

Energisa S/A | Results for the 1st quarter of 2023

Cataguases, May 11, 2023 - The management of Energisa S/A (“Energisa” or “Company”) hereby presents its results for the first quarter of 2023 (1Q23). The following interim quarterly financial information has been prepared and is being presented in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (“IFRS” issued by the International Accounting Standards Board (“IASB”), comprising the standards issued by the Brazilian Securities Commission (“CVM”) and the pronouncements, instructions and interpretations issued by the Accounting Pronouncement Committee (“CPC”) and when applicable the regulations of the regulatory agency, the National Electricity Regulatory Agency- ANEEL, unless stated otherwise.

In 4Q22 the methodology used to calculate electricity sales to consumers not invoiced was reviewed, resulted in the restatement of the 2021 financial statements. Company Management then decided to present the results of the 1st quarter of 2022 to facilitate a comparative analysis between the quarters.

For further information see Note 2.3.

Summary

- **EBITDA** rose by 12.6% to R\$ 1,858.9 million in the 1st quarter of 2023. **Adjusted consolidated recurrent EBITDA** (excluding VNR, Corporate EBITDA of TransCos and adjusted by regulatory EBITDA from transmission companies) amounted to R\$ 1,641.7 million in 1Q23, **an increase of 19.4%** (R\$ 266.7 million) on 1Q22.
- **PMSO expenses (Personnel, Materials, Services and Other)** rose by 20.4% (R\$ 126.0 million), amounting to R\$ 744.3 million in the 1st quarter of 2023.
- Net income before noncontrolling interest profit shares rose by 6.4% to R\$ 509.0 million in the 1st quarter of 2023. **Adjusted recurrent net income** rose by 33.2% (R\$ 142,9 million) and closed the quarter at **R\$ 287.6 million**
- **Consolidated investment** of R\$ 1,354.9 million in the 1st quarter, a decrease of 3.9% (R\$ 54.9 million) on the same period of the previous year.
- **Energy sales (captive sales + TUSD)** remained steady in the first quarter of 2023 compared to the same period the previous year, reaching 9,405.9 GWh.
- **Consolidated net debt** amounted to R\$ 21,739.3 million as of March 31, 2023, compared with R\$ 22,181.9 million at the end of December 2022. The position of **cash and equivalents** in march was R\$ 6,879.2 million and sector credits amounted to R\$ 163.0 million. The ratio between net debt and Adjusted EBITDA closed the quarter at 2.9 times, compared with 3.0 at the end of 2022.
- **Total consolidated energy losses** accounted for 12.42% of the injected energy, remaining below the regulatory level (13.10%). The DisCos’ **DEC** and **FEC** quality indicators continued outperforming regulatory requirements.
- **(re) energisa** closed 1Q23 with an installed distributed generation capacity of 211.3 MWp and 59 operating plants in the states of Minas Gerais, Mato Grosso, Mato Grosso do Sul and Rio de Janeiro. At the end of April, installed capacity reached 231.0 MWp. This segment received total investment of R\$ 162.9 million in the period.
- **On March 31, 2023** the Company prevailed in the privatization auction held the same date to acquire 100% of the share capital of Companhia de Gás do Estado do Espírito Santo - **ES Gás**, for R\$ 1,423 million, to be paid in cash on the auction settlement date adjusted by the positive variation of the IPCA calculated between the month of the public session of the auction and the month immediately preceding the auction settlement, under the terms of the Notice. Additionally, sellers will be entitled to dividends to be calculated up to the date prior to the signature of the Purchase and Sale Agreement, under the terms of the notice. This company holds the concession for the exploration of piped gas services and other related activities in Espírito Santo state, with a concession period until 2045. The closing of the acquisition is subject to regulatory authorization by the Administrative Council for Economic Defense (“CADE”).

Quick Facts

Description	Quarter		
	1Q23	1Q22 (re-stated)	Change %
Financial Indicators - R\$ million			
Revenues	9009.6	9,250.3	- 2.6
Net operating revenue without construction revenue ⁽¹⁾	5,370.1	5,402.5	- 0.6
EBITDA	1,858.9	1,651.0	+ 12.6
Recurrent Adjusted EBITDA ⁽²⁾	1,641.7	1,375.0	+ 19.4
Covenants Adjusted EBITDA ⁽³⁾	1,953.0	1,758.9	+ 11.0
Net income ⁽⁴⁾	509.0	478.4	+ 6.4
Recurrent adjusted net income ⁽⁵⁾	287.6	430.6	- 33.2
Net indebtedness ⁽⁶⁾	21,739.3	17,223.5	+ 26.2
Investment	1,354.9	1,401.3	- 3.9
EBITDA Margin (%)	28.4	25.8	+ 2.6 p.p.
Net income margin (%)	7.8	7.3	+ 0.5 p.p.
Consolidated Operating Indicators			
Captive sales + Billed TUSD (GWh)	9,405.9	9,405.5	+ 0.0
Number of consumers	8,449,754	8,255,744	+ 2.4
Number of own staff	16,686	16,737	- 0.3

1) Construction revenue: infrastructure construction revenue + transmission infrastructure maintenance and operation revenue + revenue from construction performance obligation margins + remuneration of the contract asset (electricity transmission). (2) EBITDA discounted from the distribution VNR and corporate transmission EBITDA and nonrecurrent and noncash effects and addition of the transmission regulatory EBITDA 3) EBITDA plus arrears surcharge revenue 4) Net income before noncontrolling interest (5) Net income discounted from the distribution VNR and corporate transmission net income and nonrecurrent and noncash effects and addition of the transmission regulatory net income; 6) Includes sector credits (CDE, CCC, CVA).

Videoconference about the results



May 12, 2023

Time: 15:00 (BRT) | 2:00 PM (EST) with simultaneous translation into English.



[Click here](#) to join the Video conference

Investor Relations

For information and Release tables in Excel format, please visit Energisa's IR site:

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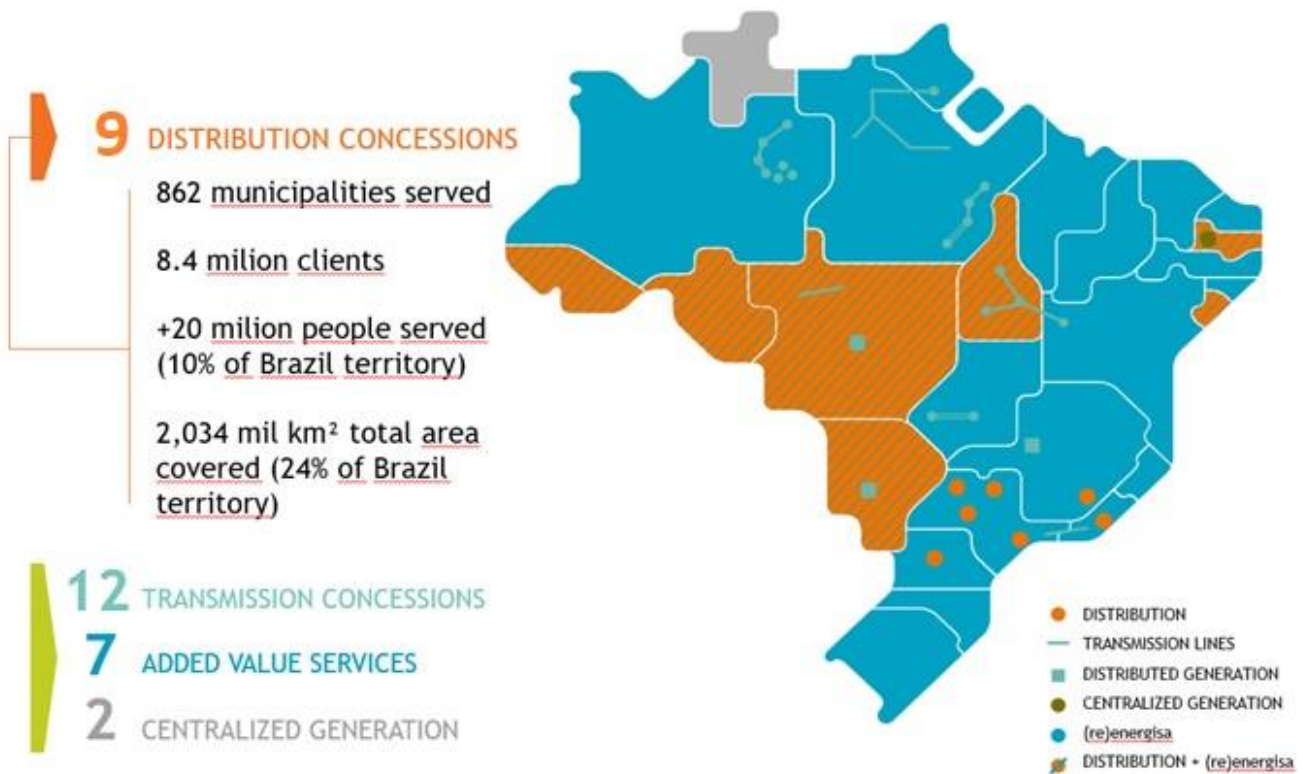
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1. Corporate structure and profile

Energisa Group completed 118 years of history on February 26, 2023, and serves roughly 8.4 million consumers in eleven Brazilian states, home to approximately 10% of Brazil’s population.

The Company controls 9 DisCos located in the states of Minas Gerais, Sergipe, Paraíba, Rio de Janeiro, Mato Grosso, Mato Grosso do Sul, Tocantins, São Paulo, Paraná, Acre and Rondônia, with a concession area embracing 2,034 thousand Km², equal to 24% of Brazil’s landmass.

Energisa Group’s activities also includes (re) energisa, a group brand tasked with managing and trading energy in the free market, providing value-added services and distributed generation of renewable energy sources, with a capacity of 211.3 MWp in 1Q23. The Group also operates in the energy transmission segment, with 3,116 km of transmission lines and 14,372 MVA of transformation capacity including assets in operation and under construction. In centralized solar generation, two photovoltaic plants came into operation in 2022 totaling 70 MWp, all of which is marketed in the free market.

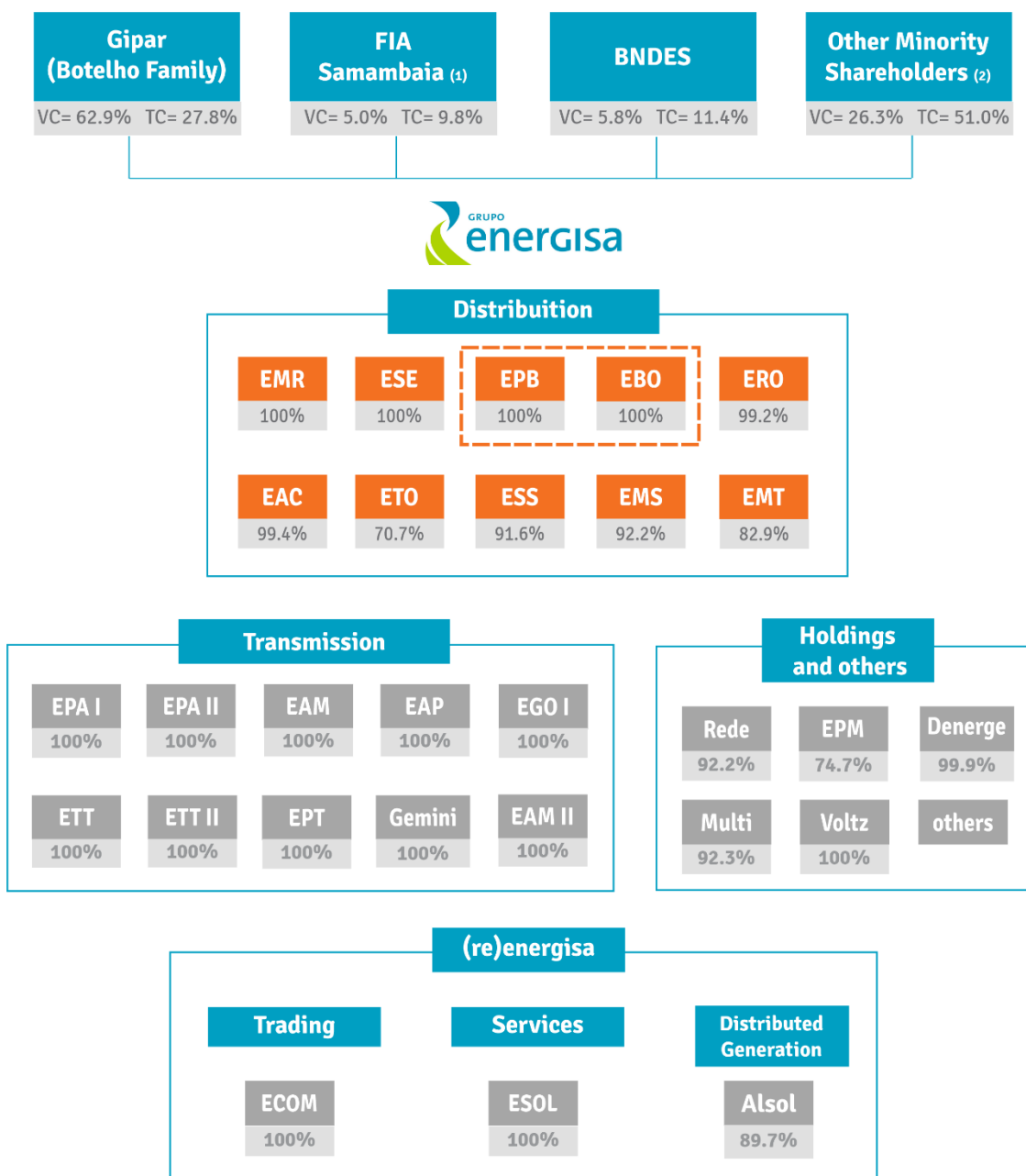


Nb: On April 30, 2023, the corporate merger of EBO into EPB was approved, and the Group now holds 9 electricity distribution concessions, as detailed in the subsequent events item.

1.1. Corporate Structure of Energisa Group

Energisa Group’s share control is exercised by Gipar S.A., controlled by the Botelho Family. The Company is listed in Level 2 Corporate Governance of B3 and its most liquid shares are traded under the symbol ENGI11 (Units-certificates comprising one common share and four preferred shares). In addition to these securities, it has shares traded under the symbols ENGI3 (common shares) and ENGI4 (preferred shares).

See below the simplified ownership structure of Energisa Group:



Voting Capital | CT - Total Capital

Notes: the interests shown in the table are direct or indirect interests of Energisa S.A.

FIA Samambaia - shareholding held directly and indirectly through investment vehicles.

Other noncontrolling interests - share position including treasury stock.

Gemini - holds 100% of LMTE, 85.04% of LTTE and 83.34% of LXTE, all TransCos.

On April 30, 2023, the corporate merger of EBO into EPB was approved

Data as of 04/24/2023

2. Energisa - consolidated

2.1 Operating revenue

In 1Q23, consolidated net operating revenue excluding construction revenue amounted to R\$ 5,370.1 million, a decrease of 0.6% on 1Q22.

See below the net operating revenue by business line before intercompany eliminations and business combination:

Net revenue by business line Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
➤ Electricity distribution	6,084.1	5,924.9	+ 2.7
➤ Electricity transmission	281.5	243.0	+ 15.9
➤ (re) energisa	251.6	296.3	- 15.1
• Distributed generation	29.8	17.6	+ 69.0
• Electricity marketing	137.8	207.2	- 33.5
• Added value services	84.0	71.4	+ 17.6
➤ Holding companies and other	95.9	73.1	+ 31.2
(=) Total	6,713.1	6,537.2	+ 2.7
Intercompany eliminations and business combination	(172.6)	(146.4)	+ 17.9
(=) Consolidated net revenue	6,540.5	6,390.8	+ 2.3
(-) Infrastructure construction revenue*	1,170.4	988.3	+ 18.4
(=) Consolidated net revenue, without infrastructure construction revenue	5,370.1	5,402.5	- 0.6

* Infrastructure construction revenue from the Distribution segment

Consolidated operating revenue is detailed in [appendix A.1](#) and the breakdown of operating revenue by distribution company can be seen [here](#).

Headlines:

- In the electricity distribution segment, there was a 0.6% increase in operational revenue without construction revenue in the quarter, mainly explained by stable electricity consumption between periods and the existence of flags of water scarcity at a high level in 1Q22 (R\$971.2 million in 1Q22 over R\$1.3 million in 1Q23). See more details in item 3.1.
- In the Transmission segment, revenue growth is primarily explained by the acquisition of Gemini, completed on June 10, 2022, adding revenue of R\$ 133.4 million in 1Q23. See more details in item 4.
- At (re) energisa, Distributed Generation was responsible for a R\$ 12.2 million increase in comparison with the first quarter of 2022, mainly because of 35 photovoltaic plants coming into operation over the period. See more details in item 5.

2.2 Operating costs and expenses

Consolidated operating expenses and costs excluding construction costs amounted to R\$ 4,062.0 million in 1Q23, a decrease of 3.1% (R\$ 4,190.9 million) over 1Q22.

See below the breakdown of the Company's consolidated operating costs and expenses:

Breakdown of operating expenses and costs Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
1 Non Manageable costs and expenses	2,875.2	3,089.6	- 6.9
1.1 Electricity purchased for resale	2,374.8	2,635.6	- 9.9
1.2 Charges for using the transmission and distribution system	500.3	453.9	+ 10.2
2 Manageable costs and expenses	850.1	772.1	+ 10.1
2.1 PMSO	744.3	618.3	+ 20.4
2.2 Provisions/Reversals	105.8	153.8	- 31.2
2.2.1 Contingencies	16.0	24.3	- 34.1
2.2.2 Expected credit losses	89.7	129.5	- 30.7
3 Other revenue/expenses	336.8	329.2	+ 2.3
3.1 Amortization and depreciation	368.9	318.0	+ 16.0
3.2 Other revenue/expenses	(32.1)	11.3	-
Total (exc. infrastructure construction cost)	4,062.0	4,190.9	- 3.1
Infrastructure construction cost	988.5	866.9	+ 14.0
Total (including infrastructure construction cost)	5,050.5	5,057.8	- 0.1

See below the PMSO by business line:

PMSO by business line Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
➤ Electricity distribution ⁽¹⁾	696.4	596.4	+ 16.8
➤ Electricity transmission	19.5	8.1	+ 140.4
➤ (re) energisa	107.2	79.8	+ 34.3
• Distributed generation	18.6	10.6	+ 74.9
• Electricity marketing	4.9	3.6	+ 35.2
• Added value services	83.7	65.5	+ 27.7
➤ Holding companies and other	80.5	64.3	+ 25.2
(=) Total	903.5	748.6	+ 20.7
Intercompany eliminations	(159.3)	(130.3)	+ 22.2
(=) Energisa consolidated	744.3	618.3	+ 20.4

(1) Operating costs and expenses by DisCo are detailed [here](#)

PMSO (Personnel, Materials, Services and Other)

Consolidated PMSO expenses increased by 20.4% (R\$ 126.0 million), to R\$ 744.3 million in the quarter.

Consolidated PMSO	Quarter		
	1Q23	1Q22 (re-stated)	Change %
Personnel and retirement benefits	374.6	311.9	+ 20.1
Material	74.6	67.8	+ 10.0
Outsourced services	234.3	187.0	+ 25.3
Other	60.8	51.6	+ 17.9
✓ Contractual and regulatory penalties	4.8	3.8	+ 25.5
✓ Others	56.0	47.8	+ 17.3
Total consolidated PMSO	744.3	618.3	+ 20.4

The main changes in PMSO expenses are detailed below:

✓ **Personnel and Retirement Benefits**

In 1Q23, personnel and retirement benefit expenses amounted to R\$ 374.6 million, an increase of 20.1% in relation to 1Q22, deriving mainly from the:

- (i) + R\$ 74.8 million in the item salaries and payroll charges due to an average increase of 563 employees and salary adjustments from collective agreements;
- (ii) + R\$ 14.4 million due to higher costs for food and meal benefits, as well as medical and dental expenses;
- (iii) + R\$ 2.9 million in expenses related to the pension fund and actuarial adjustments; and
- (iv) - R\$ 40.0 million in personnel costs capitalization in line with the additional investment.

✓ **Material**

In 1Q23, materials expenses amounted to R\$ 74.6 million, 10.0% more than 1Q22.

- (i) + R\$ 4.8 million in fleet expenses, including fuel, parts and accessories;
- (ii) R\$ 4.2 million in expenses for grid and equipment maintenance, plus for meter reading and bill delivery;
- (iii) R\$ 2.2 million in expenses for safety materials and R\$ 1.1 million in office supplies;
- (iv) - R\$ 4.3 million in other expenses, including R\$ 4.7 million in fuel expenses due to the decommissioning of UTE Guaribá, the last power plant in EMT's concession.

✓ **Services**

In 1Q23, services expenses amounted to R\$ 234.3 million, 25.3% more than 1Q22. The main impacts on this item in the quarter were:

- (i) + R\$ 25.1 million in expenses on corrective and preventive maintenance, tree-trimming and clearing work, maintenance and conservation of IT and grid equipment;
- (ii) + R\$ 13.6 million in expenses with customers and collection, including expenses on reading and inspection, compliance with regulated services, effects of Resolution 1.000 and disconnection and reconnection;
- (iii) + R\$ 3.9 million in expenses on consultancy, IT and facilities; and
- (iv) + R\$ 4.7 million in travel expenses.

✓ **Other**

Other expenses amounted to R\$ 60.8 million in 1Q23, an increase of 17.9% on 1Q22, deriving mainly from the:

- (i) + R\$ 10.5 million in IT/Telecom expenses recorded as Services in 2022. Following the reclassification, the variance is R\$ 4.7 million
- (ii) + R\$ 2.8 million in vehicle fleet;
- (iii) + R\$ 2.5 million in advertising and marketing;
- (iv) + R\$ 0.9 million in taxes
- (v) + R\$ 2.3 million in other, and
- (vi) - R\$ 9.7 million in the item regulatory fines.

Provisions/Reversals

Legal claims

1Q23 was impacted by consolidated contingencies in the total amount of R\$ 16.0 million, compared to R\$ 24.3 million in the same period of the previous year, a reduction of 34.1% (R\$ 8.3 million). The following factors contributed to this result::

- (i) a 51.5% reduction in the provisioning of new incoming cases, which contributed to a 21.8% reduction in the total provisioning recorded, compared to 1Q22; and
- (ii) reversal 15.6% higher than the sum of the provision for and payment of legal proceedings.

Expected credit losses for doubtful accounts (“PPECLD”)

The PPECLD was R\$ 89.7 million in 1Q23, representing a reduction of 30.7% compared with the R\$ 129.5 million in 1Q22. For further details, please refer to item 3.1.5.1 in the electricity distribution section of this report.

2.3 EBITDA

EBITDA amounted to R\$ 1,858.9 million in the quarter, an increase of 12.6% on the same quarter last year. The adjusted EBITDA covenants Margin was 28.4% in the quarter compared to 25.8% in the same period of 2022.

EBITDA by business line Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
➤ Electricity distribution	1,605.0	1,521.9	+ 5.5
➤ Electricity transmission	130.2	102.8	+ 26.7
➤ (re) energisa	89.9	22.6	+ 297.5
• Distributed generation	11.0	7.1	+ 55.0
• Electricity marketing	77.9	9.3	+ 738.0
• Added value services	1.0	6.2	- 84.6
➤ Holding companies and other	13.7	7.8	+ 74.7
Business combination	20.2	(4.1)	-
(=) EBITDA	1,858.9	1,651.0	+ 12.6
(+) Revenue from interest on overdue energy bills	94.1	107.9	- 12.9
(=) Adjusted EBITDA covenants ⁽¹⁾	1,953.0	1,758.9	+ 11.0
Adjusted EBITDA margin covenants (%)	28.4	25.8	+ 2.6 p.p.

(1) EBITDA with revenues from interest on overdue energy bills

Note: The EBITDA considered in the table above refers to the sum of the individual results of each business line. The difference to the consolidated result is recorded in the business combination line.

The EBITDA in this quarter is influenced primarily by the following nonrecurring and noncash effects:

- (i) R\$ 201.5 million as a result of the electricity distribution VNR (R\$ 200.8 million in 1Q22)
- (ii) R\$ 149.7 million as a result of the corporate transmission EBITDA (R\$ 102.1 million in 1Q22)

In 1Q22, EBITDA was adjusted to reflect the R\$ 123.7 million effect of the re-statement of unbilled revenue. For further information see Note 2.3.

Excluding the accounting of VNR and the corporate EBITDA of the transmission segment and adding the regulatory EBITDA of the transmission segment, the Adjusted recurring EBITDA in the quarter would be R\$ 1,641.7 million, 19.4% more than last year.

See below the consolidated adjusted recurrent adjusted EBITDA in the quarter and YTD:

Description Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
(=) EBITDA	1,858.9	1,651.0	+ 12.6
(-) Concession financial asset (VNR - Distribution)	201.5	200.9	+ 0.3
(-) Corporate EBITDA TransCos	149.7	102.1	+ 46.7
(+) Regulatory EBITDA TransCos	134.0	27.0	+ 397.0
(=) Recurrent adjusted EBITDA	1,641.6	1,375.0	+ 19.4

⁽¹⁾ The regulatory EBITDA disclosed in 2022 in the amount of R\$35.4 million considered the consolidated regulatory EBITDA of the operating transmission companies, not including the holding company. Regulatory EBITDA of R\$ 27.0 million considers the consolidated Regulatory Ebitda of all transmission companies, including the holding company.

2.4 Finance income/loss

In 1Q23 the net finance result comprised net finance costs of R\$ 770.5 million, an increase of 36.8% compared with the cost of R\$ 563.1 million in 1Q22.

Finance income/loss Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
Finance revenue	388.7	348.3	+ 11.6
Revenue on short-term investments	156.5	142.6	+ 9.8
Interest on overdue energy bills	94.1	107.9	- 12.9
Financial restatement of regulatory assets (CVA)	39.4	31.5	+ 25.2
Restatement of recoverable tax credits	11.3	7.6	+ 49.6
Monetary restatement of judicial bonds	24.4	(2.3)	-
Restatement of effects of reducing ICMS on the Pis and Cofins calculation base	69.2	63.2	+ 9.4
(-) Pis/Cofins on finance revenue	(29.4)	(25.1)	+ 17.3
Other finance revenue	23.3	22.9	+ 1.8
Finance costs	(1,159.2)	(911.5)	+ 27.2
Debt charges - Interest	(656.2)	(446.1)	+ 47.1
Debt charges - Monetary and exchange variance	(97.3)	548.0	-
Derivative financial instruments (Swap)	(237.5)	(728.0)	- 67.4
Adjustment to present value	4.1	(14.4)	-
Mark-to-market of derivatives	57.7	(210.4)	-
✓ Swap MtM	57.7	(31.3)	-
✓ MTM subscription bonus	-	(159.7)	-
✓ MTM call option (EPM)	-	(19.4)	-
Mark-to-market of debt securities	(32.9)	43.3	-
Financial restatement of regulatory liabilities	(13.9)	14.0	-
Restatement PEE and R&D	(3.1)	(2.9)	+ 6.2
(-) Transfer to orders in progress	8.6	62.1	- 86.2
Incorporation of grids	(37.4)	(35.6)	+ 4.9
Restatement of effects of reducing ICMS on the Pis and Cofins calculation base	(67.1)	(60.4)	+ 11.1
Other finance costs	(84.2)	(80.9)	+ 4.1
Finance income/loss	(770.5)	(563.1)	+ 36.8

In 1Q23 the finance result increase of R\$ 207.4 million is basically due to the following movements:

- (i) R\$ 350.8 million in expenses due to the increase in the balance and average cost of debt;
- (ii) R\$ 12.9 million in lower expenses due to the variance in the mark-to-market of debts and derivatives, which registered R\$ 12.0 million in 1Q22 compared to R\$ 24.9 million in 1Q23;
- (iii) R\$ 159.7 million in lower expenses in the mark-to-market of the subscription bonus linked to the Company's 7th debenture issuance, since the bonus was exercised in August 2022, and from 4Q22 the Company will no longer present the mark-to-market volatility of this option's fair value.
- (iv) R\$ 19.4 million less expenses in the mark-to-market expenses of the EPM call option.

2.5 Net income for the period

The net profit for the period was R\$ 509.0 million, before the non-controlling interest (R\$ 108.9 million in 1Q23 and R\$ 63.6 million in 1Q22), a 6.4% increase compared to the same period of the previous year.

Net income for the period by business line Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
➤ Electricity distribution	603.3	707.5	- 14.7
➤ Electricity transmission	(20.3)	50.3	-
➤ (re) energisa	27.9	4.8	+ 479.1
• Distributed generation	(17.1)	0.9	-
• Electricity marketing	47.9	2.4	+ 1,867.5
• Added value services	(3.0)	1.5	-
➤ Holding companies and other	(63.5)	(222.2)	- 71.4
Business combination	(38.5)	(62.0)	- 37.9
(=) Net income for the period	509.0	478.4	+ 6.4
Net income margin (%)	7.8	7.3	+ 0.5 p.p.

Note: The EBITDA considered in the table above refers to the sum of the individual results of each business line. The difference to the consolidated result is recorded in the business combination line.

If the nonrecurrent and non-cash effects shown in the table below were excluded, the recurring adjusted net income for the quarter would be R\$ 287.6 million, R\$ 142.9 million less than in the same period last year.

2.5.1 See below nonrecurrent and noncash effects in the quarter and YTD, net of tax:

Amounts in R\$ million Net income	Quarter		
	1Q23	1Q22 (re-stated)	Change %
(=) Net income for the period	509.0	478.4	+ 6.4
(-) Concession financial asset (VNR - Distribution) ⁽¹⁾	153.8	158.3	+ 2.9
(-) Net corporate income/loss - TransCos	(7.3)	50.3	-
(+) Net regulatory income/loss - TransCos ⁽²⁾	(74.9)	(18.4)	+ 308.0
(=) Adjusted net income for the period	287.6	251.5	+ 14.4
(-) Nonrecurring effects	-	(179.1)	-
(-) MTM Stock option plan (EPM)	-	(19.4)	-
(-) MTM subscription bonus	-	(159.7)	-
(=) Adjusted recurrent net income for the period	287.6	430.6	- 33.2

⁽¹⁾ Value for 1Q22 differs from that disclosed in 2022 due to the restatement of results. ⁽²⁾ The R\$18.4 million loss considers the consolidated regulatory net income of the transmission companies, including the holding company. The amount of BRL 13.2 million disclosed in 2022 considered the net income of operating transmission companies, without considering the holding company.

The breakdown of net income by company can be seen in [appendix A.3](#).

2.6 Capital structure

2.6.1 Financial operations in 1Q23

Energisa Group secured financing of R\$ 1,995.0 million in 1Q23, at an average cost of 118.5% of the CDI rate and an average term of 2.53 years.

Over recent years the parent company Energisa S.A. has issued infrastructure debentures under Law 12.431, to finance the investments of its DisCos. The funds were passed through to the subsidiaries by way of mirror debentures, with a private distribution, details of which can be seen in [appendix A.4](#).

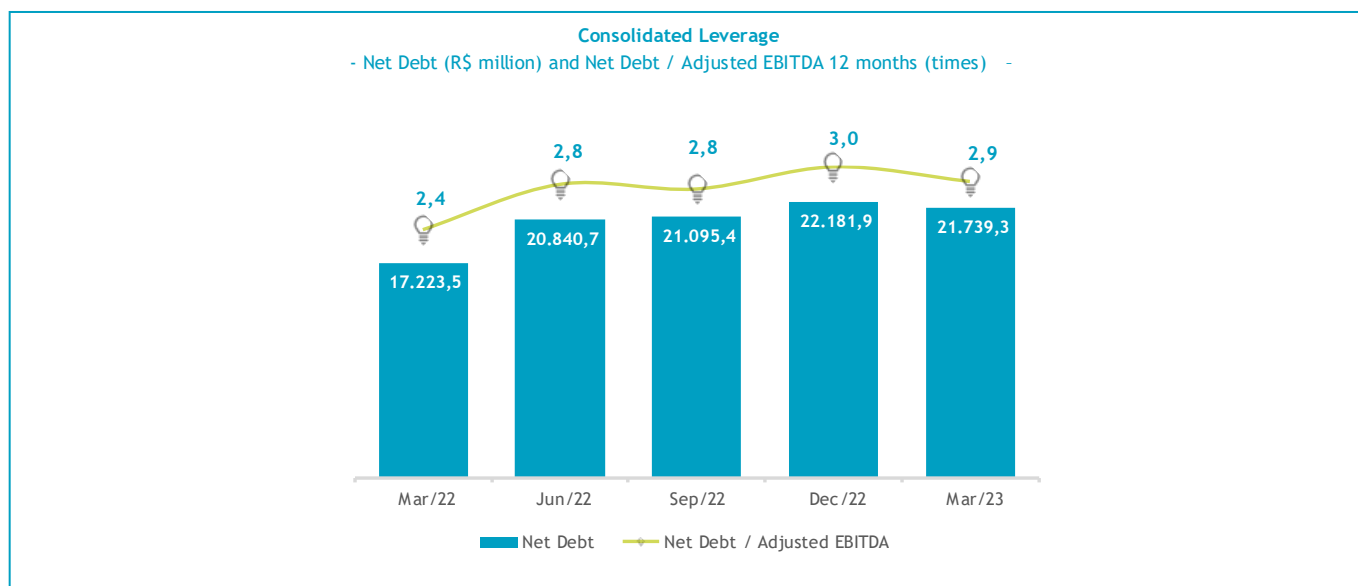
See below funding by company and issuance type for YTD 2023:

Company	Issue type	Total Amount (R\$ millions)	Average Cost (p.a.)	Average Term (years)
EBO, EMR, EMS, EMT, EPB and ESE	Law 4131	1,055.0	112.5%	2.52
EMS, ESS and ETO	ICVM 476 Debentures	550.0	111.8%	2.27
ALSOL	FINEM	350.0	146.8%	2.99
Total		1,955.0	118.5%	2.53

2.6.2 Cash and debt

The consolidated position of cash, cash equivalents, short-term investments and sector credits amounted to R\$ 7,042.2 million as of March 31, 2023, against R\$ 6,112.0 million as of December 31, 2022. We emphasize that these balances include credits relating to the Energy Development Account (CDE), Fossil Fuel Consumption Account (CCC) and the Memorandum Account for A parcel amounts (CVA), in the positive amount of R\$ 163.0 million as March 31, 2023, against R\$ 163.7 million as of December 31, 2022.

The net debt as of March 31, 2023 less sector credits amounted to R\$ 21,739.3 million, compared with R\$ 22,181.9 million in December and R\$ 21,095.4 million in September 2022. As a result, the ratio between net debt and adjusted covenants EBITDA fell from 3.0x in December 2022 to 2.9x in March 2023. The covenant limits for 2023 are 4.25 times.



See below the short- and long-term debt net of financial resources (cash, cash equivalents, short-term investments and sector credits):

Description Amounts in R\$ million	Parent company			Consolidated		
	03/31/2023	12/31/2022	09/30/2022	03/31/2023	12/31/2022	09/30/2022
Current	1,041.7	893.5	1,105.7	7,693.5	7,682.2	7,708.3
Loans and borrowings	318.7	317.2	190.2	3,644.1	3,534.0	3,592.0
Debentures	406.9	321.6	695.0	2,810.0	3,104.4	3,280.0
Debt charges	286.9	226.8	191.5	587.9	511.3	407.9
Tax financing and post-employment benefits	1.6	1.6	1.2	56.4	60.9	72.5
Derivative financial instruments, net:	27.6	26.4	27.7	595.1	471.7	356.0
• (-) Assets: derivative financial instruments	-	-	-	(153.8)	(195.4)	(269.4)
• (+) Liabilities: derivative financial instruments	27.6	26.4	27.7	748.9	667.1	625.5
Noncurrent	5,806.9	5,745.6	4,894.0	21,088.0	20,611.6	19,713.3
Loans, financing and leasing	1,291.8	1,297.4	1,462.7	10,284.4	10,162.1	9,663.9
Debentures	4,760.6	4,706.8	3,931.8	11,879.3	11,412.2	11,085.5
Tax financing and post-employment benefits	10.1	9.7	9.7	277.7	269.4	330.1
Derivative financial instruments, net:	(255.5)	(268.3)	(510.2)	(1,353.4)	(1,232.1)	(1,366.2)
• (-) Assets: derivative financial instruments	(257.3)	(270.0)	(511.8)	(1,390.0)	(1,252.0)	(1,395.6)
• (+) Liabilities: derivative financial instruments	1.8	1.7	1.6	36.6	19.9	29.4
Total debts	6,848.6	6,639.1	5,999.8	28,781.5	28,293.9	27,421.6
(-) Cash and cash equivalents:	3,436.2	4,279.8	4,349.7	6,879.2	5,948.3	5,991.2
• Cash and cash equivalents	412.2	42.3	19.1	3,452.1	916.2	438.3
• Money market and secured funds	3,024.0	4,237.5	4,330.6	3,427.1	5,032.1	5,552.9
Total net debts	3,412.5	2,359.3	1,650.1	21,902.3	22,345.6	21,430.5
(-) CDE Credits	-	-	-	258.2	259.2	256.9
(-) CCC Credits	-	-	-	168.9	188.1	139.9
(-) CVA Credits ⁽¹⁾	-	-	-	(264.1)	(283.6)	(61.8)
Total net debts less sector credits	3,412.5	2,359.3	1,650.1	21,739.3	22,181.9	21,095.4
Relative Indicator						
Adjusted EBITDA covenants 12 months	-	-	-	7,599.8	7,405.8	7,565.8
Net debt / Adjusted EBITDA covenants 12 months ⁽²⁾	-	-	-	2.9	3.0	2.8

(1) These credits consist of sector financial assets and liabilities. | (2) Adjusted EBITDA Covenants = EBITDA + Interest on energy bills.

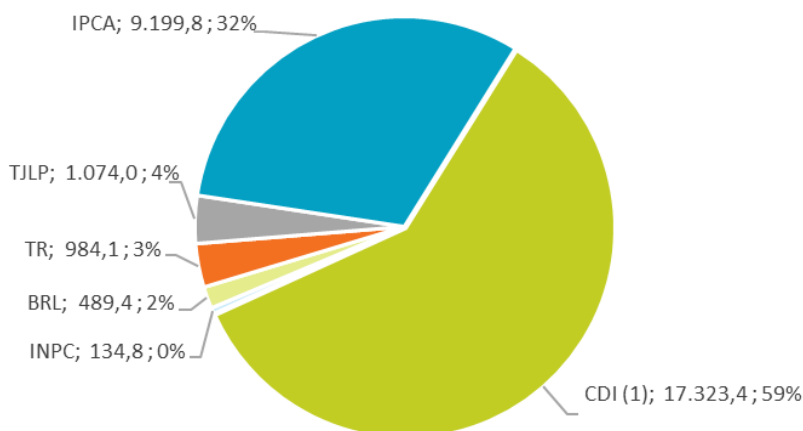
Total net debt less sector credits dropped by R\$ 442.6 million compared with December 2022.

Further information and details about the companies' indebtedness can be seen in the Notes to the financial statements available at <https://ri.energisa.com.br/>

2.6.3 Cost and average debt tenor

The average gross debt tenor remained at 3.9 years at the end of March 2023, in line with that recorded in December 2022, and the average cost of the gross debt fell 0.34 percentage points, closing the period at 13.53% (99.10% of the CDI rate) against 13.87% (101.62% of the CDI rate) in December 2022.

Breakdown of the Bank debt and issuances consolidated by index (R\$ million)



(1) Dollar and Euro debt converted to CDI, without a hedge cap.

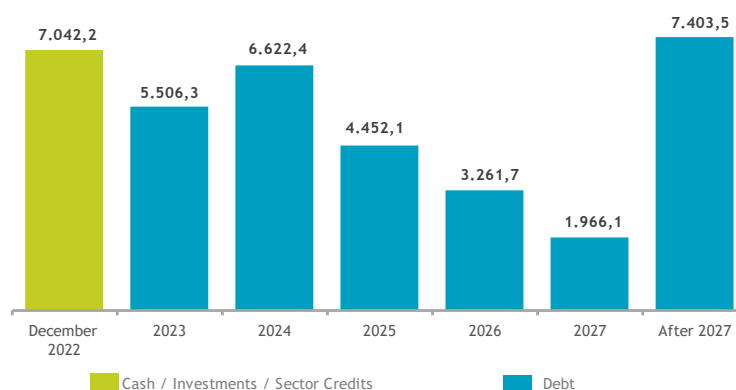
(2) Around 61.2% of the debt indexed to IPCA has been swapped for the CDI rate.

Note: The foreign currency debt is subject to swaps for the CDI rate and other currency hedge instruments.

2.6.4 Debt repayment schedule

The repayment schedule for consolidated loans, financing, debt charges and debentures vis-à-vis cash as of March 31, 2023 is shown in the graph below.

Schedule for amortization of bank debt and issuance (R\$ millions)



2.7 Ratings

See below Energisa S/A's current ratings issued by the agencies Standard & Poor's, Moody's and Fitch Ratings:

Branch	Domestic Rating/Outlook	Global Rating/Outlook	Latest report
Standard & Poor's	brAAA (stable)	BB- (stable)	Jul/22
Moody's	AA+ br (stable)	-	Aug/22
Fitch Ratings	AAA (bra) (stable)	BB+ (stable)	Jun/22

2.8 Investments

In 1Q23 Energisa and its subsidiaries made investments of R\$ 1,354.9 million, 3.3% less than in the same period of the previous year.

Investments made by business line were:

Total Investment Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
➤ Electricity distribution	1,081.8	957.9	+ 12.9
➤ Electricity transmission	100.9	144.3	- 30.1
➤ (re) energisa	166.3	99.7	+ 66.8
• Distributed Generation	162.9	93.4	+ 74.3
• Electricity marketing	-	0.1	-
• Services	3.4	6.2	- 44.8
➤ Holding companies and other	5.9	199.4	- 97.0
(=) Total	1,354.9	1,401.3	- 3.3

Investments by company are broken down in [appendix A.5](#).

2.9 Cash flow

Consolidated cash flow and balance of cash and cash equivalents Amounts in R\$ million	Quarter	
	1Q23	1Q22 (re-stated)
Net Cash from operating activities	1,495.7	1,203.7
(i) Cash provided by operating activities	1,574.5	1,520.1
(ii) Changes in assets and liabilities	(78.8)	(316.4)
Net cash provided by investment activities	609.8	(657.2)
Net cash provided by financing activities	430.3	(274.4)
Increase (decrease) in cash (a)	2,535.9	272.0
Opening cash and cash equivalents (b)	916.2	773.5
(=) Closing cash and cash equivalents (a + b)	3,452.1	1,045.5
(+) Balance of short-term investments and sector credits	5,887.9	5,863.4
(=) Closing balance of cash and cash equivalents	9,340.0	6,909.0

2.10 Capital market

Traded on B3, the Energisa shares with the greatest liquidity ENGI11-Units consisting of 1 common share and 4 preferred shares shed 13.7% in 1Q23, and closed the year quoted at R\$ 40.18 per Unit. Over the same period, the main stock exchange index, Ibovespa, dropped 15.1%, while the IEE index dropped 12.0%. See below the market indicators of Energisa's shares at the end of the quarter.

See below the market indicators of Energisa's shares at the end of the year:

	Mar/23	Mar/22	Change %
Market indexes			
Enterprise value (EV - R\$ million) ⁽¹⁾	38,154.50	36,207.13	5.4%
Market value at the end of the year (R\$ million)	16,386.10	18,983.63	-13.7%
Average daily volume traded - Units (R\$ million)	98.30	80.43	22.2%
Share prices			
ENGI11 (Unit) closing price at the end of the year (R\$ /Unit)	40.18	46.55	-13.7%
ENGI3 (ON) closing price at the end of the year (R\$ /share)	12.65	15.70	-19.4%
ENGI4 (PN) closing price at the end of the year (R\$ /share)	6.93	7.77	-10.8%
Relative indicators			
Dividends paid per unit - UDM	1.16	2.53	-54.20%
Net Income per Unit - UDM	5.95	6.9	-13.70%
Total return to Units shareholder (TSR) - UDM %	10.37%	-6.44%	-2,02 p.p.
Market value / equity (times)	1.53	1.99	-22.80%

(1) EV = Market value (R\$/share vs. number of shares) + consolidated net debt.

(2) The net income used to compile the indicator Net Income over Unit is the Corporate net income.

3. Electricity distribution

3.1 Operating revenue

Combined net revenue, i.e., before intercompany eliminations and excluding infrastructure construction revenue, amounted to R\$ 5,227.7 million in 1Q23, an increase of 0.7% on 1Q22. The factors that most contributed to the variation in net revenue in the quarter were::

- (i) Energy revenue decreased by 11.2% explained by the water shortage rate tier surcharge practiced in 1Q22, while there was no additional flag in 1Q23. The total market remained stable in the comparison of the quarters.
- (ii) Under Sales to Distributors, comprised of energy settlements in the spot market, where energy services are valued at PLD, the variance of 45.5% is a result of the decrease in the contracting level (difference between energy contracted and load realized) of energy distribution companies with credit on the MCP.
- (iii) The variation of R\$ 271.5 million in Regulatory Assets and Liabilities recorded in 1Q23 compared to 1Q22 is mainly due to the transfer of the water shortage rate tier triggered in September/21 to April/22. In 1Q22, there was a reduction in the rate tier that reduces the CVA made for consumers in the next rate reviewing process. However, there was no such transfer for 1Q23 since the rate tier has been green since May 2022. Another variation point, also due to the water scarcity, is the PLD cost, as mentioned above. In addition, R\$ 64.4 million refers to the impact of the neutrality of the PIS/COFINS Credit and Water Scarcity Loan items, as explained in item 3.1.6.

See below the net operating revenue by consumption sector of the DisCos:

Net revenue by consumption sector Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
(+) Electricity revenue (captive market)	6,003.5	6,758.0	- 11.2
✓ Residential	3,112.1	3,446.0	- 9.7
✓ Industrial	371.5	413.2	- 10.1
✓ Commercial	1,209.4	1,414.6	- 14.5
✓ Rural	614.5	681.5	- 9.8
✓ Other sectors	696.0	802.7	- 13.3
(+) Electricity sales to distributors	56.9	104.5	- 45.5
(+) Net unbilled sales	46.1	38.0	+ 21.1
(+) Electricity network usage charges	624.4	527.8	+ 18.3
(+) Infrastructure construction revenue	856.5	733.7	+ 16.7
(+) Creation and amortization of financial sector assets and liabilities	237.9	(33.6)	-
(+) Subsidies for services awarded under concession	388.6	352.1	+ 10.4
(+) Concession financial asset	201.5	200.9	+ 0.3
(+) Other revenue	62.5	43.9	+ 42.2
(=) Gross revenue	8,477.8	8,725.3	- 2.8
(-) Sales taxes	1,671.6	2,044.4	- 18.2
(-) Rate tier deductions	-	9.3	-
(-) Sector charges	722.1	746.6	- 3.3
(=) Combined net revenue	6,084.1	5,924.9	+ 2.7
(-) Infrastructure construction revenue	856.5	733.7	+ 16.7
(=) Combined net revenue, without infrastructure construction revenue	5,227.7	5,191.2	+ 0.7

3.1.1 Electricity market

In the first quarter of 2023 (1Q23), Energisa Group's captive and free electricity consumption (9,405.9 GWh) remained relatively unchanged over the same period last year. The main positive influences came from the residential and industrial classes, especially the food, beverage and metallurgy sectors. Temperature increase in the Northeast and North and a larger billing calendar for most companies, especially in February 2023, contributed to the rise in these classes. In turn, the decline in consumption in the rural class was the main offender.

Residential consumption (+1.0% or 36.4 GWh) showed an increase due to high temperatures, especially in the North concessions, in addition to the positive billing calendar effect in certain DisCos. The industrial class (+1.6 or 31.1 GWh) was mainly driven by the non-metallic minerals and fertilizers sector at ETO and food at ETO, ERO, EMS and ESS. The sector other also rose (+0.8% or 8.7 GWh), primarily driven by the government sector (+4.4%), with EMT, EPB and ETO leading the pack, as government officials returned to the workplace. In turn, consumption shrank in the sectors rural (-7.0% or -58.6 GWh) and commercial (-1.0% or -17 GWh). The rural class was impacted by the lower use of irrigators, high base in EMS in March/22, higher distributed generation and re-onboarding of consumers (Resolution 901). Commercial consumption was affected by cooler weather in the Mid-South, higher distributed generation and a shorter billing calendar at EMS in January and March.

7 of our 10 distribution companies saw consumption rise, led by the following concessions: EPB (+4.5% or 53.3 GWh), ETO (6.8% or 39.5 GWh), ERO (+4.3% or 35.4 GWh) and EAC (+4.2% or 11.5 GWh). The residential and commercial sectors fueled this growth at EPB, ETO, ERO and EAC. Moreover, among the concessions with negative market growth, EMS (-6.3% or -100.7 GWh) and ESS (-3.1% or -37.5 GWh) showed the main decreases, mainly affected by the rainier weather, the impact of customer reonboarding, as well as a shorter billing cycle and increased use of distributed generation.

Regarding distributed generation, the energy offset in the Group's concession areas amounted to 733 GWh in 1Q23, equivalent to 9.1% of the captive market. It is important to emphasize that Aneel has started making adjustments to reflect the impacts of distributed generation both in the reference market for rate reviews and in the calculation of technical losses in rate reviewing process, contributing to the adequacy of rate calculations for the Group's DisCos.

Description Amounts in GWh	Accumulated		
	1Q23	1Q22	Change %
Residential	3,748.3	3,711.9	+ 1.0
Industrial	1,940.3	1,909.3	+ 1.6
Captive Industrial	427.6	454.6	- 5.9
Free Industrial	1,512.7	1,454.6	+ 4.0
Commercial	1,779.5	1,796.7	- 1.0
Captive Commercial	1,357.7	1,436.1	- 5.5
Free Commercial	421.8	360.7	+ 17.0
Rural	779.4	838.0	- 7.0
Captive Rural	746.6	810.7	- 7.9
Free Rural	32.8	27.3	+ 20.2
Other	1,158.3	1,149.7	+ 0.8
Captive Other	1,056.8	1,065.5	- 0.8
Free Other	101.5	84.1	+ 20.6
1 Energy sales to captive consumers	7,337.1	7,478.8	- 1.9
2 Energy associated with free consumers (TUSD)	2,068.8	1,926.7	+ 7.4
3 Captive sales + TUSD (1+2)	9,405.9	9,405.5	+ 0.0
4 Unbilled sales	15.0	4.8	+ 214.4
5 Captive sales + TUSD + unbilled supply (3+4)	9,420.9	9,410.3	+ 0.1

Energy sales by concession area can be seen [in the Excel tables](#).

3.1.2 Consumption by sector

The leading sectors for consumption in 1Q23 were:

- **Residential sector (39.9% of total captive + free sales):** increase of 1.0% (36.4 GWh) in consumption. The DisCos behind the increase in the quarter were EPB (7.6% or 40.1 GWh), ETO (7.9% or 20.4 GWh), EMT (2.1% or 17.5 GWh), ERO (3.5% or 12.6 GWh) and EAC (8.3% or 11.1 GWh) with the highest rises. Residential consumption was mainly driven by higher billing in February, and more customers (Resolution 901 and the market), and hot weather, especially in the North.
- **Industrial sector (20.6% of total captive + free sales):** Industrial consumption rose by 1.6% (31.1 GWh), spearheaded by the concessions EMS (3.7% or 13.4 GWh), ETO (13.0% or 11.3 GWh), ERO (8.1% or 9.3 GWh) and EMR all rising, driven by the food sector, especially grains and cold storage. At ETO, the production of non-metallic minerals was also a highlight, as well as mining in ERO. In EMR (+5.9% or 7.1 GWh), there was a significant increase in sectors such as furniture, textiles, food, metal products and metallic minerals. On the flipside, the concessions ESE (-13.5% or -15.6 GWh) and EPB (-3.3% or -6.4 GWh) saw consumption fall, impacted by the oil and gas, nonmetallic mineral and textile sectors.
- **Commercial sector (18.9% of total captive + free sales):** saw consumption drop (-1.0% or -17.2 GWh), owing to the concessions of EMS (-6.8% or -21.1 GWh), ESS (-5.3% or -11.8 GWh) and EMT (-1.9% or -8.5 GWh). The commercial result was primarily impacted by the greater use of distributed generation and the weather.
- **Rural sector (8.3% of total captive + free sales):** contracted by 7.0% (-58.6 GWh). With the exception of the EPB and ESE concessions, all electricity distribution companies saw consumption fall. This sector's result was primarily driven by the concessions EMS (-18.3% or -29.8 GWh), EMT (-5.3% or -15.2 GWh) and ESS (-13.1% or -10.6 GWh), driven by the combined factors of greater distributed generation, rainy weather and Resolution 901 (customer reonboarding).
- **Other sectors (12.3% of total captive + free sales):** growth of 0.8% (8.7 GWh), felt most at EPB (4.7% or 8.5 GWh), ERO (6.2% or 6.1 GWh) and EAC (4.0% or 3.2 GWh). The result in the sector other was chiefly spurred by consumption by government authorities.

For further information please see our Bulletin - [click on the link](#)

3.1.3 Clients by concession operator

Energisa closed 1Q23 with 2.3% more consumer units than the same period last year.

Number of captive and free consumers by region

DisCo	Number of consumers								
	Captive			Free			Total		
	1Q23	1Q22	Change %	1Q23	1Q22	Change %	1Q23	1Q22	Change %
North	1,637,560	1,594,377	+ 2.7	262	231	+ 13.4	1,637,822	1,594,608	+ 2.7
ETO	654,559	636,648	+ 2.8	143	124	+ 15.3	654,702	636,772	+ 2.8
EAC	287,602	280,218	+ 2.6	41	36	+ 13.9	287,643	280,254	+ 2.6
ERO	695,399	677,511	+ 2.6	78	71	+ 9.9	695,477	677,582	+ 2.6
Northeast	2,634,131	2,570,430	+ 2.5	391	309	+ 26.5	2,634,522	2,570,739	+ 2.5
EPB	1,548,519	1,513,065	+ 2.3	161	126	+ 27.8	1,548,680	1,513,191	+ 2.3
ESE	850,891	827,565	+ 2.8	185	150	+ 23.3	851,076	827,715	+ 2.8
EBO	234,721	229,800	+ 2.1	45	33	+ 36.4	234,766	229,833	+ 2.1
Midwest	2,718,637	2,655,939	+ 2.4	973	812	+ 19.8	2,719,610	2,656,751	+ 2.4
EMT	1,605,042	1,565,945	+ 2.5	539	455	+ 18.5	1,605,581	1,566,400	+ 2.5
EMS	1,113,595	1,089,994	+ 2.2	434	357	+ 21.6	1,114,029	1,090,351	+ 2.2
South/South-east Region	1,457,294	1,433,215	+ 1.7	506	431	+ 17.4	1,457,800	1,433,646	+ 1.7
EMR	597,514	589,429	+ 1.4	151	128	+ 18.0	597,665	589,557	+ 1.4
ESS	859,780	843,786	+ 1.9	355	303	+ 17.2	860,135	844,089	+ 1.9
Total Energisa	8,447,622	8,253,961	+ 2.3	2,132	1,783	+ 19.6	8,449,754	8,255,744	+ 2.4

Energisa Group's residential segment expanded by 2.6% in the quarter, with 1,912,654 customers registered as Low Income. The number of social rate consumers (low income) stands at 27.1% of Energisa's residential units.

The breakdown of conventional and low-income residential consumers by region and concession area, the energy balance sheet and the portfolio of contracts by DisCo can be seen in the [Excel tables](#).

3.1.4 Electricity losses ("losses")

In the first quarter of 2023, Energisa Group's consolidated total energy losses recorded an index of 12.42%, 0.68 p.p. under the regulatory limit. This result keeps the Company below the benchmark consistently over the past 24 months. Furthermore, the result represented a 0.25 percentage point decrease in total losses compared to the same period last year.

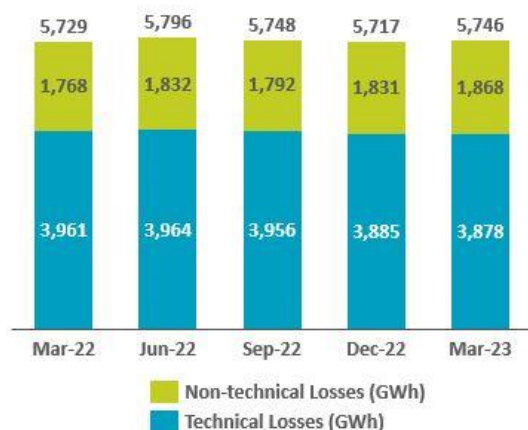
Of the Group's ten distributors, nine showed a reduction in losses compared to the same period last year. Only ESS showed a slight increase of 0.13 percentage points compared to the same period last year.

Nine DisCos in the Group ended the first quarter of the year below the regulatory limit, with five of them showing a difference of more than 1 percentage point: EMR, EMS, ETO, ESS and EAC. It is noteworthy that EAC's index was 4.88 percentage points below the regulatory benchmark.

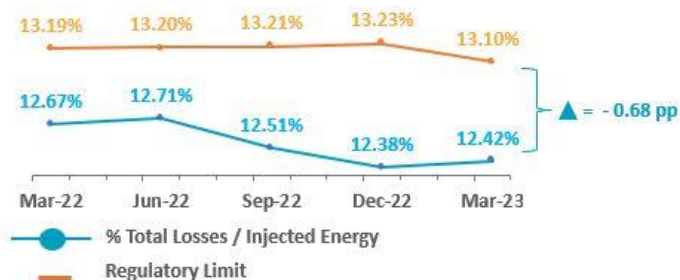
Another performance highlight was ERO, which in 1Q23 showed a 1.33 percentage point reduction compared to the same period last year and a 0.27 reduction compared to the previous quarter.

These results attest to the success of the loss reduction strategies applied in all the Group's DisCos, especially the companies acquired in 2018, as our comparison of the results of ERO and EAC with the values of Dec/2017 (the year before privatization), found a reduction of 5.92 and 7.16 percentage points, respectively. The graph below demonstrates the performance of consolidated losses in recent quarters.

Technical Losses and Non-Technical Losses



Total Losses and regulatory limit



Energy Losses (% in past 12 months)

DisCo % Injected energy (12 months)	Technical losses (%)			Non-technical losses (%)			Total losses (%)			ANEEL
	Mar/22	Dec/22	Mar/23	Mar/22	Dec/22	Mar/23	Mar/22	Dec/22	Mar/23	
EMR	8.85	8.71	8.47	-0.63	-0.86	-0.82	8.23	7.85	7.64	9.97
ESE	7.56	7.76	7.73	2.70	2.50	2.34	10.25	10.26	10.07	10.66
EBO	5.58	5.53	5.56	0.46	0.32	0.18	6.04	5.86	5.73	6.10
EPB	8.35	8.26	8.25	4.36	4.01	3.89	12.71	12.26	12.15	13.13
EMT	9.00	8.90	8.91	4.73	4.62	4.80	13.73	13.52	13.71	13.41
EMS	9.89	8.67	8.25	1.93	2.75	3.21	11.83	11.42	11.46	12.80
ETO	10.41	10.52	10.51	1.29	1.07	0.59	11.70	11.59	11.10	13.67
ESS	5.92	5.61	5.60	-0.25	0.03	0.20	5.67	5.64	5.80	6.81
ERO	10.03	8.88	8.87	13.48	13.58	13.32	23.52	22.46	22.19	22.42
EAC	9.90	9.97	9.90	6.05	4.98	5.01	15.95	14.95	14.91	19.79
Energisa Consolidated	8.76	8.41	8.38	3.91	3.97	4.04	12.67	12.38	12.42	13.10
Energisa Consolidated - GWh	3,960.6	3,885.2	3,877.6	1,768.2	1,831.4	1,868.2	5,729	5,717	5,745.81	

Nb.: To calculate the percentages presented above, we considered the values of unbilled energy. The A1 Free Market was included in the calculation of the Total Realized and Regulatory Loss.

Energy losses in GWh by DisCo can be seen [here](#).

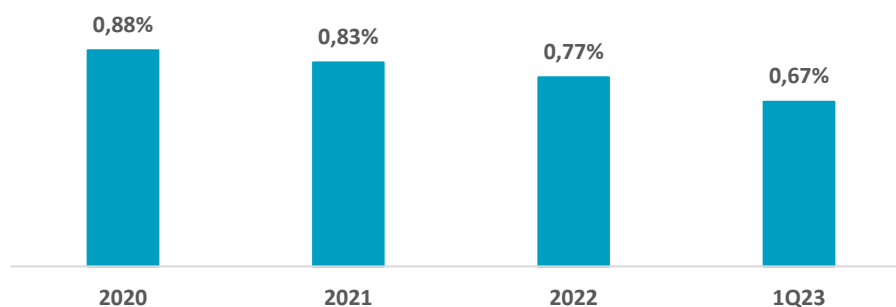
3.1.5 Delinquency management

3.1.5.1 Delinquency rate

Energisa's consolidated delinquency rate for the last 12 months was 1.24% in 1Q23, representing an increase of 0.09 percentage points over the same period of the previous year.

The performance in low voltage classes (residential, commercial, industrial and rural), which comprise the largest portion of Energisa Group's customers, helped drive down the delinquency rate. The graph below shows the trajectory of the indicator for low voltage.

PPECLD – Low voltage



*Provision result for the low-voltage segment divided by billing including all other segments.

PPECLD Indicator (% last 12 months)

PPECLD (% of supply billed)	In 12 months (%)		
	Mar/23	Mar/22	Change in p.p.
EMR	(1.25)	0.35	- 1.6
ESE	0.91	0.69	+ 0.2
EBO	(0.51)	0.73	- 1.2
EPB	1.07	1.08	- 0.0
EMT	1.69	2.14	- 0.4
EMS	1.32	1.14	+ 0.2
ETO	0.43	0.50	- 0.1
ESS	0.15	0.10	+ 0.1
ERO	3.81	2.95	+ 0.9
EAC	1.26	0.92	+ 0.3
Total	1.24	1.33	- 0.1

In the consolidated result analysis, the item of Expected credit losses on doubtful accounts decreased by R\$ 39.7 million when compared with 1Q22, totaling R\$ 89.7 million in 1Q23.

In the analysis by company, the highlight was EMR, whose result was influenced by the FIDC issuance in 4Q22. At ERO, the factors behind the percentage increase in PPECLD are the higher invoice base, as a result of higher consumption and loss recovery initiatives - and the default of the state sanitation company. In EMT, the full resumption of disconnections and the implemented collection actions are the reasons for the improvement in the presented result.

3.1.5.2 Collection fee

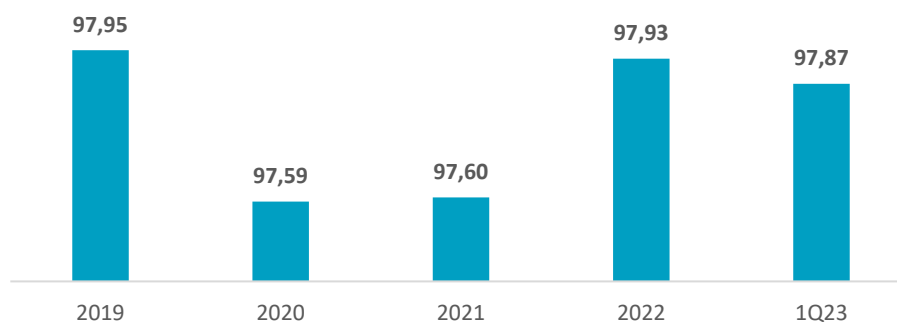
Energisa Group's consolidated 12-month collection rate reached 96.84% in the first quarter of 2023, registering a 0.30 p.p. growth compared to 1Q22 (96.54%).

The Group's performance demonstrates the efficiency of the actions implemented in recent years that actively contributed to the improved collection in a more challenging economic scenario.

The improvement is also observed in all the group's distributors, with emphasis on the ERO and EAC companies, which continue to approach the performance of the other companies.

The improvement in revenue can be observed in the mass market segment of Low Voltage classes (residential, commercial, industrial and rural), in which the group's performance returned to the levels in the pre-pandemic period, as shown in the chart below.

Collection Fee - Low voltage



Collection rate (%)	In 12 months (%)		
	Mar/23	Mar/22	Change in p.p.
EMR	98.40	98.18	+ 0.22
ESE	98.02	97.61	+ 0.40
EBO	98.63	98.61	+ 0.02
EPB	97.66	97.08	+ 0.58
EMT	95.84	95.83	+ 0.01
EMS	97.11	96.91	+ 0.21
ETO	97.73	97.72	+ 0.01
ESS	98.89	98.74	+ 0.15
ERO	93.95	92.46	+ 1.49
EAC	95.07	93.69	+ 1.38
Energisa Consolidated	96.84	96.54	+ 0.30

3.1.5.3 Service quality indicators for distribution services - DEC and FEC

In the main, the Group's DisCos performed well in 1Q23, maintaining the excellent performance in the previous quarters and presenting indicators below the DEC and FEC regulatory limits at all concessions.

The following table presents the results for the period:

The following table presents the results for the period:

DisCos Service quality indicators	DEC (hours)			FEC (times)			DEC limit	FEC limit
	Mar/23	Mar/22	change (%)	Mar/23	Mar/22	change (%)		
EMR	7.93	7.67	+ 3,3	4.09	4.27	- 4.1	10.36	7.21
ESE	9.20	10.89	- 15,5	4.50	5.18	- 13.1	11.10	7.00
EBO	3.53	3.20	+ 10,3	2.03	2.02	+ 0.5	12.06	7.63
EPB	11.64	10.43	+ 11,6	4.21	3.78	+ 11.4	14.10	7.96
EMT	16.13	20.14	- 19,9	7.10	8.27	- 14.1	18.29	13.47
EMS	9.08	10.34	- 12,2	3.92	4.29	- 8.6	10.60	7.10
ETO	16.71	15.53	+ 7,6	5.60	6.31	- 11.3	19.52	12.72
ESS	5.25	5.45	- 3,7	3.24	3.34	- 3.0	7.15	6.04
ERO	21.12	24.00	- 12,0	8.00	9.87	- 18.9	27.26	18.60
EAC	22.43	28.77	- 22,0	8.97	11.50	- 22.0	44.40	35.48

Nb: The data presented is obtained from ANEEL databases and can be changed if requested by the regulator.

Headlines:

- ESE achieved its best ever historical series for both DEC and FEC. In March 2023 the DEC was 9.20 hours, down

by 1.7 hours on March 2022, and FEC was 4.50 times, a 0.7 times decrease on 2022.

- Continuing its upward trend, EMT achieved its best ever historical series for both DEC and FEC. In March 2023 the DEC was 16.13 hours, down by 4.0 hours on March 2022, and FEC was 7.10 times, a 1.2 times decrease on 2022.
- EMS achieved its best ever historical series for both DEC and FEC. In March 2023 the DEC was 9.08 hours, down by 1.3 hours on March 2022, and FEC was 3.92 times, a 0.4 times decrease on 2022.
- EAC also achieved its best ever historical series for both DEC and FEC. In March 2023 the DEC was 22.43 hours, down by 6.3 hours on March 2022, and FEC was 8.97 times, a 2.5 times decrease on 2022.
- ETO, ESS and ERO also excelled, achieving the best result in the historical series for FEC, with reductions of 0.6, 0.1 and 1.8 times, respectively compared to 2022.

3.1.6 Compensation account for Parcel A amounts (CVA)

The CVA is a regulatory mechanism introduced by Interministerial Ordinance 25/02 intended to record the changes in costs incurred on energy purchases, energy transportation and sector charges in the period between the DisCo's rate events. This mechanism aims to neutralize the effects of these costs, of "Parcel A" and the whole rate pass-through assured, on the DisCo's earnings.

In the 2023 rate reviewing process, the neutrality of the PIS/COFINS Credit and Water Scarcity Loan items (non-recurring items in the rate) was considered, which had a negative impact of R\$ 64.4 million on the company's results in 1Q23. This is only an adjustment aimed at neutrality due to gains obtained during the rate reviewing period, which applies to DisCos that are under the old concession contract.

3.1.7 Overcontracting

Grupo Energisa recorded R\$3.5 million in 1Q23 referring to monetary restatement on the balance of R\$67.3 million recorded in 4Q22, totaling R\$70.8 million.

3.1.8 Rate tiers

The "Rate Tier System" came into force in January 2015, which shows consumers the actual costs of electricity generation. This automatically passes through to end consumers the cost increase incurred by the DisCo whenever energy purchases are affected by more expensive thermal energy, thereby diminishing the financial burden between the rate adjustments. There are green, yellow, red and level-2-red rate tiers, which indicate whether electricity will cost more as a result of electricity generation conditions.

Energisa's consolidated revenue from rate tiers was R\$ 1.3 million in 1Q23, compared with R\$ 971.2 million in 1Q22. The green tier is currently in force, which means consumer rates do not increase, while in 2022 the water stress tier was in place.

3.1.9 Rate reviews and adjustments

In 2023, the three distributors ESE, EMT and EMS underwent rate review processes in April. This process recalculates the required revenue of companies by recognizing the entire investment made over the latest rate review round and recognizes the efficient operating costs of these concessions in the rate to be applied to consumers. It is expected that the rate-setting reviews of ERO and EAC will take place in December 2023.

The effects for consumers deriving from the latest adjustment processes and rate review of each Energisa Group DisCo were as follows:

DisCo	Effect on Consumers (%)			Start of term	Monetary Restatement - adjustment events	Review Process
	Low Voltage	High and Medium Voltage	Medium			

EMG	+15.19	+21.51	+16.57	06/22/2022	IPCA	Annual Adjustment
ENF	+19.51	+17.78	+19.19	06/22/2022	IPCA	Annual Adjustment
ESE	+1.91	-1.0	+1.17	04/22/2023	IGP-M	Revision
EBO	+9.85	+9.35	+9.72	02/04/2022	IGP-M	Annual Adjustment
EBO extraordinary	-5.34	-5.02	-5.26	07/13/2022	IGP-M	Extraordinary Rate Adjustment
EPB	+0.34	+3.49	+1.03	08/28/2022	IGP-M	Annual Adjustment
EMT	+9.45	+7.29	+8.81	04/08/2023	IGP-M	Revision
EMS	+10.48	+6.28	+9.28	04/08/2023	IGP-M	Revision
ETO	+14.53	+15.85	+14.78	07/04/2022	IPCA	Annual Adjustment
ESS	+8.92	+18.21	+11.52	07/12/2022	IPCA	Annual Adjustment
ERO	+21.40	+24.73	+22.09	12/13/2022	IPCA	Annual Adjustment
EAC	+14.74	+19.43	+15.58	12/13/2022	IPCA	Annual Adjustment

3.1.10 Regulatory remuneration base

The process of valuing assets of the regulatory remuneration base uses the VNR - New Replacement Value, which denotes the value at current market prices of an identical, similar or equivalent asset subject to replacement, which provide the same services and have the same capacity as the existing asset, including all the expenses necessary to install it.

The ratified net remuneration bases (BRL) of the electricity DisCos, adjusted for IPCA for March/2023, are as follows:

DisCo	Regulatory BRL restated by the IPCA through March 2023 (R\$ millions)	Rate-Setting Review Date	Rate Cycle	WACC (before tax)	Next Rate-Setting Reviews
EMR	597.7	June/2021			June/2026
ENF	140.6	June/2021			June/2026
EBO	190.7	February/2021	5 th	10.62%	February/2026
EPB	2,000.9	August/2021			August/2026
ESS	1,263.9	July/2021			July/2026
ESE ⁽¹⁾	1,298.1	April/2023			April/2028
EMT ⁽¹⁾	6,625.0	April/2023	4 th	11.25%	April/2028
EMS ⁽¹⁾	3,341.7	April/2023			April/2028
ETO	1,702.1	July/2020	5 th		July/2025
ERO	1,889.0	December/2020	4 th	11.10%	December/2023
EAC	718.5	December/2020			December/2023
Total	19,768.1				

(1) We emphasize that the BRL values of ESE, EMT and EMS ratified in the rate reviews that occurred in April 2023 were considered.

The consolidated compensation base of the electricity DisCos extracted from the corporate financial information includes depreciation, write-offs and new additions, as shown below:

Description Amounts in R\$ million	Notes	1Q23	1Q22	Change %
Concession financial asset	13	10,258.4	8,026.1	+27.8
Contractual asset - infrastructure under construction	14	1,885.4	1,708.5	+10.4
Intangible assets - concession agreement	17.1	14,617.0	13,906.4	+5.1
(-) Exclusion of asset appreciation determined in the purchase price allocation (PPA) of the business combination	17.1	5,534.8	5,861.3	-5.6
Total	-	21,226.0	17,779.7	+19.4

3.1.11 Parcel B

DisCo	Parcel B				Review Process
	DRA ⁽¹⁾	DRP ⁽²⁾	Change (R\$ million)	Change %	
EMR	259.8	291.2	31.4	+12.1	Annual Adjustment
ENF	51.4	56.7	5.3	+10.4	Annual Adjustment
ESE	676.2	612.8	-63.5	-9.4	Revision
EBO	90.3	103.5	13.1	+14.5	Annual Adjustment
EPB	815.3	892.9	77.6	+9.5	Annual Adjustment
EMT	2,719.2	2,712.6	-6.6	-0.2	Revision
EMS	1,525.1	1,533.1	8.0	+0.5	Revision
ETO	716.2	803.0	86.8	+12.1	Annual Adjustment
ESS	449.5	499.6	50.1	+11.1	Annual Adjustment
ERO	735.2	785.4	50.2	+6.8	Annual Adjustment
EAC	316.6	339.0	22.5	+7.1	Annual Adjustment
Total	8,354.8	8,629.7	274.9	+3.3	

(1) DRA – Previous Reference Date: defined as the date the last rate process ratified by Aneel is effective from, be it an adjustment or rate review, which includes the costs incurred and revenue earned in the twelve months relating to the rate process.

(2) DRP – Processing Reference Date: the DRP is defined as the date the rate process under analysis to be ratified by Aneel is effective from, be it an adjustment or rate review, which includes the costs and revenue projected for the twelve months relating to the rate process.

Both use the same reference market and the ratio between the two therefore only shows the rate increase of the component.

3.1.12 Rate subsidy, low income and sub-rogation credits

Aneel authorized the pass-through of rate subsidies awarded to low-income consumers, rural irrigation consumers and public services, by way of the Energy Development Account (CDE), in accordance with Decree 7891 issued in 2013. These funds, in turn, were recorded as operating revenue via rates. The amounts, per DisCo, are the following:

Funds - Decree 7891 and Low Income (R\$ million)	Quarter		
	1Q23	1Q22 (re-stated)	Change %
EMR	29.4	21.7	+ 35.4
ENF ⁽¹⁾	-	1.9	-
ESE	33.5	29.6	+ 13.4
EBO	6.3	5.5	+ 13.5
EPB	58.5	54.5	+ 7.3
EMT	106.0	89.1	+ 18.9
EMS	57.3	58.4	- 2.0
ETO	35.4	33.9	+ 4.4
ESS	31.8	29.8	+ 6.9
ERO	21.2	20.0	+ 6.0
EAC	9.3	7.7	+ 20.8
Consolidated ETE	8.7	1.5	+ 485.4
Consolidated ESA	388.6	352.1	+ 10.4

(1)(1) Due to the merger of ENF into EMG in November/2022, the amounts presented are for the period 2022 only.

3.2 Operating costs and expenses

Combined distribution operating expenses and costs excluding infrastructure construction revenue amounted to R\$ 3,882.5 million in 1Q23, a decrease of 0.2% (R\$ 7.7 million) on 1Q22.

See below the breakdown of the DisCos' operating costs and expenses:

Breakdown of operating expenses and costs Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %

1 Non Manageable costs and expenses	2,763.0	2,894.4	- 4.5
1.1 Electricity purchased for resale	2,244.8	2,428.6	- 7.6
1.2 Charges for using the transmission and distribution system	518.2	465.7	+ 11.3
2 Manageable costs and expenses	809.4	746.5	+ 8.4
2.1 PMSO	696.4	596.4	+ 16.8
2.2 Provisions/Reversals	113.1	150.1	- 24.7
2.2.1 Contingencies	24.4	20.5	+ 19.3
2.2.2 Expected credit losses	88.6	129.6	- 31.6
3 Other revenue/expenses	310.1	249.3	+ 24.4
3.1 Amortization and depreciation	259.8	220.9	+ 17.6
3.2 Other revenue/expenses	50.2	28.5	+ 76.4
Total combined operating costs and expenses (1+2+3, without RCI)	3,882.5	3,890.2	- 0.2
Infrastructure construction revenue - RCI	856.5	733.7	+ 16.7
Total combined operating costs and expenses (1+2+3, including RCI)	4,739.0	4,623.9	+ 2.5

3.2.1 Non-Manageable operating costs and expenses

Non-manageable costs and expenses decreased by 4.5% in the quarter, to R\$ 2,763.0 million. The item “purchased energy” mainly influences the balance of energy supply and demand in the National Interconnected Grid (SIN), affecting the Difference Settlement Price (PLD), and the financial indexes used to adjust the prices of energy purchase contracts. In addition to pricing energy settlements in the CCEE spot market, the PLD also determines the expenses related to the hydrological risk (physical guarantee quotas, Itaipu and renegotiated plants) and other sector charges comprising the rate’s A parcel, entailing full pass-throughs to consumers.

3.2.2 Manageable operating costs and expenses

Manageable costs and expenses rose by 8.4% (R\$ 62.9 million), to R\$ 809.4 million in the quarter.

PMSO (Personnel, Materials, Services and Other)

PMSO expenses increased by 16.8% (R\$ 100.0 million), to R\$ 696.4 million in the quarter.

See below PMSO expenses by distribution company:

Combined PMSO Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
Personnel and retirement benefits	256.5	224.1	+ 14.5
Material	62.9	56.9	+ 10.5
Outsourced services	328.9	273.9	+ 20.1
Other	48.1	41.5	+ 16.0
• Contractual and regulatory penalties	4.8	3.8	+ 25.5
• Other	43.3	37.7	+ 15.1
Total combined PMSO	696.4	596.4	+ 16.8
IPCA / IBGE (12 months)	4.65%		
IGPM / FGV (12 months)	0.17%		

The main changes in PMSO expenses are detailed below:

✓ Personnel and Retirement Benefits

In the quarter, the personnel and post-employment benefits item represented an increase of R\$ 32.4 million, mainly explained by the increase in the item compensation (+ R\$ 39.4 million) due to the increase in the number of employees and salary adjustment in collective agreements.

✓ Material

Material expenses rose by R\$ 6.0 million, primarily due to higher expenses on technical and safety material (R\$ 6.1 million) and fleet expenses (+ R\$ 4.5 million) partially offset by the R\$ 4.7 million decrease in fuel expenses

due to the decommissioning of UTE Guaribá, in EMT's concession.

✓ **Services**

Outsourced service expenses rose by R\$ 54.9 million, primarily due to the R\$ 28.3 million in corrective and preventive maintenance expenses, R\$ 20.0 million in intercompany expenses and R\$ 10.5 million in revenue hedges and customer services. The consultancy expense item diminished by R\$ 4.7 million, and facilities by R\$ 2.5 million.

✓ **Other expenses**

Other expenses amounted to R\$ 48.1 million in the quarter, an increase of 16.0% (R\$ 6.7 million) compared with the same period last year, mostly due to:

- (i) R\$ 6.5 million decrease in expenses on regulatory fines and penalties;
- (ii) R\$ 4.0 million increase in advertising and marketing;
- (iii) R\$ 9.9 million increase as a result of reclassifying telecom services from Services to Other.

The PMSO figures for each company can be seen [here](#)

3.2.3 Other operating expenses

The group other operating expenses amounted to R\$ 423.1 million in the quarter, against R\$ 399.4 million in the same period of the previous year.

See below the DisCos' other operating expenses:

Other expenses - combined Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
Provisions/Reversals	113.1	150.1	- 24.7
Legal claims	24.4	20.5	+ 19.3
Expected credit losses for doubtful accounts	88.6	129.6	- 31.6
Other revenue/expenses	310.1	249.3	+ 24.4
Total combined	423.1	399.4	+ 5.9

Expected credit losses for doubtful accounts ("PPECLD")

The PPECLD was R\$ 88.6 million, representing a reduction of 31.6% compared with 1Q22. For further information see section 3.1.5 of the document.

3.3 EBITDA

The combined distribution EBITDA amounted to R\$ 1,403.5 million in the quarter, an increase of 6.2% on the same quarter last year.

See below the DisCos' recurrent adjusted EBITDA:

Description Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
EMR ⁽¹⁾	68.8	47.2	+ 45.9
ENF ⁽²⁾	-	8.4	-
ESE	127.5	117.0	+ 9.0
EBO	21.2	11.5	+ 83.6
EPB	162.0	143.6	+ 12.8
EMT	389.4	382.4	+ 1.8
EMS	233.5	266.0	- 12.2
ETO	136.4	118.6	+ 15.0
ESS	109.0	99.2	+ 9.9
ERO	115.0	88.6	+ 29.9
EAC	40.7	38.6	+ 5.6
Total combined	1,403.5	1,321.0	+ 6.2

(1) The value for 1Q22 refers to EMG's EBITDA, which is now EMR. I (2) In November/2022, ENF was merged into EMR, which is why there is no value reported for 1Q23.

The EBITDA figures per company are in [appendix A.2](#).

3.4 Net income for the period

In the quarter the consolidated net income was R\$ 603.3 million, 14.7% less than the same period last year.

See below the DisCos' profit (loss):

Income (loss) Amounts in R\$ million	Quarter		
	1Q23	1Q22 (re-stated)	Change %
EMR	22.7	19.1	+ 18.9
ENF ⁽¹⁾	-	3.5	-
ESE	85.5	92.2	- 7.3
EBO	17.3	9.9	+ 73.5
EPB	118.7	106.6	+ 11.3
EMT	218.0	280.6	- 22.3
EMS	118.6	164.9	- 28.1
ETO	65.6	64.6	+ 1.5
ESS	45.3	52.5	- 13.7
ERO	(86.8)	(105.4)	- 17.7
EAC	(1.6)	19.0	-
Total	603.3	707.5	- 14.7

(1) In November 2022, ENF was merged into EMG, giving rise to EMR.

If the non-cash and nonrecurrent effects shown in the table below were excluded as well as the impacts on finance income, described in item 2.4, the combined recurrent adjusted net income for the quarter would be R\$ 449.6 million, 38.3% less than in the same period last year.

See below non-cash and nonrecurring effects in the quarter:

Description (R\$ million)	Quarter		
	1Q23	1Q22	Change %
(=) Net income for the combined period	603.3	707.5	- 14.7
(-) Concession financial asset (VNR)	153.8	158.3	- 2.9
(-) Nonrecurring effects (*)	-	(179.1)	-
(=) Adjusted combined recurrent net income	449.6	728.3	- 38.3

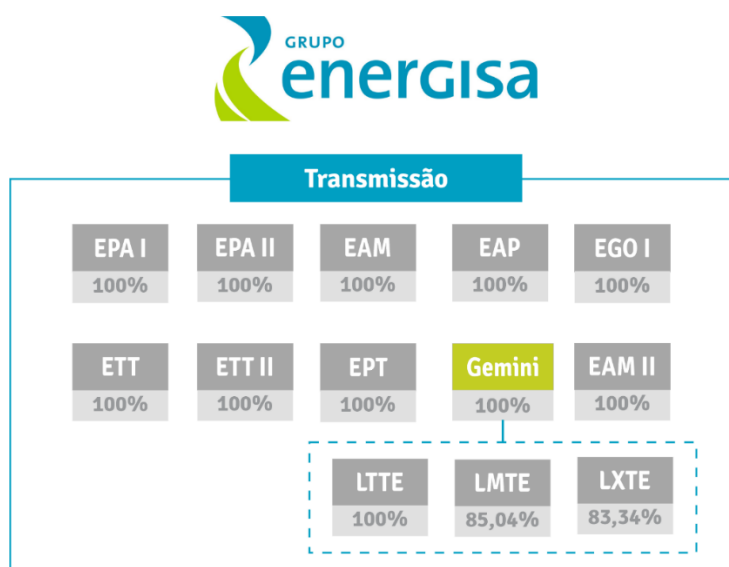
(*) as per item 2.5.1.

4. Transmission

4.1 Overview

Energisa Group's activities also include energy transmission assets resulting from the acquisitions of 8 lots at auctions, from 2017 to 2022, 4 operating concessions were acquired in 2021 and 2022, totaling 12 transmission concessions with transmission lines of approximately 3,116,000 km and a transformation capacity of 14,372 MVA. The consolidated Annual Operational Revenue is R\$ 781.5 million, with an RAP of R\$ 742.6 million (2022-23 round) and fiber-optics revenue of R\$ 38.9 million.

See below the share ownership structure of Energisa Transmissão:



See below tables summarizing operational transmission concessions and concessions under construction of the Group:

Operational TransCos:

Name	Date contract signed	State	Length (Km)	Transformation capacity MVA	Start-up	Early delivery achieved	Capex realized/Acquisiti on Price (R\$ mm)	RAP Round 22-23 (R\$ mm)	Fiber-optics Revenue	Status
EGO I	Aug/17	GO	136 (CD)	1,344	Mar/20	17 months	255.9	49.7	-	Operational
EPA I	Aug/17	PA	267(CD)	300	Nov/20	16 months	318.3	62.7	-	Operational
EPA II	Sep/18	PA	139 (CD/CS)	1,800	Dec/21	12 months	421.2	48.3 ^(e)	-	Operational
ETT	Mar/19	BA/TO	734 (CS)	850	Jan/23	15 months	756.2	79.9	-	Operational
EPT	Jun/16	MT	-	150	Jun/19	-	102.1	12.2	-	Operational
LMTE	Oct/08	AP/PA	685	1,000	Jun/13	-	-	142.2 ^(d)	22.2	Operational
LXTE	Oct/08	PA	508	1,500	Jun/13	-	802.7	156.4 ^(d)	16.7	Operational
LTTE	Dec/11	RJ/SP	259	4,200	Oct/17	-	-	75.2 ^(d)	-	Operational
Total			2,728	11,144			2,656.4	626.6	38.9	-

(a) Includes additional revenue.

Ventures under construction:

Name	Date contract signed	State	Length (Km) ^(a)	Transformation capacity MVA	Operational Start-up (Aneel)	Physical Progress ^(b)	Estimated Capex ^(c) (R\$ million)	RAP round 22-23 (R\$ millions)	Status
EAM	Mar/21	AM	365 (DC / CS)	2,728	Mar/26	50.4% ^(d)	747.5 ^(e)	79.9 ^(d)	Partial
ETT II	Sep/21	TO	-	200	Sep/24	26.22%	85.9	4.8	Under Construction
EAP	Mar/22	AP	10	300	Sep/25	14.27%	153.2	12.6	Under Construction
EAM II	Sep/22	AM	12.9	-	Aug/27	2.5%	215.0	18.7	Under Construction
Total			388	3,228			1,201.6	116.0	-

Nb.: CD - Dual circuit / CS - Single circuit. (a) The length of lines under construction in the concessions considers estimated values in the auction notice. (b) Physical progress data restated for March/2023 (c) Restated by the IPCA price index from the auction date + Capex optimization (except EAM I which does not include optimization) / (d) 30.04% of the status relates to the operational facilities of EAM / (e) The Capex does not include the indemnification of R\$ 256 million related to operational assets transferred to EAM.

Further information and details can be seen [here](#)

4.2 Headlines for the period

On March 20, 2023, the release of the EPA II reinforcements works was issued. The completed work is part of the scope provided for in Authorizing Resolution No. 10,088 issued in May 2021 for the implementation of reinforcements at the Sossego Integrating Substation - Installation of the 1st 500 kV bar reactor bank. The project was completed 60 days ahead of the scheduled commercial operation date, generating an additional revenue of approximately R\$ 890,000 for the transmission company.

4.3 Ratification of Annual Permitted Revenue (RAP) - 2022/2023 Round

On July 12, 2022 ANEEL published Ratifying Resolution 3.067/2022 which established adjustments by the IPCA price index of 11.74% to the Annual Permitted Revenues (RAP) of the transmission concessions for the 2022-2023 round, effective from July 01, 2022 to June 30, 2023. The annual permitted revenue of Energisa Group's TransCos is now therefore R\$ 742.6 million for the 2022-2023 round (R\$ 659.5 for the 2021/2022 round), as follows.

TransCos	Round 2021/2022	Round 2022/2023
Energisa Goiás (EGO)	44.4	49.7

Energisa Pará I (EPA I)	56.1	62.7
Energisa Pará II (EPA II)	43.3	48.3
Energisa Tocantins I (ETT I)	71.5	79.9
Energisa Amazonas (EAM)	71.5	79.9
Energisa Tocantins II (ETT II)	4.3	4.8
Energisa Amapá (EAP)	11.3	12.2
Energisa Amazonas II (EAM II)	17.7	18.7
Energisa Paranaíba (EPT)	11.3	12.6
Linhas Macapá (LMTE)	125.4	142.2
Linhas Xingú (LXTE)	139.7	156.4
Linhas Taubaté (LTTE)	63.4	75.2
Total	659.5	742.6

4.4 Main differences between the Corporate and Regulatory result

Two accounting methods are used to prepare the financial results of energy transmission companies in Brazil: 1) Corporate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), known as Corporate Results, based on the standards issued by the Brazilian Securities Commission that apply to the preparation of Financial Statements; and 2) Regulatory Financial Statements prepared in accordance with the Power Sector Accounting Manual issued by the National Electricity Regulatory Agency (ANEEL), known as regulatory results.

Revenue: In the corporate statements, investments made over the term of the concession are recorded as contract assets in the statement of financial position, and infrastructure construction revenue is recognized against profit or loss. The remuneration of the contract asset is also recorded based on the average financing rate for the project when the concession agreement is formalized. After going operational, infrastructure construction revenue is no longer recorded and the operational revenue from operations and maintenance services begins to be recognized. Furthermore, under regulatory accounting, investments are classified as property, plant and equipment and depreciated over their useful lives, with Revenue represented by receipts after the asset comes into operation (the Annual Permitted Revenue or RAP) recognized through credit advice (AVC) over the term of the concession, in a similar way to revenue recorded in the operational cash flow.

Construction Cost: Under the corporate method, infrastructure construction costs, i.e. investments made during the preoperational period, are recognized in profit or loss, and do not exist under the regulatory accounting method.

Amortization and Depreciation: Under the corporate method, investments relating to concessions are recognized as a contractual asset in the statement of financial position and amortized as RAP is received. The property, plant and equipment recognized in the corporate result entails the Company's assets and not the concession. In the regulatory accounting method, investments made in the concession are recorded as property, plant and equipment and incur amortization/depreciation over their useful lives, limited to the concession agreement term.

IR/CSLL: These taxes are calculated in accordance with the results determined in each accounting recognition method as a consequence of temporary differences between the corporate and regulatory calculation bases, on which the respective deferred taxes are made.

Corporate Results

The adoption of IFRS 9 (CPC 48) or IFRS 15 (CPC 47) became mandatory from January 2018, and Energisa opted for IFRS 15 (CPC 47), in which the company will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services (recognition of Concession Contract Asset).

The contract assets include receivables for the implementation of infrastructure and revenue from the compensation of concession assets and operating and maintenance revenue, measured at the present value of the future cash flows based on the average financing rate of the project when the concession agreement was formally made, pursuant to CPC 47.

Regulatory Result

As regards the Regulatory Financial Statements, prepared in accordance with the guidelines set out in the Power Sector Accounting Manual issued by ANEEL, all investments made to build transmission lines and substations are recorded as property, plant and equipment and the operating revenue the concession operators are entitled receive is called Annual Permitted Revenue (RAP) guaranteed by the concession agreement and restated annually for inflation.

4.5 Consolidated economic and financial results - Corporate vs. Regulatory

Main impacts on corporate results

ETE's consolidated corporate economic and financial performance has been summarized below:

IFRS Economic and Financial Performance Results - R\$ million	Quarter		
	1Q23	1Q22	%
Infrastructure construction revenue	124.5	142.9	- 12.9
Efficiency gain on implementing infrastructure	5.9	(34.5)	-
Revenue from construction performance obligation margins	14.7	78.3	- 81.2
Operation and Maintenance Revenue	15.1	7.2	+ 109.6
Concession asset remuneration	153.7	60.8	+ 153.0
Other Operating Revenue	14.7	4.0	+ 265.6
Total from Gross Revenue	328.6	258.6	+ 27.1
Deductions from Revenue	(27.5)	(15.7)	+ 75.7
Net Operating Revenue	301.1	243.0	+ 23.9
Costs and expenses ⁽¹⁾	(19.3)	(7.7)	+ 151.0
Construction Cost	(132.0)	(133.2)	- 0.9
Depreciation/Amortization	(0.2)	(0.1)	+ 216.7
EBITDA	149.7	102.1	+ 46.7
EBITDA Margin	49.7	42.0	+ 7.7 p.p.
Finance income/loss	(147.1)	(30.5)	+ 382.9
Income and social contribution taxes	(9.8)	(21.3)	- 54.1
Net Income for the period	(7.3)	50.3	-

(1) It includes provisions and reversals for labor, civil, regulatory, environmental and tax contingencies.

Net Operating Revenue (corporate): In 1Q23, Energisa Transmissão de Energia S/A presented consolidated net corporate operating revenue of R\$ 301.1 million, growth of 23.9%. The amount of R\$ 133.4 million represents the consolidation, in 2023, of the results obtained by the indirect subsidiaries Macapá Transmissora (LMTE), Xingu Transmissora (LXTE) and Taubaté Transmissora (LTTE), which were acquired in 2Q22. In addition, the application of the new practice for recognizing monthly inflation of the contract asset made in 4Q22 had a positive effect of R\$ 61.7 million, referring to the increase in the IPCA variance between the compared periods of 11.74%.

Costs and expenses: PMSO reached R\$ 19.3 million, an increase of R\$ 11.6 million in 1Q23 compared to 1Q22. Of this increase, R\$ 15.9 million comes from the consolidation of Gemini Group companies acquired in 2Q22. Moreover, the 1Q23 result was positively impacted by reversals of contingency provisions in the amount of R\$ 6.9 million.

Construction costs: despite the full operation of ETT in January 2023, costs remained at the same level as 1Q22 due to ANEEL regulations, which allow project costs to be allocated until the final unitization of the asset, whose deadline established by the Agency is 60 days after the start of commercial operation.

EBITDA and EBITDA Margin: the corporate EBITDA reached R\$ 149.7 million in the comparison between 1Q23 and 1Q22, an increase of R\$ 47.6 million due to revenue growth.

Finance result: net finance costs amounted to R\$ 147.1 million in 1Q23, an increase of R\$ 116.6 million. Of this amount, R\$ 25.2 million is due to the consolidation of debt service of Gemini companies. Additionally, the debt service cost increased by R\$ 75.3 million in the quarterly comparison due to (i) the volume of borrowings after 1Q22 in the amount of R\$ 760 million, mostly intended for the acquisition of the Gemini Group, and (ii) the increase in market interest rates.

Loss: In 1Q23, the Company recorded a loss of R\$ 7.3 million, a decrease of R\$ 57.6 million mainly due to the consolidation of the Gemini Group companies (acquired in June 2022), less the increase in finance costs, due to the increase in the Company's gross debt.

Main impacts of the regulatory result

Note: This section presents the regulatory results of the Company's transmission segment. The regulatory results aim to present an analysis of the regulatory/managerial performance of the TransCos, in accordance with transmission sector practices. It should not therefore be considered an official economic and financial report of the Company for the Brazilian Securities Commission (CVM), which follows the IFRS standards issued by the International Accounting Standards Board (IASB). The Regulatory Financial Statements (DCRs) presented here are audited annually by April 30 each financial year upon submission of the regulatory financial statements to ANEEL. Matters specifically related to the regulatory accounting disclosed before the conclusion of the DCRs are subject to change.

ETE's consolidated regulatory economic and financial performance has been summarized below:

Regulatory Economic and Financial Performance Results - R\$ million	Quarter		
	1Q23	1Q22	%
Annual Permitted Revenue	179.7	45.2	+ 297.2
Other Operating Revenue	-	-	-
Total from Gross Revenue	179.7	45.2	+ 297.2
Deductions from Revenue	(26.4)	(10.5)	+ 150.0
Net Operating Revenue	153.3	34.7	+ 342.0
Costs and expenses	(19.3)	(7.7)	+ 150.1
Amortization/Depreciation	(40.7)	(9.5)	+ 329.3
EBITDA	133.8	27.0	+ 397.0
EBITDA Margin	87.3	77.7	+ 9.6 p.p.
Finance income/loss	(147.1)	(30.5)	+ 383.0
Income and social contribution taxes	(21.1)	(5.4)	+ 291.8
Net Income	(67.2)	(18.4)	+ 308.0

Net regulatory operating revenue: In 1Q23 ETE reported net operating revenue of R\$ 153.3 million, R\$ 118.6 million more than in 1Q22 due to (i) acquiring the concessions of Gemini Energy Group (LMTE, LXTE and LTTE) on June 10, 2022; (ii) acquisition of Energisa Paranaíta's concession in February 2022; (iii) the entry into operation of the concession Energisa Tocantins I in December 2022 (+R\$ 5.2 million); and (iv) the inflationary adjustment of 11.74% (IPCA) for the 2022/2023 round of the RAP (annual permitted revenue) in accordance with ANEEL Ratifying Resolution 3.076/22.

Costs and expenses: PMSO reached R\$ 19.3 million, an increase of R\$ 11.6 million in 1Q23 compared to 1Q22. Of this increase, R\$ 15.9 million comes from the consolidation of Gemini Group companies acquired in 2Q22. Moreover, the 1Q23 result was positively impacted by reversals of contingency provisions in the amount of R\$ 6.9 million.

Amortization and Depreciation: this item stood at R\$ 40.7 million, an increase of R\$ 31.2 million, due to the acquisition of assets from Gemini companies in June 2022, Paranaíta in February 2022 and the full operation of ETT in January 2023.

EBITDA and EBITDA Margin: the Regulatory EBITDA was R\$ 134.0 million in 1Q23, an increase of R\$ 107.0 million on the amount recorded in 1Q22, mainly because of the effects described in net operating revenue.

Finance result: net finance costs amounted to R\$ 147.1 million in 1Q23, an increase of R\$ 116.6 million. Of this amount, R\$ 25.2 million is due to the consolidation of debt service of Gemini companies. Additionally, the debt service cost increased by R\$ 75.3 million in the quarterly comparison due to (i) the volume of borrowings after 1Q22 in the amount of R\$ 760 million, mostly intended for the acquisition of the Gemini Group, and (ii) the increase in market interest rates.

Loss: In 1Q23, net income was R\$ 74.9 million, a decrease of R\$ 56.6 million mainly due to the consolidation of the Gemini companies (company acquired in June 2022), and the increase in finance costs, due to the increase in the Company's gross debt.

5. (re) energisa

(re)energisa is the group's brand that represents its unregulated operations, such as decentralized generation services from (Alsol Energisa Renováveis) energy marketing (Energisa Comercializadora) in the free market and added value services (Energisa Soluções). Given an increasingly competitive market with multiple offers, the Group's diversification strategy includes offering an ecosystem of energy solutions to our customers.

The brand also materializes the company's one-stop shop approach to the market. The company's strategy is to spearhead the energy transformation, connecting people and companies to the best energy solutions in a sustainable and low-carbon economy.

5.1 Distributed generation

Alsol is the group's company that is primarily engaged in decentralized generation from solar farms connected to existing distribution grids using the electricity offsetting system introduced by Law 14.300/2022. The company builds and operates proprietary solar plants, in addition to developing proprietary systems for controlling and monitoring the various generation units, resulting in higher electricity productivity above that initially planned for each plant. The solar farms are intended for small- and middle-market businesses, and medium-size businesses purchasing low-voltage energy in the form of a joint-venture.

Alsol currently has 59 solar plants in operation, 38 of which are located in Minas Gerais, 9 in Mato Grosso, 11 in Mato Grosso do Sul, and 1 in Rio de Janeiro, totaling 211.3 MWp of installed capacity in 1Q23. This quarter, Alsol invested R\$ 162.9 million in the implementation of solar farms, adding 23 MWp of installed capacity in the period through 6 more UFVs, totaling 211.3 MWp in the quarter. At the end of April, the installed capacity in Distributed Generation reached 231.0 MWp.

Alsol's economic and financial performance has been summarized below:

Distributed Generation Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Net revenue	29.8	17.6	69.0%
PMSO	(18.6)	(10.6)	74.9%
Other costs and expenses	(0.2)	0.1	-
Amortization and depreciation	(4.8)	(2.9)	64.7%
EBITDA	11.0	7.1	55.0%
Net income (loss) for the period	(17.1)	0.8	-

Following its expansion plan, the distributed generation arm of (re) energisa reported net revenue of R\$ 29.8 million, an increase of 69.0% compared to 1Q22. The segment's operating expenses (PMSO) reached R\$ 18.6 million, an increase of R\$ 7.9 million compared to the previous quarter due to the significant impact on the services line (R\$ 5.9 million) due to higher commissions and CUSD due to the growth in the number of UFVs and higher revenue generation compared to the previous period.

EBITDA in 1Q23 amounted to R\$ 11 million compared with R\$ 7.1 million in 1Q22. Finance income was impacted by net expenses of R\$ 31.6 million, mainly influenced by the increase in the balance and average cost of net debt, resulting in a loss of R\$ 17.1 million in the quarter. The debt level reflects the ramping up of investments.

5.2 Electricity marketing

Due to the favorable rainy season, reservoirs reached 85.3% capacity at the end of March 2023 for SIN (National Interconnected Grid), the highest levels seen in the period since 2007. The PLD (Difference Settlement Prices) was therefore kept low in the quarter, with the average price for the period (Jan/23 to Mar/23) remaining at the

regulatory floor of R\$ 69.04/MWh. This maintenance of low levels affected the market considerably, impacting energy pricing including long-term products (5 years and above).

In 1Q23, energy sales to free consumers (in GWh) dropped on 1Q22 by 18.4%, explained by contracts closed with above-average volume in 2022.

Description Amounts in GWh	Quarter		
	1Q23	1Q22	Change %
Sales to free consumers (ECOM)	843.7	1,034.2	- 18.4

Comercializadora's economic and financial performance has been summarized below:

Trader Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Net revenue	137.8	207.2	- 33.5
PMSO	(4.9)	(3.6)	+ 35.2
Other costs and expenses	(55.0)	(194.4)	- 71.7
Amortization and depreciation	(0.06)	(0.05)	+ 20.3
EBITDA	77.9	9.3	+ 68.6 p.p.
Net income (loss) for the period	47.9	2.4	+ 1,867.5

The trading company presented net revenue of R\$ 137.8 million, a decrease of 33.5% compared to 1Q22 due to lower prices, which remained close to the PLD floor price. As a result, market liquidity reduced the opportunities for portfolio turnover, resulting in fewer operations.

The line of other costs and expenses reached R\$ 55.0 million, a decrease of 71.7% compared to 1Q22 as a result of the MTM calculation which brought a positive result of R\$ 81.5 million due to the appreciation of the portfolio resulting from the fall in prices and entry of new relevant contracts.

EBITDA totaled R\$ 77.9 million in 1Q23 and net income reached R\$ 47.9 million in 1Q23, an increase of R\$ 68.6 million and R\$ 45.5 million, respectively, compared to 1Q22. The improvement in the indicators is mainly due to the improvement in the spread, the appreciation, and the increase of the portfolio of contracts closed in the last quarters, which generated a mark-to-market higher than the same period in 2022.

5.3 Added value services

Energisa Soluções is the Group company engaged in providing added value services to medium and high voltage customers across Brazil. These services generate benefits for our customers through improvements and streamlining of energy processes, thereby reducing costs and improving their operational levels. This business line includes services such as O&M (operation and maintenance of electric assets), Energy Efficiency and Automation of our customers' energy processes.

Energisa Soluções' main economic and financial figures have been summarized below:

Energisa Soluções Consolidated Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Net revenue	84.0	71.4	+ 17.6
PMSO	(83.7)	(65.5)	+ 27.7
Other costs and expenses	0.7	0.3	+ 112.9
Amortization and depreciation	(3.3)	(3.4)	- 4.0
EBITDA	1.0	6.2	- 5.2 p.p.
Net income (loss) for the period	(3.0)	1.5	-

The revenue results of 1Q23 showed growth compared to the previous year due to gains from new contracts, mainly in the O&M lines.

EBITDA totaled R\$ 1.0 million in 1Q23, a decrease of R\$ 5.2 million compared to the same period last year, and net income was R\$ 3.0 million mainly due to seasonal factors and the mix of contracts performed in the quarter.

5.4 Centralized generation

The photovoltaic plants Energisa Geração Central Solar Rio do Peixe I and Energisa Geração Central Solar Rio do Peixe II, located in Paraíba state, came into operation on September 02, 2022, with an installed capacity of 70 MWp. R\$ 307 million was invested in generating some 600 jobs in the region during the implementation period.

The ventures have global clean energy certificates (I-REC), which add value to the Megawatt generated and confirms the energy comes from renewable sources. Building these plants is a part of Energisa Group's strategy to diversify its portfolio. The company is already engaged in decentralized solar generation and its first centralized solar generation venture is now in commercial operation. The energy generated from the farm was marketed by the Group in the free sector.

In addition to providing greater energy reliability to the region and reducing electricity losses for clients, the two plants will avoid the emission of some 15,000 tons of CO2 a year into the atmosphere. One of Energisa Group's Commitments, with targets through 2050, is to enable the addition of renewable sources in Brazil sustainably, with energy security, and matrix reliability.

See below a summary of the economic and financial performance of the Rio do Peixe 1 and 2 plants:

Centralized Generation Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Net revenue	5.3	-	-
PMSO	(1.5)	(0.0)	+ 3,031.3
Other costs and expenses	(1.4)	-	-
Amortization and depreciation	(5.0)	-	-
EBITDA	2.4	-	-
Net income (loss) for the period	(9.7)	(14.7)	- 33.9

6. Following up on the Company's projections

Comment on the Performance of Individual and Consolidated Corporate Projections

Pursuant to article 21 (4) of CVM Resolution no. 80/22, see below the comparisons of the projections disclosed by the Company with the actual performance data until 1Q23:

- (i) Projections of the commitments related to the sustainability of the business, addressing environmental, social and governance ("ESG") matters the Company disclosed to the market on June 29, 2022:

Topic	Unit	Projection through the period ended December 31, 2026	Accumulated through March 31, 2023
Clean and affordable electricity for remote concession areas	no. of consumer units	55,000	26,676
Decommissioning and deactivating thermal power plants	MW	171.7	125.7
Installing renewable energy capacity	GW	0.6	0.2867

- (ii) Greater participation of other business lines in Consolidated EBITDA, disclosed to the market on November 21, 2022:

Topic	Unit	Projection through the period ended December 31, 2026	Position at March 31, 2023
Participation of other Company business lines in addition to electricity distribution in Consolidated EBITDA	% of Consolidated EBITDA ⁽¹⁾	By 25	16.3

⁽¹⁾ Considers Adjusted EBITDA Covenants 12 months

(iii) Estimated investment disclosed to the market on December 19, 2022:

Topic	Unit	Projection through the period ended December 31, 2026	Accumulated as of March 31, 2023
Estimate investment	R\$ billion	24.0	7.9

7. Subsequent events

7.1 Rate tiers

ANEEL decided to trigger the Green Tier for DisCo subsidiaries in April to May 2023, after analyzing the hydrological situation in Brazil.

7.2 Rate adjustments - subsidiaries EMS, EMT e ESE

Subsidiary EMS:

By way of Ratifying Resolution 3.181 issued April 04, 2023, ANEEL approved the subsidiary EMS' result of the fifth periodic tariff review as of April 16, 2023, with an average rate increase to be felt by consumers of 9.28%.

This RTP considered the reduction of 6.5% (R\$238,259), referring to the exclusion of ICMS from the PIS/COFINS base to be applied until the next tariff process in April 2024.

Subsidiary EMT:

By way of Ratifying Resolution 3.182 issued April 04, 2023, ANEEL approved the subsidiary EMT's result of the fifth periodic tariff review as of April 16, 2023, with an average rate increase to be felt by consumers of 8.81%.

This RTP considered the reduction of 4.75% (R\$332,565), referring to the exclusion of ICMS from the PIS/COFINS base to be applied until the next tariff process in April 2024.

Subsidiary ESE:

By way of Ratifying Resolution 3.184 issued April 18, 2023, ANEEL approved the subsidiary ESE's result of the fifth periodic tariff review as of April 22, 2023, with an average rate increase to be felt by consumers of 1.17%.

This RTP considered the reduction of 6.58% (R\$101,646), referring to the exclusion of ICMS from the PIS/COFINS base to be applied until the next tariff process in April 2024.

7.3 Loans taken out - Subsidiaries ETT, EPB and ESE

On April 04, 2023 the indirect subsidiary Energisa Tocantins Transmissora de Energia S/A secured the release of R\$ 123,217 under the fourth tranche of financing loan 128.21//0008-1 from Banco da Amazônia S.A. - BASA, signed June 30, 2021.

On April 20, 2023 the indirect subsidiary Energisa Tocantins Transmissora de Energia S/A secured the release of R\$ 32,240 under the third tranche of the financing loan from the National Bank for Economic and Social Development - * BNDES, signed August 13, 2021.

On April 28, 2023 the direct subsidiary Energisa Paraíba secured the amount of R\$ 63,125, corresponding to USD 12,500, incurring interest of SOFR + 0.844% per year, maturing on October 28, 2024. Swap equivalent to CDI + 1.55% p.a. was procured, thereby eliminating the operation's currency risk, and

On April 28, 2023 the direct subsidiary Energisa Sergipe secured the amount of R\$ 63,125, corresponding to USD 12,500, incurring interest of SOFR + 0.844% per year, maturing on October 28, 2024. Swap equivalent to CDI + 1.55% p.a. was procured, thereby eliminating the operation's currency risk.

7.4 Capital increase of the subsidiaries ERO and ETE

On March 22, 2023, the Board of Directors of the subsidiary EAC approved the share capital increase through the issuance of 0.8800602581213060 new shares for each existing share, totaling 266,193,083 new common shares at the issuance price of R\$ 1.132179422 per share, totaling an issuance of R\$ 301,378. Out of this amount, R\$ 3,014 will be used to increase the subsidiary's share capital, raising the share capital to R\$ 868,409, and the surplus of R\$ 298,364 will be allocated to the capital reserve. The increase was fully paid by the parent company Energisa S.A., by capitalizing credit balances resulting from the private financial loan agreement and future capital increase advances, subject to other Company shareholders exercising pre-emptive rights. The shares subject to the Capital Increase to be subscribed by the Company noncontrolling shareholders shall be fully paid upon subscription, in national currency.

On April 27, 2023, through the Ordinary and Extraordinary General Minutes, an increase in the capital stock of the subsidiary ETE in the amount of R\$990,675 was approved, through the issue of 990,674,654 new registered common shares with no par value, at the issue price in the amount of R\$1.00 (one real) per share; changing the capital of the subsidiary to R\$1,053,979. The new registered common shares with no par value are, on this date, fully subscribed and paid up by the shareholder Energisa S.A as follows: (i) 441,085 new shares are paid up by capitalizing the total amount available in the Advance for Future Increase account of Capital (AFAC) carried out by the subscribing shareholder until December 31, 2022; and (ii) 549,590 new shares are paid up through the capitalization of the loan agreement amount granted by the subscribing shareholder to the Company on March 31, 2023.

7.5 Aquisição da participação da ES Gás

On March 31, 2023, the Company won the privatization auction held on the same date for the acquisition of 100% of the share capital of Companhia de Gás do Estado do Espírito Santo - ES Gás, for the amount of R\$1,423,000, be paid in cash on the auction settlement date readjusted by the positive variation of the IPCA calculated between the month of the public session of the auction and the month immediately preceding the auction settlement, under the terms of the Notice. Additionally, sellers will be entitled to dividends to be calculated up to the date prior to the signature of the Purchase and Sale Agreement, under the terms of the notice. The company holds the concession for exploiting piped gas services and other related activities in the State of Espírito Santo, with a concession term of up to 2045.

On April 11, 2023, the B3 Tender Commission and the Espírito Santo state government, through the State Development Department - SEDES, announced the Final Outcome of the ES Gás Privatization Auction. On April 25, 2023, Espírito Santo state government, through the State Development Department - SEDES, published the Final Outcome of the Public Session of the ES Gás Privatization Auction. Amongst other requirements, consummation of the Acquisition is subject to regulatory approval from the Brazilian Antitrust Authority ("CADE").

7.6 Merging Subsidiary

On April 30, 2023, the corporate merger of Energisa Borborema Distribuidora de Energia S/A ("EBO") into the direct subsidiary Energisa Paraíba Distribuidora de Energia S/A "EPB" was approved, as per the extraordinary general meetings of the distributors held at the same date. The Corporate Reorganization was approved by the National Electric Energy Agency ("ANEEL"), through Authorizing Resolution No. 12,687, of September 13, 2022, by grouping the concession areas of EBO and EPB into a single concession owned by EPB.

7.7 Linha de Transmissão - controlada LMTE

On April 18, 2023, ANEEL, through Resolution No. 14,314, authorized Linhas de Macapá Transmissora de Energia S/A - LMTE, concession contract No. 09/2008, to implement reinforcements in the transmission installation under its responsibility and establishes the values of the corresponding installments of the Allowed Annual Revenue in the amount of R\$6,750.

7.8 Antecipação de dividendos do exercício de 2023 - controladas

As controladas abaixo, aprovaram em 24 de abril 2023, a distribuição de dividendos intercalares apurados com base no balanço patrimonial de 31 de março de 2023, conforme segue:

Subsidiaries	Dividends	Per shre (R\$)	Payment date
Energisa Paraíba	91,731	20.41196237699140 ON	As of 04/25/2023
Energisa Sergipe	65,711	336.1024861771070 ON	As of dia 04/25/2023
Energisa Minas Rio	21,611	20.41196237699140 ON	As of dia 04/25/2023
Denerge	161,779	208.3305824745120 ON	As of dia 04/25/2023
Rede Energia	282,583	0.1339052006822910	As of dia 05/09/2023

Management.

Appendix I - Supplementary information

A.1 Net operating revenue - Consolidated

Operating revenue by segment Description (R\$ million)	Quarter		
	1Q23	1Q22	Change %
(+) Electricity revenue (captive market)	6,002.5	6,758.0	- 11.2
✓ Residential	3,112.1	3,446.0	- 9.7
✓ Industrial	371.5	413.2	- 10.1
✓ Commercial	1,208.4	1,414.6	- 14.6
✓ Rural	614.5	681.5	- 9.8
✓ Other sectors	696.0	802.7	- 13.3
(+) Electricity sales to distributors	51.7	96.5	- 46.4
(+) Net unbilled sales	46.1	38.0	+ 21.1
(+) Sales by trading company (ECOM)	154.5	228.0	- 32.2
(+) Electricity network usage charges (TUSD)	621.6	525.5	+ 18.3
(+) Infrastructure construction revenue	1,170.4	988.3	+ 18.4
(+) Creation and amortization of financial sector assets and liabilities	237.9	(33.6)	-
(+) Subsidies for services awarded under concession	388.6	352.1	+ 10.4
(+) Restatement of the concession financial asset (VNR)	201.5	200.9	+ 0.3
(+) Other revenue	134.8	96.7	+ 39.5
(=) Gross Revenue	9,009.7	9,250.3	- 2.6
(-) Sales taxes	1,742.7	2,102.9	- 17.1
(-) Rate tier deductions	-	9.3	-
(-) Sector charges	726.4	747.3	- 2.8
(=) Net revenue	6,540.5	6,390.8	+ 2.3
(-) Infrastructure construction revenue	1,170.4	988.3	+ 18.4
(=) Net revenue, without infrastructure construction revenue	5,370.1	5,402.5	- 0.6

A.2 EBITDA by company

Description Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Electricity distribution	1,605.0	1,521.9	+ 5.5
EMR	70.6	48.6	+ 45.2
ENF ⁽¹⁾	-	8.6	
ESE	146.7	134.9	+ 8.8
EBO	23.7	14.3	+ 66.5
EPB	186.3	168.1	+ 10.9
EMT	487.3	484.7	+ 0.5
EMS	277.4	307.7	- 9.9
ETO	137.9	119.8	+ 15.1
ESS	112.5	102.7	+ 9.5
ERO	120.8	92.9	+ 30.0
EAC	41.8	39.6	+ 5.5
Electricity transmission	130.2	102.8	+ 26.7
EGO	16.0	10.6	+ 50.6
EPA I	19.0	15.7	+ 20.6
EPA II	16.2	13.3	-
ETT	(55.7)	42.7	-
EAM	26.5	17.9	+ 48.2
ETT II	0.7	0.2	+ 355.3
EPT	3.6	2.2	+ 67.7
EAP	1.1	0.6	+ 67.3
Gemini	104.9	-	-
ETE parent company	(2.1)	(0.3)	+ 525.9
(re) energisa	89.9	22.6	+ 297.5
Alsol consolidated (Distributed generation)	11.0	7.1	+ 55.0
ECOM (Electricity marketing)	77.9	9.3	+ 738.0
ESOL consolidated (Services)	1.0	6.2	- 84.6
Holding companies and other	13.7	7.8	+ 74.7
ESA parent company	12.3	13.3	- 7.6
Other	1.4	(5.5)	-
Business combination	20.2	(4.1)	-
EBITDA	1,858.9	1,651.0	+ 12.6
Fine revenue	94.1	107.9	- 12.9
Adjusted EBITDA covenants	1,953.0	1,758.9	+ 11.0
EBITDA Margin (%)	28.4	25.8	+ 10.0 p.p.
Adjusted EBITDA margin covenants (%)	29.9	27.5	+ 8.5 p.p.

(1) Due to the merger of ENF into EMR in November/2022, the amounts presented are for the period 2022 only.

A.3 Profit (loss) per company

Description Amounts in R\$ million	Quarter		
	1Q23	1Q22	Change %
Electricity distribution	603.3	707.5	- 14.7
EMR	22.7	19.1	+ 18.9
ENF ⁽¹⁾	-	3.5	-
ESE	85.5	92.2	- 7.3
EBO	17.3	9.9	+ 73.5
EPB	118.7	106.6	+ 11.3
EMT	218.0	280.6	- 22.3
EMS	118.6	164.9	- 28.1
ETO	65.6	64.6	+ 1.5
ESS	45.3	52.5	- 13.7
ERO	(86.8)	(105.4)	- 17.7
EAC	(1.6)	19.0	-
Electricity transmission	(20.3)	50.3	-
EGO	15.8	7.3	+ 116.0
EPA I	14.4	13.1	+ 10.0
EPA II	11.3	5.9	-
ETT	(42.6)	25.9	-
EAM	21.6	15.8	+ 36.5
ETT II	0.6	0.1	+ 328.4
EPT	3.6	1.3	+ 174.2
EAP	0.9	0.5	+ 77.4
Gemini	32.1	-	-
ETE parent company	(78.0)	(19.7)	+ 295.2
(re) energisa	27.9	4.8	+ 479.1
Alsol consolidated (Distributed generation)	(17.1)	0.9	-
ECOM (Electricity marketing)	47.9	2.4	+ 1,867.5
ESOL consolidated (Services)	(3.0)	1.5	-
Holding companies and other	(63.5)	(222.2)	- 71.4
ESA parent company	(30.6)	(204.4)	- 85.0
Other	(32.8)	(17.9)	+ 83.8
Business combination	(38.5)	(62.0)	- 37.9
Net income	509.0	478.4	+ 6.4

(1) Due to the merger of ENF into EMG in November/2022, the amounts presented are for the period 2022 only.

A.4 Mirror debentures

Private debentures of the DisCos with the Parent company Energisa S.A.	Date Funds Raised	Issuance value (R\$ million)	Debt Balance in Dec/22	Maturity Date	Index	Spread (p.a.)
ESA 16th Issuance - CVM 476: ⁽⁴⁾	05/10/2022	500.0	532.0	Series 1: 04/15/2029 Series 2: 04/15/2032	IPCA	Series 1: IPCA + 6.16% Series 2: IPCA + 6.28%
✓ ERO 7 th issuance	05/10/2022	410.0	436.26	Series 1: 04/15/2029 Series 2: 04/15/2032	IPCA	Series 1 IPCA + 6.16% Series 2 IPCA + 6.28%
✓ ETO 8 th Issuance	05/10/2022	90.0	95.76	Series 1: 04/15/2029 Series 2: 04/15/2032	IPCA	Series 1 IPCA + 6.16% Series 2 IPCA + 6.28%
ESA 15th Issuance - CVM 476: ⁽¹⁾	10/29/2021	330.0	373.7	10/15/2031	IPCA	IPCA + 6.09%
✓ EPB 10 th Issuance	10/29/2021	54.6	61.9	10/15/2031	IPCA	IPCA + 6.09%
✓ ETO 7 th Issuance	10/29/2021	82.0	92.9	10/15/2031	IPCA	IPCA + 6.09%
✓ ESE 10 th Issuance	10/29/2021	59.0	66.7	10/15/2031	IPCA	IPCA + 6.09%
✓ ERO 6 th issuance	10/29/2021	92.8	105.1	10/15/2031	IPCA	IPCA + 6.09%
✓ EAM 1 st Issuance	10/29/2021	41.6	47.2	10/15/2031	IPCA	IPCA + 6.09%
ESA 14th Issuance - CVM 476: ⁽¹⁾	10/27/2020	480.0	597.2	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ EMS 15 th Issuance	10/27/2020	75.0	93.3	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ EMG 13 th Issuance	10/27/2020	35.0	43.5	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ ENF 2 nd Issuance	10/27/2020	10.0	12.4	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ ETO 6 th Issuance	10/27/2020	60.0	74.7	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ ERO 3 rd issuance	10/27/2020	85.0	105.8	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ EAC 2 nd Issuance	10/27/2020	40.0	49.8	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ EPB 9 th Issuance	10/27/2020	70.0	87.1	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ ESE 9 th Issuance	10/27/2020	30.0	37.3	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ ESS 6 th Issuance	10/27/2020	60.0	74.7	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
✓ EBO 5 th Issuance	10/27/2020	15.0	18.7	Series 1: 10/15/2027 Series 2: 10/15/2030	IPCA	Series 1: IPCA + 4.23% Series 2: IPCA + 4.475%
ESA 11th Issuance - CVM 476: ⁽¹⁾	05/03/2019	500.0	662.6	04/15/2026	IPCA	4.62%
✓ EAC 1 st Issuance	05/06/2019	175.0	231.9	04/14/2026	IPCA	4.62%
✓ ERO 2 nd issuance	05/06/2019	325.0	430.7	04/14/2026	IPCA	4.62%
ESA 8th Issuance - CVM 400: ⁽²⁾	07/19/2017	374.9	252.7	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ EMT 6 th Issuance	07/19/2017	155.4	104.7	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ ETO 2 nd Issuance	07/19/2017	75.5	50.9	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ ESS 1 st Issuance	07/19/2017	46.8	31.5	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ ESS 1 st Issuance	07/19/2017	34.9	23.5	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ EPB 2 nd Issuance	07/19/2017	28.8	19.4	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ ESE 4 th Issuance	07/19/2017	17.7	11.9	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
✓ EMG 8 th Issuance	07/19/2017	15.9	10.7	Series 2 - 6/15/2024	IPCA	Series 2 - 5.6601% p.a.
ESA 9th Issuance - CVM 400: ⁽³⁾	10/31/2017	850.0	46.5	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
	10/31/2017	50.0	3.6	Series 2 - 10/15/2024		Series 2 - IPCA + 4.7110%

Private debentures of the DisCos with the Parent company Energisa S.A.	Date Funds Raised	Issuance value (R\$ million)	Debt Balance in Dec/22	Maturity Date	Index	Spread (p.a.)
✓ EMG 9 th Issuance				Series 3 - 10/15/2027	IPCA and CDI	Series 3 - IPCA+5.1074%
✓ EMT 7 th Issuance	10/31/2017	145.0	7.8	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
✓ EMS 9 th Issuance	10/31/2017	148.0	7.9	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
✓ ESS 3 rd Issuance	10/31/2017	118.0	6.3	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
✓ ESE 5 th Issuance	10/31/2017	98.0	5.3	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
✓ ETO 3 rd Issuance	10/31/2017	131.0	7.0	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
✓ EPB 3 rd Issuance	10/31/2017	160.0	8.6	Series 2 - 10/15/2024 Series 3 - 10/15/2027	IPCA and CDI	Series 2 - IPCA + 4.7110% Series 3 - IPCA+5.1074%
Total	2017-2022	3,034.9	2,464.9			

A.5 Investment by company

Investment Amounts in R\$ million	Electric Assets			Special Obligations			Non-electric assets			Total Investment		
	1Q23	1Q22	Change %	1Q23	1Q22	Change %	1Q23	1Q22	Change %	1Q23	1Q22	Change %
EMR	36.2	31.5	+ 14.8	1.6	2.0	- 22.8	1.7	1.9	- 11.9	39.5	35.5	+ 11.2
ESE	42.9	65.1	- 34.1	3.0	2.1	+ 42.0	3.2	1.0	+ 211.2	49.2	68.3	- 28.0
EBO	6.2	4.6	+ 34.1	0.5	0.2	+ 98.3	0.4	0.3	+ 25.7	7.0	5.1	+ 36.5
EPB	79.3	67.2	+ 17.9	2.9	2.4	+ 23.2	4.3	1.9	+ 131.7	86.5	71.4	+ 21.1
EMT	215.2	221.0	- 2.6	39.6	5.8	+ 577.7	7.3	3.8	+ 93.4	262.1	230.6	+ 13.7
EMS	128.5	168.2	- 23.6	7.4	40.0	- 81.6	4.0	3.6	+ 10.1	139.8	211.8	- 34.0
ETO	99.2	81.8	+ 21.3	13.3	3.8	+ 249.5	4.3	2.0	+ 118.8	116.7	87.5	+ 33.4
ESS	64.2	39.3	+ 63.2	5.8	6.7	- 13.5	2.7	1.4	+ 94.0	72.7	47.4	+ 53.3
ERO	136.5	120.6	+ 13.2	17.1	17.6	- 3.3	3.8	2.7	+ 38.3	157.3	141.0	+ 11.6
EAC	139.3	59.7	+ 133.3	9.0	0.1	+ 8,276.9	2.5	(0.8)	-	150.8	59.0	+ 155.8
Total DisCos	947.4	867.5	+ 9.2	100.1	81.0	+ 23.6	34.2	17.9	+ 90.9	1,081.8	966.4	+ 11.9
EPA I	-	-	-	-	-	-	-	-	-	-	-	-
EPA II	10.4	30.6	- 65.9	-	-	-	-	0.0	-	10.4	30.7	- 66.0
EGO I	-	-	-	-	-	-	-	-	-	-	-	-
ETT	46.6	72.3	- 35.6	-	-	-	-	0.0	-	46.6	72.3	- 35.6
ETT II	3.0	0.4	+ 712.4	-	-	-	-	-	-	3.0	0.4	+ 712.4
EAM	37.4	26.9	+ 39.1	-	-	-	-	0.3	-	37.4	27.2	+ 37.5
EAM II	-	-	-	-	-	-	-	-	-	-	-	-
EAP	3.3	2.9	+ 10.5	-	-	-	-	-	-	3.3	2.9	+ 10.5
GEMINI Consolidated	-	10.4	-	-	-	-	0.1	0.3	- 54.1	0.1	10.8	- 98.6
Total TransCos	100.7	143.6	- 29.9	-	-	-	0.1	0.7	- 78.9	100.9	144.3	- 30.1
Alsol Consolidated	-	-	-	-	-	-	162.9	93.4	+ 74.3	162.9	93.4	+ 74.3
Total Distributed Generation	-	-	-	-	-	-	162.9	93.4	+ 74.3	162.9	93.4	+ 74.3
ECOM	-	-	-	-	-	-	0.0	0.1	- 32.3	0.0	0.1	- 32.3
ESOL	-	-	-	-	-	-	2.2	5.4	- 60.4	2.2	5.4	- 60.4
ESOL Construções	-	-	-	-	-	-	1.3	0.8	+ 62.9	1.3	0.8	+ 62.9
Total Services	-	-	-	-	-	-	3.4	6.2	- 44.8	3.4	6.2	- 44.8
RIO PEIXE I	-	-	-	-	-	-	0.7	99.2	- 99.3	0.7	99.2	- 99.3
RIO PEIXEII	-	-	-	-	-	-	0.5	96.9	- 99.5	0.5	96.9	- 99.5
ESA	-	-	-	-	-	-	1.9	2.3	- 18.4	1.9	2.3	- 18.4
Other companies	-	-	-	-	-	-	2.8	1.0	+ 196.3	2.8	1.0	+ 196.3
Total Holding companies and other companies	-	-	-	-	-	-	5.9	199.4	- 97.0	5.9	199.4	- 97.0
Consolidated Total	1,048.2	1,011.1	+ 3.7	100.1	81.0	+ 23.6	206.6	317.7	- 35.0	1,354.9	1,401.3	- 3.3

(*) On 11/30/2022 the company ENF - Energisa Nova Friburgo was merged into the company EMG - Energisa Minas Gerais, which is now called EMR - Energisa Minas Rio. The 2022 figures are based on the combined results of the two companies.

Appendix II Financial Statements

1. Statement of financial position - assets

AT MARCH 31, 2023 and 2022
(In thousands of Reais)

STATEMENT OF FINANCIAL POSITION (In thousands of Reais)	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Assets				
Current				
Cash and cash equivalents	412,152	42,312	3,452,065	916,207
Money market and secured funds	636,435	1,903,286	3,280,481	4,835,505
Consumers and concessionaires	71,096	70,857	4,012,314	3,952,081
Credit receivables	25	25	11,168	10,992
Inventory	286	264	152,983	145,421
Recoverable taxes	131,049	171,668	2,149,186	2,261,522
Dividends receivable	102,056	94,150	-	-
Financial Instruments and risk management	-	-	153,781	195,395
Sector financial assets	-	-	896,536	488,505
Concession financial asset	-	-	669,846	659,865
Other accounts receivable	14,004	24,540	1,304,221	1,258,763
Total current	1,367,103	2,307,102	16,082,281	14,724,256
Noncurrent				
Long-term assets				
Money market and secured funds	2,387,569	2,334,202	146,956	196,587
Consumers and concessionaires	-	-	1,715,561	1,662,512
Credit receivables	-	-	99,866	99,862
Sector financial assets	-	-	135,606	401,053
Related-party credits	2,843,562	2,297,546	-	-
Recoverable taxes	153,739	105,424	2,624,744	2,677,847
Tax credits	-	-	1,540,586	1,519,113
Escrow and secured bonds	3,682	3,637	1,350,025	1,306,768
Financial Instruments and risk management	257,339	269,998	1,389,970	1,251,990
Concession financial asset	-	-	10,258,423	9,789,619
Public service concession- contract asset	-	-	6,876,173	6,739,230
Other accounts receivable	204,272	199,965	504,588	539,236
	5,850,163	5,210,772	26,642,498	26,183,817
Contractual asset - infrastructure under construction	-	-	1,885,389	1,671,954
Investment	11,653,902	11,070,645	25,196	49,247
Property, plant and equipment	85,293	79,813	2,040,686	1,875,170
Intangible assets	63,635	72,867	15,287,955	15,166,224
Total noncurrent	17,652,993	16,434,097	45,881,724	44,946,412
Total assets	19,020,096	18,741,199	61,964,005	59,670,668

See the accompanying notes to the interim financial information.

2. Statement of financial position - liabilities

AT MARCH 31, 2023 and 2022
(In thousands of Reais)

STATEMENT OF FINANCIAL POSITION (In thousands of Reais)	Parent company		Consolidated	
	03/31/2023	12/31/2022	03/31/2023	12/31/2022
Liabilities				
Current				
Trade payables	9,584	25,767	1,927,446	1,887,305
Debt charges	286,904	226,762	587,858	511,276
Loans and borrowings	318,747	317,164	3,644,129	3,533,985
Debentures	406,899	321,569	2,809,965	3,104,422
Taxes and social contributions	16,969	15,507	780,469	659,229
Tax financing	-	-	3,197	7,718
Dividends payable	4,720	242,028	24,284	275,503
Estimated obligations	21,058	17,224	164,870	144,862
Public lighting contribution	-	-	128,622	114,809
Post-employment benefits	1,594	1,594	53,210	53,165
Sector charges	-	-	356,870	354,750
Sector financial liabilities	-	-	1,196,164	958,313
Financial instruments and risk management	27,568	26,448	748,926	667,068
Incorporation of grids	-	-	299,173	359,021
Effects of ICMS reduction on PIS and Cofins calculation basis	-	-	356,870	-
Operating leases	37	41	7,933	10,006
Other liabilities	95,095	95,464	582,755	583,448
Total current	1,189,175	1,289,568	13,672,591	13,224,880
Noncurrent				
Trade payables	-	-	128,027	122,811
Loans and borrowings	1,291,815	1,297,396	10,284,363	10,162,071
Debentures	4,760,565	4,706,841	11,879,293	11,412,214
financial instruments and risk management	1,790	1,693	36,586	19,901
Taxes and social contributions	5,082	4,855	1,689,094	1,620,071
Deferred taxes	388,272	388,818	4,795,936	4,751,870
Provision for equity interest losses	1,170	-	-	-
Tax financing	-	-	8,813	9,123
Provisions for labor, civil, tax and regulatory risks	2,317	2,609	1,939,130	1,970,886
Post-employment benefits	10,073	9,675	268,931	260,315
Sector financial liabilities	-	-	100,109	214,889
Sector charges	-	-	110,469	97,059
Operating leases	303	308	63,942	55,473
Effects of reducing ICMS in the PIS and Cofins calculation base	-	-	2,509,566	3,017,036
Other liabilities	19,543	19,544	259,877	248,317
Total noncurrent	6,480,930	6,431,739	34,074,136	33,962,036
Equity				
Share capital	5,047,375	4,946,375	5,047,375	4,946,375
Stock issuance cost	-	(65,723)	-	(65,723)
Capital reserves	989,972	1,037,141	989,972	1,037,141
Retained earnings	5,045,901	5,234,703	5,045,901	5,234,703
Retained earnings (accumulated losses)	400,034	-	400,034	-
Other comprehensive income	(133,291)	(132,604)	(133,291)	(132,604)
	11,349,991	11,019,892	11,349,991	11,019,892
Noncontrolling interests	-	-	2,867,287	1,463,860
Total equity	11,349,991	11,019,892	14,217,278	12,483,752
Total liabilities and equity	19,020,096	18,741,199	61,964,005	59,670,668

See the accompanying notes to the interim financial information.

3. Statement of profit or loss

FINANCIAL YEAR ENDED March 31, 2023 and 2022
(In thousands of Reais, except for net income per share)

STATEMENT OF PROFIT OR LOSS (In thousands of Reais, except net income per share)	Parent company		Consolidated	
	1Q23	1Q22	1Q23	1Q22
Revenues				
Electricity sales to consumers	-	-	6,048,588	6,796,003
Electricity sales to DisCos	-	-	51,671	96,481
Electricity network usage charges	-	-	621,621	525,541
Energy sold	-	-	154,549	227,981
Construction revenue	-	-	1,170,375	988,300
Other revenue	84,729	66,811	962,846	616,023
	84,729	66,811	9,009,650	9,250,329
Deductions from operating revenue				
ICMS	-	-	1,090,466	1,457,538
PIS, Cofins and ISS	11,918	7,689	652,228	645,397
Rate tier deductions	-	-	-	9,326
Others (CCC, CDE, PEE and P&D)	-	-	726,433	747,282
	11,918	7,689	2,469,127	2,859,543
Net operating revenue	72,811	59,122	6,540,522	6,390,786
Operating expenses				
Electricity purchased	-	-	2,374,837	2,635,635
System service charges	-	-	500,325	453,941
Personnel and management	44,034	33,456	358,340	298,517
Post-employment benefits	1,223	1,008	16,266	13,405
Material	780	322	74,592	67,804
Outsourced services	11,901	7,695	234,286	186,966
Amortization and depreciation	5,664	4,671	368,900	317,959
Allowance for doubtful accounts/contingency	137	427	105,765	153,802
Construction cost	-	-	988,503	866,883
Other expenses	2,440	2,356	60,811	51,588
Other operating income/expense	(32)	517	(32,133)	11,251
	66,147	50,452	5,050,492	5,057,751
Earnings before equity income	6,664	8,670	1,490,030	1,333,035
Share of profit (loss) of equity-accounted investees	430,676	619,143	-	-
Earnings before financial revenue and costs	437,340	627,813	1,490,030	1,333,035
Finance income/loss				
Revenue from short-term investments	114,614	135,310	156,518	142,558
Monetary variance and interest on overdue energy bills	-	-	94,054	107,924
Restatement of effects of excluding ICMS from the PIS and Cofins calculation base	-	-	69,165	63,220
Other finance revenue	102,126	49,319	68,996	34,640
Debt charges - interest	(193,752)	(137,834)	(656,187)	(446,146)
Debt charges - monetary and exchange variance	(45,933)	(16,755)	(97,299)	547,962
Derivative financial instruments	(14,398)	(47,104)	(237,488)	(728,012)
Mark-to-market of debt and derivatives	-	(178,986)	24,811	(167,050)
Restatement of effects of excluding ICMS from the PIS and Cofins calculation base	-	-	(67,109)	(60,387)
(-) Transfer to PPE in progress	-	-	8,602	62,146
Other finance costs	(508)	(16,273)	(134,540)	(119,980)
	(37,851)	(212,323)	(770,477)	(563,125)
Profit or loss before tax	399,489	415,490	719,553	769,910
Income and social contribution taxes	545	(702)	(210,556)	(291,477)
Earnings from discontinued operations	-	-	-	-
Net income for the period	400,034	414,788	508,997	478,433
Profit attributable to:				
Parent Company's shareholders	-	-	400,034	414,788
Noncontrolling shareholders	-	-	(108,963)	63,645
Net income per share - R\$	0.180	0.280		

See the accompanying notes to the interim financial information.

4. Statement of cash flows

Statement of cash flows (In thousands of Reais)	1Q23	1Q22
Net income for the year from continued operations	1.483.006	1.203.677
Net income for the year from discontinued operations	1.574.498	1.520.123
Net Income	508.997	478.433
Current and deferred income and social contribution taxes	210.556	291.477
Expenses on interest and monetary and exchange variance - net	614.301	(278.933)
Depreciation and amortization	368.900	317.959
Reversal of the provision for credit losses and monetary restatement - discontinued operations	89.746	129.491
Provision for labor, civil, tax and regulatory risks	(10.604)	(3.651)
(Gain) on the disposal of PP&E and intangible assets	35.211	11.981
Mark-to-market of debt securities	32.892	(43.299)
Mark-to-market of derivatives	(57.703)	210.349
Financial instruments and risk management	237.488	728.012
Variable compensation program - ILP	1.984	1.676
Mark-to-market of traded energy purchase/sale contracts	(81.465)	(17.967)
Compensation of contract asset	(153.738)	(60.759)
Construction margin, operation and compensation of the Transmission contract asset	(20.592)	(43.770)
Adjustment to fair value of concession financial asset	(201.475)	(200.876)
Changes in current and noncurrent assets	(91.492)	(316.446)
Decrease (Increase) in consumers and concessionaires	(46.933)	28.066
Decrease in sector financial assets	(118.898)	142.874
(Increase) decrease in credit receivables	(180)	(662)
(Increase) decrease in inventories	(7.562)	(43.931)
(Increase) decrease in recoverable taxes	(215.507)	43.816
(Increase) in escrow and secured bonds	(18.848)	(294.387)
Funds from the Itaipu trading account	-	18.464
(Increase) Decrease in other accounts receivable	(50.761)	1.039.640
(Decrease) increase in suppliers payable	(9.333)	(718.495)
(Increase) decrease in taxes and social contributions	587.948	(7.046)
Income and social contribution taxes paid	(115.213)	(215.376)
Increase in estimated obligations	20.008	6.801
Increase (decrease) in financial sector liabilities	(89.556)	(85.614)
Tax, civil, labor and regulatory proceedings paid	(32.576)	(33.291)
increase (Decrease) in other accounts payable	5.919	(197.305)
Net cash produced by (used in) investment activities	609.781	(657.235)
Investments in PP&E	(185.362)	(310.832)
Investments in Intangible assets	(862.132)	(605.030)
Short-term investments and secured funds	1.761.473	489.356
Sale of PP&E and intangible assets	20.971	28.193
Applications to electricity transmission lines	(125.169)	(156.836)
Cash and cash equivalents paid under business combination	-	(102.086)
Net cash (used by) generated in financing activities	443.071	(274.400)
New loans, financing and debentures	1.952.884	1.744.713
Loans and debentures payments - principal	(1.772.878)	(779.659)
Loans and borrowings payments - interest	(484.744)	(366.248)
Payment of settled derivative financial instruments	(98.654)	(44.235)
Payment of dividends	(361.403)	(798.613)
Payment of grid incorporation	(156.755)	(63.570)
Payment of tax financing	(5.008)	(7.635)
Payment under Financial Lease	(10.371)	(3.121)
Capital increase through share subscription	-	43.968
Opening cash and cash equivalents	1.380.000	-
Closing cash and cash equivalents	2.535.858	272.042
Opening cash and cash equivalents	916.207	773.505
Closing cash and cash equivalents	3.452.065	1.045.547

See the accompanying notes to the interim financial information.

Board of Directors

(Election at 2023 AGOE)

Ivan Müller Botelho

CEO

Ricardo Perez Botelho

Vice Chairman

Armando de Azevedo Henriques

Independent Board Member

Omar Carneiro da Cunha Sobrinho

Independent Board Member

Antonio Jose de Almeida Carneiro

Independent Board Member

José Luiz Alquéres

Independent Board Member

Luciana de Oliveira Cezar Coelho

Independent Board Member

Maurício Perez Botelho

Alternate member

Marcelo Silveira da Rocha

Alternate member

André da La Saigne de Botton

Alternate member

Fiscal Council

(Election at 2023 AGOE)

Flavio Stamm

Board Member

Vania Andrade de Souza

Board Member

Mario Daud Filho

Board Member

Fernanda Guimarães Cotta e Silva

Board Member

Marcos Paulo Pereira da Silva

Board Member

Gilberto Lerio

Alternate member

Antonio Eduardo Bertolo

Alternate member

Guilherme Pereira Alves

Alternate member

Andre Ayres de Oliveira

Alternate member

Leonardo José da Silva Neves Gonzaga

Alternate member

Executive Board

Ricardo Perez Botelho

CEO

Mauricio Perez Botelho

CFO and Investor Relations Officer

Fernando Cezar Maia

Regulatory Affairs and Strategy Officer

José Marcos Chaves de Melo

Logistics and Supplies Officer

Daniele Araújo Salomão Castelo

Personnel Management Officer

Vicente Cortes de Carvalho

Accountant CRC-MG 042523/O-7