indemnity actions filed by third parties due to accidents (Electroplession) with the electric network at Neoenergia Pernambuco. Non-compliance by the population / consumer with safety rules and distances, as well as wire breakage, due to natural phenomena or technical failures, with an estimated value of R\$ 105 (R\$ 85 on December 31, 2021).
- Lawsuits that discusses the legitimacy of invoices made by the distributors' infrastructure installations in highway stretches. As the subject still is not settled by the Courts, the Company's legal advisors maintain the loss prognostic as possible. The estimated amount is R\$ 571 (R\$ 469 on December 31, 2021).
- Lawsuits of commercial and indemnifying natures, filed by individuals and legal entities, involving the repayment in case of mistake, property and/or moral damages, among others with an estimated value of R\$ 352 (R\$ 228 on December 31, 2021).

The amounts were adjusted for inflation based on the INPC variation, plus interest of 1% p.m.

⁽²⁾ Labor lawsuits: They refer to lawsuits filed by employees and former employees against the subsidiaries, involving the collection of overtime, health hazard premiums, wage parity/reclassification, discussion of the job and salary plan and others, as well as actions filed by former employees of contractors (subsidiary and/or joint liability) involving the collection of indemnity and other installments. The values were adjusted by the variation of the IPCA in the pre-procedural stage and the SELIC rate after the filling of the labor lawsuits.

- Lawsuits filed by employees and former employees against the Company, involving the charges of overtime hours, additional pay for health hazard, salary equalization/reclassification, discussion about the career and salary positions plan and others, whose provisioned value is R\$ 760 (R\$ 734 on December 31, 2021).

⁽³⁾ Tax proceedings: Refer to tax lawsuits and objection against charges, subpoenas and tax assessment notices related to several taxes, such as ICMS, ISS, CPMF, IPTU, PIS/COFINS, among others, whose highlights are presented below:

- Tax assessment notices related to ICMS credit whose bookkeeping in the "Credit Control of ICMS regarding the permanent asset" (CIAP) was allegedly in disagreement with the revised rules in the tax legislation, estimated at R\$ 429 (R\$ 411 on December 31, 2021);
- Tax assessment notices related to ICMS credit on assets for the Company's fixed assets and fuels used in the operating fleet, estimated at R\$ 294 (R\$ 287 on December 31, 2021);
- Tax assessment related to reversals of ICMS debts (Agreement 30) related to the re-invoicing of electricity bills, estimated at R\$ 180 (R\$179 on December 31, 2021);
- Tax assessment for alleged use of ICMS in the acquisition of fixed assets, from micro-company suppliers, duplicate credits and in the acquisitions of purchases with future delivery, estimated at R\$ 491 (R\$ 480 on December 31, 2021);

- Tax assessment notices related to social contributions (INSS) on amounts paid under profit sharing, private pension, healthcare, Workers' Meal Program - PAT as well as amounts paid as labor assignments, estimated at R\$ 96 (R\$ 90 on December 31, 2021).
- Tax assessment notice issued by the city of Salvador, for the billing of COSIP (Contribution to fund the street lighting service) from 01/2018 to 12/2019, due to alleged differences of charges under the contribution's original value, at the estimated amount of R\$ 70 (R\$ 68 on December 31, 2021).
- Tax lawsuits and objection against charges, subpoenas and tax infractions notices referring to several taxes, such as ICMS, PIS/COFINS, CIDE, among others, at the amount of R\$ 501 (R\$ 416 on December 31, 2021).
- Tax assessment notice discussing the levy of withholding income tax due to operation to merge Elektro Holding into Neoenergia in August 2017, at the amount of R\$ 372 (R\$363 on December 31, 2021).

The values were monetarily adjusted by the variation of the SELIC rate.

⁽⁴⁾ Regulatory lawsuits: Refer to lawsuits against the Group's distribution operators, whose subject matters are related to procedures for, individual and collective, service technical continuity ratios calculation, commercial matters, the corresponding financial compensation and recovery of global ratios, matters related to the collection or legality of tariff elements or items and issues related to the legality of administrative lawsuits filed by ANEEL.

c) Judicial deposits

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

		Consolidated
	06/30/2022	12/31/2021
Civil	491	444
Labor	353	359
Tax	284	254
Other lawsuits	31	30
	1,159	1,087

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

21. OTHER LIABILITIES

	06/30/2022	Consolidated 12/31/2021
Collateral deposits ⁽¹⁾	714	663
Reimbursement to consumers	211	562
Contribution for Public Lighting Service Funding - COSIP	119	112
Use of public good - UBP	83	78
Others	270	238
Total	1,397	1,653
Current liabilities	1,045	1,349
Non-current liabilities	352	304

⁽¹⁾ Collateral deposits are recognized in cash to ensure the contracts' fulfillment in both, operational clauses and compulsory payment of charges regarding the employees from the companies providing services.

22. EMPLOYEE BENEFITS

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

The short-term benefits include (i) Profit Sharing Program (PSP); (ii) medical and dental care plans; and (iii) other usual market benefits.

The post-employment long-term benefits include (i) complementary pension plan ("Pension plan – Defined benefit"); (ii) complementary pension plan ("Pension plan – Defined contribution") and (iii) post-employment health plan.

The values recognized in the financial statement are shown below:

	06/30/2022	Consolidated 12/31/2021
Salaries, vacations and 13th salary and charges payable	415	550
Short-term benefits	73	112
Long-term benefits – Post-employment ⁽¹⁾	1,139	784
	1,627	1,446
Non-current Asset	(5)	(4)
Current liabilities	489	661
Non-current liabilities	1,143	789

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

22.1 Long-term benefits – Post-employment

The following variations are highlighted below:

a) Variations in the plans' assets and liabilities

	Consolidated			
	Defined benefit			Health
	Actuarial obligations	Assets' Fair value	Ceiling effect	Asset (Liabilities) net
Balance as of December 31, 2020	(3,506)	3,489	(252)	(269)
Business combination	(458)	493	(35)	-
Service costs	(7)	-	-	(7)
Interests effect	(273)	274	(17)	(16)
Contributions paid by the participants	(5)	5	-	-
Contributions paid by the sponsor	-	51	-	51
Benefits paid by the plan	308	(308)	-	-
Effects of the change in the actuarial assumptions and ceiling effect	176	-	89	265
Income on the plan's assets (Excluding interest income)	-	(220)	-	(220)
Ceiling effect	-	-	35	35
Balance as of December 31, 2021	(3,765)	3,784	(180)	(161)
Service costs	(4)	-	-	(4)
Interests effect	(139)	131	-	(8)
Contributions paid by the participants	(2)	2	-	-
Contributions paid by the sponsor	-	26	-	26
Benefits paid by the plan	140	(140)	-	-
Effects of reductions/liquidations	(7)	-	-	(7)
Effects of the change in the actuarial assumptions and ceiling effect	(351)	-	-	(351)
Income on the plan's assets (Excluding interest income)	-	43	-	43
Balance as of June 30, 2022	(4,128)	3,846	(180)	(462)
Surplus plans	(988)	1,093	(180)	(75)
Deficit plans	(3,140)	2,753	-	(387)

⁽¹⁾In 2022, the Company determined an actuarial loss due to the effect of the changes in the financial assumptions of R\$ 327, mainly caused by the changes in the interest rates.

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b) Amount recognized in the profit or loss for the period

	06/30/2022				Consolidated 06/30/2021			
	Defined benefit	Post-employment health plan	Defined contribution	Total	Defined benefit	Post-employment health plan	Defined contribution	Total
Service cost	(3)	-	(40)	(43)	(2)	-	(41)	(43)
Expenses with the liabilities' interest	(120)	(29)	-	(149)	(108)	(29)	-	(137)
Income with the assets' interest	116	-	-	116	99	1	-	100
	(7)	(29)	(40)	(76)	(11)	(28)	(41)	(80)
Allocation of the service costs:								
Profit or loss for the period	(3)	-	(40)	(43)	(2)	-	(41)	(43)

c) Amount recognized in other comprehensive income

	06/30/2022			Consolidated 06/30/2021		
	Defined benefit	Post-employment health plan	Total	Defined benefit	Post-employment health plan	Total
Balance at the beginning of the period	(40)	(184)	(224)	(71)	(266)	(337)
Effect of the change in the actuarial assumptions	(359)	(22)	(381)	(276)	-	(276)
Income on the plan's assets (excluding interest income)	42	-	42	85	-	85
Other effects	13	-	13	-	-	-
Gross effect	(304)	(22)	(326)	(191)	-	(191)
Income taxes	104	7	111	65	-	65
Net effect on other comprehensive income	(200)	(15)	(215)	(126)	-	(126)
Balance at the end of the period	(240)	(199)	(439)	(197)	(266)	(463)

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d) Amount recognized in the Statement of Financial Position

	06/30/2022		Consolidated 12/31/2021	
	Defined benefit	Post-employment health plan	Defined benefit ⁽¹⁾	Post-employment health plan
Present value of actuarial obligations	(4,129)	(703)	(3,766)	(680)
Assets' fair value	3,849	-	3,785	-
Effect of the asset's limit (ceiling)	(182)	-	(180)	-
Total Liability (Asset), net	(462)	(703)	(161)	(680)
Addition of the onerous contract	-	-	(9)	-
Total (Liability) net	(462)	(703)	(170)	(680)
Non-current asset	4	-	4	-
Current liabilities	(118)	(27)	(51)	(55)
Non-current liabilities	(348)	(676)	(123)	(625)

⁽¹⁾ Considers the plan "FACEB Saldado", which was originally presented separately in the Financial Statements for 2021.

e) Other information about the plans: Defined benefits and Post-employment Health-plan

(i) Sensitivity analysis and actuarial/economic hypotheses

The adopted actuarial and economic hypotheses were executed considering the long-term projected for its maturation, therefore, they need to be analyzed under this point of view. In the short-term, they may not necessarily occur. In the assessments, the following economic hypotheses were adopted:

	06/30/2022					
	Néos – Plan BA	Néos – Plan RN	Néos – Plan PE	PSAP/ Elektro	NDB – FACEB Saldado	NDB – FACEB – Plan BD
Nominal average discount rate	8.17%	7.98%	7.78%	9.24%	8.11%	7.86%
Nominal average salary cost rate	N/A	N/A	4.03%	5.58%	3.00%	N/A
Average rate of the estimated inflation concerning the long-term	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Term (in years)	8.94	7.75	9.28	12.77	11.48	10.48
Mortality table	SUSEP BR - EMSsb v2015 (male) smoothed in 15%	AT-2000 M&F	AT-2000 M&F smoothed in 10%	AT-2000 male, smoothed in 10%	BR-EMSsb-v.2015 M&F	BR-EMSsb-v.2015 M&F
Invalidity table	N/A	N/A	Light average	Light weak smoothed in 30%	TASA 1927	N/A
Mortality table of disabled people	BR EMS sb v2010 (male)	AT-1983 weighted (40% male and 60% female), smoothed in 10%	AT-1983 maleulina	AT-1949 Maleulina, aggravated in 10%	RP2000-DISABLE D	RP2000-DISABLE D

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	12/31/2021					
	Néos – Plan BA	Néos – Plan RN	Néos – Plan PE	PSAP/ Elektro	NDB – FACEB SALDADO	NDB – FACEB – Plan BD
Nominal average discount rate	8.17%	8.16%	8.18%	8.94%	8.42%	8.26%
Nominal average salary cost rate	N/A	N/A	4.03%	5.58%	N/A	N/A
Average rate of the estimated inflation concerning the long-term	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Duration (in years)	8.94	7.52	9.16	13.91	11.47	10.36
Mortality table	SUSEP BR – EMSsb v2015 (M) smoothed in 15%	AT2000 (M&F)	AT-2000 M&F smoothed in 10%	AT-2000 male, smoothed in 10%	BR-EMSsb-v.2015 M&F	BR-EMSsb-v.2015 M&F
Invalidity table	N/A	N/A	<i>Light average</i>	<i>Light weak smoothed 30%</i>	TASA 1927	N/A
Mortality table of disabled people	BR SEM sb v2010 (M)	AT1983 weighted (40% M and 60% F), smoothed in 10%	AT1983 (M)	AT-49 - Male smoothed in 10%	RP2000-DISABLED	RP2000-DISABLED

For the plan “post-employment health-plan”, the Company followed the following biometric tables: (i) Mortality – AT2000 Basic, and (ii) Disabled people – Light average.

23.SHAREHOLDERS' EQUITY

23.1 Share capital

On June 30, 2022 and December 31, 2021, the share capital is R\$12,920 which corresponds to 1,213,797,248 issued common shares (“ON”) fully subscribed, paid-up and without par value.

	Shareholders		
	ON	ON %	R\$
Iberdrola Energia S A. (“Iberdrola”)	606,898,625	50.00%	6,460
Iberdrola S.A.	42,482,904	3.50%	452
Previ-Caixa de Prev. dos Func. do Banco do Brasil (“Previ”)	367,647,583	30.29%	3,913
Other shareholders – Free float	196,252,888	16.17%	2,089
Advisors and directors	514,848	0.04%	5
Treasury shares	400	0.00%	-
Total shares	1,213,797,248	100%	12,920

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23.2 Earnings per share and shareholders' remuneration

a) Earnings per share

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

	Attributed to shareholders of Neoenergia S/A			
	Consolidated		Parent Company	
	3 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net income for the period	1,075	1,045	2,287	2,084
Weighted average number of the outstanding shares	1,214	1,214	1,214	1,214
Basic and diluted earnings per share	0.89	0.86	1.88	1.72

	Attributed to shareholders of Neoenergia S/A			
	Consolidated		Parent Company	
	3 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Net income for the period	1,077	996	2,281	1,997
Weighted average number of the outstanding shares	1,214	1,214	1,214	1,214
Basic and diluted earnings per share	0.89	0.82	1.88	1.65

b) Shareholders' remuneration

In June 2022, the Board of Directors approved an anticipated compensation to the shareholders of R\$ 167 concerning the period of 2022, in the form of interest on own capital, to be paid by the Company until December 28, 2022.

24. 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 its 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.

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:

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24.1 Outstanding balance with related parties

	06/30/2022				Consolidated 12/31/2021			
	Joint ventures	Associates	Shareholders and others	Total	Joint ventures	Associates	Shareholders and others	Total
Asset								
Accounts receivable e Others	3	2	-	5	1	1	-	2
Dividends and interest on own capital receivable	-	2	-	2	23	2	-	25
Other Assets	-	-	36	36	-	-	49	49
	3	4	36	43	24	3	49	76
Liabilities								
Suppliers and accounts payable	44	118	58	220	45	119	122	286
Employee benefits	-	-	35	35	-	-	44	44
Dividends and interest on own capital receivable	-	-	835	835	-	-	805	805
Other Liabilities	-	-	5	5	-	-	4	4
	44	118	933	1,095	45	119	975	1,139
	06/30/2022				Parent Company 12/31/2021			
	Subsidiaries	Joint ventures and Associates	Shareholders and others	Total	Subsidiaries	Joint ventures and Associates	Shareholders and others	Total
Asset								
Dividends and interest on own capital receivable	1,815	-	-	1,815	606	23	-	629
Other Assets	374	-	-	374	636	-	-	636
	2,189	-	-	2,189	1,242	23	-	1,265
Liabilities								
Suppliers and accounts payable	-	-	47	47	-	-	105	105
Dividends and interest on own capital receivable	-	-	792	792	-	-	786	786
Other Liabilities	238	-	-	238	49	-	-	49
	238	-	839	1,077	49	-	891	940

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24.2 Transactions with related parties

	06/30/2022				Consolidated 06/30/2021			
	Joint Ventures	Associates	Shareholders and Others	Total	Joint ventures	Associates	Shareholders and Others	Total
Profit (loss) for the period								
Operating revenue, net	23	9	-	32	6	-	-	6
Service costs	(225)	(546)	(3)	(774)	(215)	(459)	(37)	(711)
General and administrative expenses	-	-	(86)	(86)	-	-	(59)	(59)
Financial income (expenses), net	-	-	(3)	(3)	-	-	(4)	(4)
	(202)	(537)	(92)	(831)	(209)	(459)	(100)	(768)

	06/30/2022				Parent Company 06/30/2021			
	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	-	-	(46)	(46)	-	-	(40)	(40)
Financial income (expenses), net	74	-	-	74	83	-	-	83
	76	-	(46)	30	85	-	(40)	45

24.3 Key management personnel compensation

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

	Consolidated			
	3 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Wages and recurring benefits	12	10	23	20
Short-term variable remuneration	6	4	10	8
Long-term benefits	6	4	11	10
Contract rescission	-	1	-	1
	24	19	44	39

	Parent Company			
	3 months ended		6 months ended	
	06/30/2022	06/30/2021	06/30/2022	06/30/2021
Wages and recurring benefits	10	8	18	14
Short-term variable remuneration	4	4	8	6
Long-term benefits	5	3	10	9
	19	15	36	29

24.4 Provided financial guarantees

The guarantees offered by the Company are based on contractual terms that support the financial operations between the joint ventures/subsidiaries and third parties, ensuring the assumption of the obligation's fulfilment, in case the original debtor does not comply with the established financial commitments.

On June 30, 2022, the total financial guarantees granted by the Company to certain joint ventures and subsidiaries totalled R\$ 4,474.

25. CLASSIFICATION AND ESTIMATIONS OF THE FAIR VALUES FROM FINANCIAL INSTRUMENTS

25.1 Financial instruments classification and measurement

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					
	06/30/2022			12/31/2021		
	AC	FVTOCI	FVTPL	AC	FVTOCI	FVTPL
Financial assets						
Cash and cash equivalents	1,887	-	4,806	1,945	-	3,600
Securities and marketable securities	88	-	537	26	-	433
Trade and other receivables	9,903	-	-	10,584	-	-
Derivative financial instruments	-	732	612	-	1,430	771
Sectorial financial assets (Portion A and others)	1,578	-	-	2,033	-	-
Public service concession (financial asset)	-	-	21,191	-	-	18,516
Other financial assets	1	-	-	6	-	-
	13,457	732	27,146	14,872	1,430	23,042

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	06/30/2022			Consolidated 12/31/2021		
	AC	FVTOCI	FVTPL	AC	FVTOCI	FVTPL
Financial liabilities						
Suppliers and accounts payable to contractors						
Loans and financing	3,906	-	-	5,686	-	-
Sectorial financial liabilities (Portion A and others)	40,376	-	1,680	36,687	-	1,936
Derivative financial instruments	1,337	-	-	342	-	-
Lease obligations	-	1,067	16	-	309	22
Use of public asset	182	-	-	146	-	-
Other financial liabilities*	83	-	-	78	-	-
Financial assets	301	-	-	365	-	-
	46,185	1,067	1,696	43,304	309	1,958

AC – Amortized cost

FVTOCI – Fair value through other comprehensive income

FVTPL – Fair value through profit and loss

25.2 Fair value estimate

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 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).

25.3 Financial instruments recognized by the fair value ("FVTPL" or "FVTOCI")

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

	06/30/2022			Consolidated 12/31/2021		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	4,806	-	4,806	3,600	-	3,600
Securities and marketable securities	537	-	537	433	-	433
Derivative financial instruments	1,344	-	1,344	2,201	-	2,201
Public service concession (Financial asset)	-	21,191	21,191	-	18,516	18,516
	6,687	21,191	27,878	6,234	18,516	24,750
Financial liabilities						
Loans and financing	1,680	-	1,680	1,936	-	1,936
Derivative financial instruments	1,083	-	1,083	331	-	331
	2,763	-	2,763	2,267	-	2,267

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

The gains and losses recognized in profit or loss for the six months ended June 30, 2022 and 2021, related to the financial assets and liabilities measured through level 3 techniques were R\$ 1,208 and R\$ 661, respectively. The other transfers for these assets and liabilities are disclosed in note 14.1.

25.4 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.

	06/30/2022		Consolidated 12/31/2021	
	Book Balance	Fair value estimate – Level 2	Book Balance	Fair value estimate – Level 2
Loans and Financing	40,376	39,941	36,687	36,474

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 sectorial financial assets, and liabilities are equal to the amount measured at amortized cost (book balance).

25.5 Evaluation methods and techniques

The evaluation methods and techniques are the same ones disclosed in the financial statements for the year ended December 31, 2021.

25.6 Additional information on derivative financial instruments

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

All derivative operations of the Company's hedge programs are detailed in the tables below, which include information on the type of instrument, notional value, maturity, fair value including credit risk and amounts receivable or payable.

In order to assess the economic relationship between the hedged item and the hedging instrument, the Company adopts prospective effectiveness testing methodology through the critical terms of the hedged item and the contracted derivatives, in order to conclude whether there is an expectation that changes in the cash flows of the hedged item and the hedging instrument can be mutually offset.

On June 30, 2022, there was no deposited margin value concerning the positions with derivative financial instruments.

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 as follows are designated for hedge accounting and measured at fair value through profit or loss:

Swap US\$ float vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
	Company					
Asset	US\$ 143	US\$ 151	2027 -	744	852	
Liability	R\$ 467	R\$ 487	2029	(448)	(469)	
Net exposure				296	383	(87)
Accumulated effect on the amount receivable/received or payable/paid						
Swap US\$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
	Company					
Asset	US\$ 86	US\$ 86	2025 -	442	499	
Liability	R\$ 231	R\$ 228	2027	(228)	(224)	
Net exposure				214	275	(61)

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

Swap US\$ float vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
	Company					
Asset	US\$ 57	US\$ 60		295	340	
Liability	R\$ 189	R\$ 197	2030	(192)	(199)	
Net exposure				103	141	(38)
Accumulated effect on the amount receivable/received or payable/paid						
Swap US\$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
	Company					
Asset	US\$ 1,524	US\$ 1,322	2022 -	7,618	7,402	
Liability	R\$ 7,729	R\$ 6,425	2036	(7,939)	(6,631)	
Net exposure				(321)	771	(1,092)

Euro loans and financing hedging program

For economic and financial hedging purposes, the Company may contract swaps to convert 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 as follows are designated as hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

Swap EUR \$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Company						
Asset	€ 159	€ 159	2022 -	865	1.037	
Liability	R\$ 719	R\$ 711	2024	(725)	(720)	
Net exposure				140	317	(177)

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

For economic and financial hedging purposes, the Company may contract swaps to convert 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 as follows are designated as hedge accounting and measured at fair value through profit or loss:

Swap IPCA vs CDI	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Company						
Asset	R\$ 535	R\$ 617	2022 -	525	615	
Liability	R\$ 428	R\$ 504	2025	(427)	(502)	
Net exposure				98	113	(15)

Hedging program for U.S. Dollars payments

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

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

NDF	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable or payable
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Disbursement USD						
Forward	US\$ 177	US\$ 122	2022-2026	(30)	4	-
Net exposure				(30)	4	(34)

NDF	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable or payable
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Disbursement USD						
Put options	US\$ 38	US\$ 5	2022-2023	25	-	-
Net exposure				25	-	25

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 as hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

NDF	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Disbursement EUR						
Forward	€ 8	€ 26	2022 - 2024	(7)	(11)	-
Net exposure				(7)	(11)	4

Hedge program for disbursements in Reais

For the purpose of economic and financial hedge, the Company may contract swap operations to convert the fixed-rate debts and loans into CDI. In these swaps, the Company takes a short position in CDI and a long position at a rate fixed by the creditor bank.

The programs below are classified according to the hedge accounting criteria measured at fair value through profit or loss.

Swap R\$ fixed vs R\$ float	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Company						
Asset	R\$ 336	R\$ 336	2022	335	329	-
Liability	R\$ 343	R\$ 335		(343)	(336)	-
Net exposure				(8)	(7)	(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 as hedge accounting and is measured at the fair value through profit or loss.

Swap Equity Company	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022	12/31/2021	06/30/2022
Asset	R\$ 40	R\$ 40	2023	40	45	
Liability	R\$ 44	R\$ 59		(44)	(59)	
Net exposure				(4)	(14)	10

Yen loans and financing hedging program

For the purpose of economic and financial hedge, the Company contracts swap operations to convert 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.

Swap JPY fixed vs R\$ float Company	Notional value		Deadline (Year)	Fair value		Accumulated effect on the amount receivable/received or payable/paid
	06/30/2022	12/31/2021		06/30/2022 2	12/31/2021 1	06/30/2022
Asset	JPY 15,003	JPY 18,910	2026 - 2031	581	934	
Liability	R\$ 798	R\$ 998		(822)	(1,025)	
Net exposure				(241)	(91)	(150)

25.7 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.

- 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 June 30, 2022.
- Scenario II: Estimate of the fair value considering a deterioration of 25% in the associated risk variables.
- Scenario III: Estimate of the fair value considering a deterioration of 50% in the associated risk variables.

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)	Impact - Scenario (II)	Impact - Scenario (III)
U.S. Dollars denominated debt		Dollar appreciation		(9,455)	(2,362)	(4,727)
Swap long position in U.S Dollars	Dollar (US\$)	Dollar depreciation	5.2380	9,087	2,273	4,542
Net exposure				(368)	(89)	(185)
Euro denominated debt		Euro appreciation		(871)	(218)	(435)
Swap long position in Euro	Euro (€)	Euro depreciation	5.4842	865	216	432
Net exposure				(6)	(2)	(3)
Yen denominated debt		Yen appreciation		(579)	(145)	(290)
Swap long position in Yen	Yen (JPY)	Yen depreciation	0.0386	581	145	291
Net exposure				2	-	1

For disbursements in foreign currency related to non-debt contracts, the following hedging strategies are adopted, with the impacts related to the reproduced scenarios for the exchange variation over the derivative and 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)
NDF		Dollar appreciation	5.2380	(1,261)	296	595
Hedge item: portion of payments in USD	Dollar(US\$)	Dollar depreciation		1,261	(296)	(595)
Net exposure				-	-	-
NDF		Euro appreciation	5.4842	(43)	11	21
Hedge item: portion of payments in EUR	Euro(€)	Euro depreciation		43	(11)	(21)
Net 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	Index	Risk	Rate at the year	Exposure (Balance/ Notional)	Probable Scenario	Impact - Scenario (II)	Impact - Scenario (III)
Financial assets							
Financial investments indexed to the CDI	CDI	CDI depreciation	13.15%	7,227	226	(55)	(112)
Financial liabilities							
Loans and financing							
Debt instruments at CDI	CDI	CDI appreciation	13.15%	(13,818)	(484)	(113)	(225)
Swaps Dollar x CDI (Short position)	CDI	CDI appreciation	13.15%	(11,166)	(378)	(89)	(176)
Debt instruments at IPCA	IPCA	IPCA appreciation	11.73%	(15,515)	(598)	(104)	(207)
Swaps IPCA x CDI (Long position)	IPCA	IPCA appreciation	0.00%	525	21	3	7
Debt instruments at LIBOR 6M	LIBOR	LIBOR 6M appreciation	2.90%	(1,033)	(10)	(2)	(4)
Swaps Libor 6M x CDI (Long position)	LIBOR	LIBOR 6M appreciation	2.90%	1,040	11	2	4
Debt instruments at SELIC	SELIC	SELIC appreciation	13.15%	(122)	(5)	(1)	(2)
Debt instruments at TJLP	TJLP	TJLP appreciation	6.82%	(1,612)	(35)	(7)	(14)

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

Operation	Index	Risk	Rate at the year	Exposure (Balance/ Notional)	Probable Scenario	Impact - Scenario (II)	Impact - Scenario (III)
Other financial assets							
Swap - Long position in shares	NEOE3	Stock depreciation (NEO3)	14.7900	40	3	10	20

26.SUBSEQUENT EVENTS

EXTRAORDINARY TARIFF REVIEW (RTE)

On June 12, the result of the Extraordinary tariff review concerning the Company's distribution assets was homologated by ANEEL as shown below:

	Neoenergia Coelba	Neoenergia Cosern	Neoenergia Pernambuco
Average tariff readjustment	-0.50%	-1.54%	-4.07
Number of the Resolution	3,056	3,057	3,055
Date of the Resolution	07/12/2022	07/12/2022	07/12/2022

The average reduction in the Company's tariffs as per Law No. 14,385/22, of June 27, 2022, which determined new rules for the reimbursement of Tax Credits, especially the ones related to the exclusion of the ICMS from the calculation basis of PIS/COFINS.

As already proposed by the Distributors and recognized by ANEEL, the anticipation of the transfers related to these credits in previous readjustments, from 2021 and 2022, are being carried out, therefore, the effects of the tariffs' reduction due to new procedures provided in the aforementioned Law were related to the review of the compensation projections of such credits in the 12 subsequent months.

Debt funding

As per the details below, the Group made the following funding, through capital market and foreign currency, in July 2022:

Subsidiaries	Nature	Amount	Deadline	Disbursement
Neoenergia Cosern	Capital market	R\$ 800	Up to 7 Years	07/21/2022
Neoenergia Elektro	Capital market	R\$ 500	Up to 7 Years	07/21/2022
Neoenergia Coelba	Capital market	R\$ 500	Up to 7 Years	07/04/2022
Neoenergia Pernambuco	Capital market	R\$ 450	Up to 7 Years	07/04/2022
Neoenergia Brasília	Capital market	R\$ 300	Up to 7 Years	07/04/2022
Vale do Itajaí	Foreign currency	R\$ 300	Up to 1 Year	07/21/2022
Guanabara	Foreign currency	R\$ 191	Up to 1 Year	07/21/2022
Lagoa dos Patos	Foreign currency	R\$ 100	Up to 1 Year	07/13/2022