

Equatorial S.A.

Financial Statements
December 31, 2024

Equatorial S.A.

Financial statements

December 31, 2024

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A free translation from Portuguese into English of Independent Auditor's Report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS standards"

Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Equatorial S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Equatorial Energia S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2024 and the statement of profit or loss, of comprehensive income (loss), of changes in equity, and of cash flows for the year then ended, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of Equatorial Energia S.A. as at December 31, 2024, and its individual and consolidated financial performance and individual and consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as "IFRS standards".

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

We draw attention to what is described in Note 11 to the individual and consolidated financial statements, that is, the Company has recorded under other receivables "Special credits – Funac", amounting to R\$782,051 thousand, net of provision for losses. These credits derive from the administrative and legal contingent liabilities of indirect subsidiary Equatorial Goiás Distribuidora de Energia S.A. relating to the triggering events that occurred until the sale of the controlling interest of the current subsidiary to Eletrobrás, which were assumed by the state of Goiás under State Law No. 17555/2012 and the regulations defined by State Decree No. 7732 of September 28, 2002. The Company's executive board has been monitoring the expected receipt of these amounts, as well as evaluating any possible impacts on the Company's individual and consolidated financial statements. Our opinion is not modified in respect of this matter.



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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each of the matters below, a description of how our audit has addressed them, including any comments on the results of our procedures is presented in the context of the financial statements taken as a whole.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Information technology general controls

Due to the high volume of transactions, the Company and its subsidiaries use a complex structure of information technology systems and controls, whether manual, automated, or dependent on integrated management systems. The effectiveness in the design and operation of these controls is of utmost importance to ensure that the accounting records and, consequently, the individual and consolidated financial statements, are free from material misstatements. This structure presents different levels of maturation and the risks relating to IT processes that are significant for the transactions processed in the various systems may result in incorrect critical information, including information used for preparing the individual and consolidated financial statements. Given the importance of IT general controls, this was considered a key audit matter.

How our audit addressed this matter

Our audit procedures included the following, among others: (i) assessing the design and operational effectiveness of the general IT controls ("ITGCs") implemented by the companies for the systems considered relevant to the audit process; (ii) analyzing, on a sample basis, the user authorization and granting process, the timely revocation of access for transferred or terminated employees, and the periodic review of users; (iii) evaluating the password policies, security settings, and access to technology resources; (iv) assessing whether changes to the systems were properly authorized and approved according to the design of the aforementioned controls; (v) analyzing the operations management process, focusing on the policies for safeguarding information and the timeliness in handling incidents. These procedures, when necessary, were performed with the involvement of our technology professionals.



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The combination of the deficiencies in internal controls found in the access and change management process represented a significant deficiency and, therefore, changed our assessment regarding the nature and timing, and expanded the extent of our planned substantive procedures to obtain sufficient appropriate audit evidence concerning the involved book accounts.

Our additional procedures included a substantive assessment of the integrity of the reports produced by the related systems and used in our audit procedures, among others.

Based on the results of the above procedures, we consider the information extracted from the companies' systems to be acceptable for the planning and execution of our tests in the context of the financial statements taken as a whole.

Recognition of unbilled revenue from power distribution

The revenues from the supply of electricity are recognized when energy is consumed, on an accrual basis, regardless of its billing, since billing is carried out based on reading cycles that in certain cases follow the accounting closing period. Accounts receivable from unbilled supply services amount to R\$1,318,952 thousand at December 31, 2024 and is presented in Note 7 to the individual and consolidated financial statements.

Unbilled revenue calculation was considered a key audit matter due to the significance of the amounts involved and specificities inherent in the estimation process, which takes into consideration historical data, system parameterization, in addition to judgments by the executive board on the estimated consumption by consumers, in order to ensure that revenue is accurately measured and recorded on an accrual basis.

How our audit addressed this matter

Our audit procedures included, among others: (i) understanding and documenting the estimation process, with review of the assumptions adopted by the executive board; (ii) recalculating the unbilled revenue estimate by consumer based on the data from the report extracted from the billing system; (iii) detail testing, on a sample basis, the data from the report extracted from the billing system, used in calculating the unbilled revenue estimate; (iv) performing analytical procedures to develop an independent expectation based on the historical behavior of the balances under analysis; (v) reconciling the balance of unbilled revenue from energy supply with the accounting records; and (vi) comparing the assumption on average consumption estimated by the companies with the actual average consumption according to the report extracted from the Electric Energy Trading Chamber (CCEE).

Based on the result of audit procedures performed on unbilled revenues, which is consistent with the executive board's assessment, we understand that the unbilled revenue measurement and recognition policies adopted by the companies, as well as the respective disclosures, are acceptable in the context of the individual and consolidated financial statements taken as a whole.



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Impairment testing of property, plant and equipment and intangible assets

The Company conducts an annual impairment test of the balances of property, plant and equipment and intangible assets of its subsidiaries, as disclosed in Notes 14 and 15 to the individual and consolidated financial statements. The projections prepared for the impairment tests involve a high degree of judgment and the need to develop estimates of the values in use based on calculations and assumptions related to the future performance of the businesses. In view of the high degree of judgment involved and the impact that the definition of the assumptions has on the individual and consolidated financial statements, we considered this to be a significant audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (i) review of the model used to measure the recoverable amount and the assumptions and methodologies used by the companies, particularly those related to future revenue projections, growth rate, discount rate used in cash flows, and profit margin for the cash-generating unit; and (ii) review of the disclosures made by the companies in the individual and consolidated financial statements regarding the assumptions used in the recoverability calculations of the aforementioned assets.

Based on the results of the audit procedures performed on the impairment testing of property, plant and equipment and intangible assets, in accordance with CPC 01 (R1) - Impairment of Assets, which is consistent with the executive board's assessment, we consider that the criteria and assumptions for the recoverable amount of intangible assets prepared by the executive board, as well as the respective disclosures in the explanatory notes, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Deferred taxes

As explained in Note 21, the Company's subsidiaries record as noncurrent assets the amount of R\$3,179,400 thousand related to deferred tax credits arising from income and social contribution tax losses and deductible temporary differences, the recognition and recoverability of which are grounded on a study prepared by the executive board as to the generation of future taxable profits. The estimate of future taxable profit generation requires judgment and interpretation of tax laws, as well as the projection of future profits. The monitoring of this matter was considered significant for our audit due to the relevance of the amounts in relation to total assets, as well as the effects on profit or loss for the period, the degree of judgment used in the projections of future taxable profits, their estimates and assumptions, and the impact that any changes in these assumptions and estimates could have on the individual and consolidated financial statements.



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How our audit addressed this matter

Our audit procedures included, among others: (i) using tax specialists to analyze the bases that gave rise to the tax credits under current tax legislation; (ii) reviewing the model used to measure the projections of future taxable profits and the expectations for the reversal of tax credits over time, involving the assumptions and methodologies used by the Company, particularly those related to future revenue projections, growth rates, tax rates, the Company's profit margin, as well as alignment of these assumptions with the studies approved by the Company's competent bodies; and (iii) analyzing the adequacy of the disclosures made in the individual and consolidated financial statements of the Company.

Based on the result of audit procedures performed on deferred taxes, which is consistent with the companies' assessment, we understand that the measurement and recognition method, as well as the respective disclosures, are acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added for the year ended December 31, 2024, prepared under the responsibility of the Company's executive board and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluated if these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement CPC 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added have been prepared fairly, in all material respects, in accordance with the criteria set forth in this Accounting Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The executive board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion on that report.



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In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), currently referred to by the IFRS Foundation as “IFRS standards”, and for such internal control as the executive board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the executive board is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and its subsidiaries’ financial reporting process.

Auditor’s responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt as to the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and communicate all potential relationships or matters that could materially affect our independence, including, where applicable, the respective safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fortaleza, March 26, 2025.

ERNST & YOUNG
Auditores Independentes S/S Ltda.
CRC CE-001042/F

A handwritten signature in black ink, appearing to read 'Carlos Santos Mota Filho', written over a horizontal line.

Carlos Santos Mota Filho
Accountant CRC PE-020728/O

Original report in Portuguese signed by
Carlos Santos Mota Filho
Accountant CRC PE020728/O

Equatorial S.A. and Consolidated

Statements of financial position

December 31, 2024 and 2023

(In thousands of reais)

Assets	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Current assets					
Cash and cash equivalents	5	7,797	1,389,062	3,306,364	4,612,248
Short-term investments	6	253,576	1,971,316	9,731,379	7,625,439
Trade accounts receivable	7	-	-	8,538,999	8,414,799
Grant CCC		-	-	71,547	64,777
Services ordered		-	-	738,805	723,654
Receivables relating to A component and other financial items	8	-	-	-	97,933
Taxes and contributions recoverable	9	8	8	1,612,102	1,700,574
Income and social contribution taxes recoverable		150,331	63,355	925,259	725,430
Dividends receivable	10	1,161,256	147,834	341,272	-
Supplies		-	-	150,896	135,608
Restricted deposits	24	2,879	1,705	13,636	11,386
Derivative financial instruments	32.4	-	-	368,191	7,607
Future commitments	35	-	-	141,530	24,928
Other accounts receivable	11	130,859	85,482	1,463,512	1,287,576
Contract assets	16	-	-	1,123,855	1,388,395
Noncurrent assets held for sale		-	341,442	-	1,132,561
Total current assets		1,706,706	4,000,204	28,527,347	27,952,915
Noncurrent assets					
Financial investments	6	-	-	702,741	557,220
Trade accounts receivable	7	-	-	884,797	857,872
Receivables relating to A component and other financial items	8	-	-	264,381	16,277
Taxes and contributions recoverable	9	-	-	2,752,098	2,746,025
Income and social contribution taxes recoverable		301	12,801	199,855	260,806
Services ordered		-	-	168,182	91,654
Deferred income and social contribution taxes	21	-	-	3,179,400	2,729,099
Restricted deposits	24	169	169	836,304	716,105
CCC subrogation – amounts invested		-	-	349,930	20,444
Post-employment benefit	31	-	-	20,224	30,756
Derivative financial instruments	32.4	81,909	220,986	489,859	220,986
Future commitments	35	-	-	14,460	23,959
Other accounts receivable	11	128,917	119,695	854,561	867,271
Investments	12	29,219,111	21,674,339	6,787,174	24,546
Concession financial asset	13	-	-	15,865,088	13,025,072
Property, plant and equipment	14	2,094	668	7,579,662	7,349,632
Intangible assets	15	5,728	6,301	32,373,681	31,447,954
Right of use		-	-	507,216	521,482
Contract assets	16	-	-	14,055,132	14,183,377
Total noncurrent assets		29,438,229	22,034,959	87,884,745	75,690,537
Total assets		31,144,935	26,035,163	116,412,092	103,643,452

Total assets

See accompanying notes.

		Parent Company		Consolidated	
	Note	2,024	2023	2024	2023
Liabilities					
Current liabilities					
Trade accounts payable	17	4,751	3,796	4,628,036	4,809,010
Trade accounts payable – Reverse factoring	17.1	-	-	321,822	369,172
Payroll obligations and charges		1,284	888	205,798	205,953
Loans and financing	18	-	-	5,161,051	3,774,590
Debentures	19	-	96,672	1,219,349	1,487,352
Taxes and contributions payable	20	42,830	5,251	1,176,741	1,093,205
Income and social contribution taxes payable		25,420	30	141,358	132,698
Receivables relating to A Component and other financial items	8	-	-	1,301,652	479,822
Dividends payable	22	961,636	507,356	1,509,104	619,904
Contribution - public lighting		-	-	207,161	198,179
Industry charges		-	-	456,679	617,800
Profit sharing		24,748	14,778	175,408	152,172
Deferred PIS and COFINS	21.5	-	-	39,899	49,625
Amounts payable under in-court reorganization plan	23.1	-	-	103,567	65,509
Provision for contingencies	24	-	-	609,143	648,839
PIS/COFINS to be refunded to consumers	25	-	-	214,265	1,140,393
Post-employment benefit	31	-	-	84,897	86,125
Derivative financial instruments	32.4	-	-	865	104,914
Lease liabilities		-	-	11,992	15,566
Future commitments	35	-	-	129,082	11,692
Other accounts payable		23	11	1,907,341	1,295,743
Liabilities related to noncurrent assets held for sale		-	-	-	791,119
Total current liabilities		1,060,692	628,782	19,605,210	18,149,382
Noncurrent liabilities					
Trade accounts payable	17	-	-	73,497	194,811
Loans and financing	18	3,295,425	-	21,743,520	18,034,095
Debentures	19	285,891	3,984,321	27,703,158	23,156,107
Receivables relating to A Component and other financial items	8	-	-	417,525	972,444
Taxes and contributions payable	20	-	-	3,017,707	2,913,172
Deferred income and social contribution taxes	21	27,849	75,135	2,806,302	2,640,491
Deferred PIS and COFINS	21.5	-	-	819,187	1,096,910
Amounts payable under in-court reorganization plan	23.1	-	-	894,919	886,004
Provision for contingencies	24	-	-	4,691,872	5,141,478
PIS/COFINS to be refunded to consumers	25	-	-	1,925,087	2,077,303
Post-employment benefit	31	-	-	1,052,377	1,319,963
Industry charges		-	-	303,901	201,211
Provision for investment loss	12	337,901	225,202	-	-
Derivative financial instruments	32.4	-	-	155,900	441,696
Lease liabilities		-	-	91,863	88,744
Future commitments	35	-	-	29,634	24,739
Other accounts payable		23,491	28,480	1,192,847	1,021,243
Total noncurrent liabilities		3,970,557	4,313,138	66,919,296	60,210,411
Equity					
Capital	26	12,466,882	9,308,724	12,466,882	9,308,724
Treasury shares	26.5	(58,348)	-	(58,348)	-
Capital reserves	26.2	2,124,228	2,095,380	2,124,228	2,095,380
Income reserves	26.3	11,625,990	9,810,127	11,625,990	9,810,127
Equity adjustment	26.4	(45,066)	(120,988)	(45,066)	(120,988)
Attributable to the Company’s shareholders		26,113,686	21,093,243	26,113,686	21,093,243
Attributable to noncontrolling interests		-	-	3,773,900	4,190,416
Total equity		26,113,686	21,093,243	29,887,586	25,283,659
Total liabilities and equity		31,144,935	26,035,163	116,412,092	103,643,452

Equatorial S.A. and Consolidated

Statements of profit or loss

December 31, 2024 and 2023

(In thousands of reais)

	Note	Parent Company		Consolidated	
		2024	2023	2024	2023
Infrastructure implementation, O&M and other revenues, net		-	-	43,737,626	39,460,592
Remuneration of concession assets, net		-	-	1,629,049	1,524,485
Net operating revenue	27	-	-	45,366,675	40,985,077
Electricity purchased for resale	29	-	-	(19,563,903)	(17,012,953)
Construction cost		-	-	(8,538,882)	(8,129,445)
Cost of operation		-	-	(4,206,928)	(3,700,147)
Costs of electricity, construction and operation	28	-	-	(32,309,713)	(28,842,545)
Gross profit		-	-	13,056,962	12,142,532
Operating income (expenses)					
Selling expenses	28	(12,890)	-	(1,258,105)	(982,349)
General and administrative expenses	28	(103,633)	(73,879)	(2,174,553)	(2,278,845)
Allowance for expected credit losses	28	-	-	(630,522)	(642,522)
Equity pickup	12	3,248,396	2,750,916	264,761	-
Other operating expenses, net	28.1	(30,957)	(907)	(622,080)	(591,407)
Total operating income (expenses)		3,100,916	2,676,130	(4,420,499)	(4,495,123)
Income before finance income (costs), and income and social contribution taxes		3,100,916	2,676,130	8,636,463	7,647,409
Finance income	30	477,661	519,151	4,401,355	3,395,525
Finance costs	30	(822,656)	(1,243,559)	(9,142,153)	(8,008,145)
Finance income (costs)	30	(344,995)	(724,408)	(4,740,798)	(4,612,620)
Income before income and social contribution taxes		2,755,921	1,951,722	3,895,665	3,034,789
Current income and social contribution taxes	21.4	(90)	-	(208,333)	(248,357)
Deferred income and social contribution taxes	21.4	55,844	123,871	80,473	89,852
Income taxes		55,754	123,871	(127,860)	(158,505)
Net income for the year		2,811,675	2,075,593	3,767,805	2,876,284
Income attributable to:					
Controlling interests		2,811,675	2,075,593	2,811,675	2,075,593
Noncontrolling interests		-	-	956,130	800,691
Net income for the year		2,811,675	2,075,593	3,767,805	2,876,284
Basic earnings per share – R\$	26.6	2.25421	1.80941		
Diluted earnings per share – R\$	26.6	2.25444	1.79555		
Number of common shares at end of year (in thousands of shares)		1,249,259	1,147,108		

See accompanying notes.

Equatorial S.A. and Consolidated

Statements of comprehensive income

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Net income for the year	2,811,675	2,075,593	3,767,805	2,876,284
Other comprehensive income				
Items that will be subsequently recycled to profit or loss				
<i>Hedge</i> and post-employment benefit, net of deferred taxes	75,922	(65,289)	53,896	(46,131)
Other comprehensive income for the year, net of taxes	75,922	(65,289)	53,896	(46,131)
Total comprehensive income	2,887,597	2,010,304	3,821,701	2,830,153
Controlling interests	2,887,597	2,010,304	2,887,597	2,010,304
Noncontrolling interests	-	-	934,104	819,849
Total comprehensive income	2,887,597	2,010,304	3,821,701	2,830,153

See accompanying notes.

Equatorial S.A. and Consolidated

Statement of changes in equity

Years ended December 31, 2024 and 2023

(In thousands of reais)

Note	Capital	Future capital contribution	Treasury shares	Capital reserves	Income reserves				Equity adjustment	Retained earnings	Equity – Parent Company	Noncontrolling interests	Equity - Consolidated
					Legal	Investment and expansion reserve	Unrealized income reserve	Additional dividend reserve					
Balances at December 31, 2022	8,872,296	7,147	(642,725)	187,518	68,697	6,829,826	1,343,325	3,968	(55,699)	-	16,614,353	1,952,627	18,566,980
Capital increase	# 436,428	(7,147)	-	-	-	-	-	-	-	-	429,281	10,000	439,281
Treasury shares sold	-	-	642,725	346,954	-	-	-	-	-	-	989,679	-	989,679
Fair value of stock options (<i>Vesting period</i>)	-	-	-	15,296	-	-	-	-	-	-	15,296	-	15,296
Acquisition of noncontrolling interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	3,403,000	3,403,000
Change in relative equity interest	-	-	-	1,545,612	-	-	-	-	-	-	1,545,612	(1,545,612)	-
Noncontrolling interests in subsidiaries' equity	-	-	-	-	-	-	-	-	-	-	-	(9,997)	(9,997)
Additional dividends distributed	-	-	-	-	-	-	-	(3,968)	-	-	(3,968)	(144,845)	(148,813)
Realization of unearned income reserve	-	-	-	-	-	-	(63,595)	-	-	-	(63,595)	-	(63,595)
Comprehensive income for the year													
Comprehensive income (<i>hedge</i> and post-employment benefits, net of deferred taxes)	-	-	-	-	-	-	-	-	(65,289)	-	(65,289)	19,158	(46,131)
Allocation of income													
Net income for the year	-	-	-	-	-	-	-	-	-	2,075,593	2,075,593	800,691	2,876,284
Recognition of legal reserve	26.3.1	-	-	-	103,780	-	-	-	-	(103,780)	-	-	-
Recognition of mandatory dividends	22	-	-	-	-	-	49,234	-	-	(492,953)	(443,719)	(294,606)	(738,325)
Recognition of additional dividends proposed	26.3.4	-	-	-	-	-	-	8,885	-	(8,885)	-	-	-
Recognition of investment and expansion reserve	26.3.2	-	-	-	-	1,469,975	-	-	-	(1,469,975)	-	-	-
Balances at December 31, 2023	9,308,724	-	-	2,095,380	172,477	8,299,801	1,328,964	8,885	(120,988)	-	21,093,243	4,190,416	25,283,659
Capital increase	26.1	3,158,158	-	-	-	-	-	-	-	-	3,158,158	12,066	3,170,224
Treasury shares	-	-	(58,348)	810	-	-	-	-	-	-	(57,538)	-	(57,538)
Fair value of stock options (<i>Vesting period</i>)	26.7.1	-	-	23,317	-	-	-	-	-	-	23,317	-	23,317
Fair value of stock options - <i>Matching Shares</i> - (<i>Vesting period</i>)	26.7.4	-	-	4,721	-	-	-	-	-	-	4,721	-	4,721
Noncontrolling interests in subsidiaries' equity	-	-	-	-	-	-	-	-	-	-	-	(338,085)	(338,085)
Additional dividends distributed	-	-	-	-	-	-	-	(8,885)	-	-	(8,885)	(480,730)	(489,615)
Realization of unearned income reserve	26.3.3	-	-	-	-	-	(293,816)	-	-	-	(293,816)	(145)	(293,961)
#													
Comprehensive income for the year													
Gains (losses) on derivative financial instruments	32.4.1	-	-	-	-	-	-	-	(348,568)	-	(348,568)	(54,817)	(403,385)
Deferred taxes on gain (loss) on derivative financial instruments	-	-	-	-	-	-	-	-	143,054	-	143,054	17,177	160,231
Comprehensive income - post-employment benefits	31.3	-	-	-	-	-	-	-	286,572	-	286,572	17,025	303,597
Deferred taxes on post-employment benefits	-	-	-	-	-	-	-	-	(5,136)	-	(5,136)	(1,411)	(6,547)
Allocation of income													
Net income for the year	-	-	-	-	-	-	-	-	-	2,811,675	2,811,675	956,130	3,767,805
Recognition of legal reserve	26.3.1	-	-	-	140,584	-	-	-	-	(140,584)	-	-	-
Recognition of mandatory dividends	22	-	-	-	-	-	(25,338)	-	-	(322,164)	(347,502)	-	(347,502)
Interest on equity	-	-	-	-	-	-	-	-	-	(345,609)	(345,609)	(543,726)	(889,335)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional dividends – realization of investment and expansion reserve	-	-	-	-	-	(558)	-	558	-	-	-	-	-
Recognition of investment and expansion reserve	26.3.2	-	-	-	-	2,003,318	-	-	-	(2,003,318)	-	-	-
Balances at December 31, 2024	12,466,882	-	(58,348)	2,124,228	313,061	10,302,561	1,009,810	558	(45,066)	-	26,113,686	3,773,900	29,887,586

See accompanying notes.

Equatorial S.A. and Consolidated

Statements of cash flows – indirect method

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cash flows from operating activities				
Net income for the year	2,811,675	2,075,593	3,767,805	2,876,284
Adjustments:				
Amortization and depreciation	180	115	2,185,353	1,873,371
Amortization of concession right	-	-	571,837	573,436
Equity pickup	(3,248,396)	(2,750,916)	(264,761)	-
Write-off of intangible assets, property, plant and equipment and financial and contract assets	-	2,607	226,082	180,075
Restatement of financial and contract assets	-	-	(2,054,170)	(2,241,141)
Distributed generation charges	-	-	14,701	-
Construction margin - Transmission	-	-	(3,391)	(171,294)
Debt charges, interest, monetary and exchange differences, net	495,867	662,551	6,710,324	4,463,120
Income (loss) from derivative financial instruments	139,077	364,326	(1,173,787)	1,110,053
Financial investment income	(141,062)	(240,729)	(1,193,096)	(1,210,334)
Provision for and restatement of reimbursement	-	-	102,463	-
Future realization of electricity contracts	-	-	15,182	51,115
Present value adjustment	-	-	23,226	(17,275)
Allowance for expected credit losses	-	-	630,522	673,050
Financial charges on expected credit losses	-	-	(9,031)	(15,264)
Receivables written off as bad debt	-	-	272,550	(67,222)
Provision for and restatement of industry charges	-	-	(355,487)	343,947
Provision for and restatement of contingencies	-	-	254,212	281,746
Payables (receivables) relating to A component and other financial items	-	-	(1,330,493)	(1,127,150)
Deferred PIS and COFINS	-	-	(180,146)	91,004
Deferred income and social contribution taxes	(55,844)	(123,871)	(80,473)	(89,852)
Current income and social contribution taxes	90	-	208,333	248,357
Fair value of stock options	13,297	11,600	14,352	67,282
PIS/COFINS to be refunded to consumers	-	-	62,540	(40,472)
Income (loss) from divestiture	171	-	(254,956)	-
Provision for profit sharing	1,747	1,952	116,608	104,489
Retirement and pension plan	-	-	136,180	132,835
Setup (reversal) of provision for inventory losses (contract assets)	-	-	(114,418)	245,311
Other	-	-	-	71,755
	16,802	3,228	8,298,061	8,407,226
Changes in current and noncurrent assets and liabilities:				
Trade accounts receivable	-	-	148,117	177,803
Grant CCC	-	-	(6,770)	19,459
Services ordered	-	-	(70,680)	(73,651)
Restricted deposits	(1,174)	(1,009)	(84,642)	(72,952)
Return of capital to be settled	-	312,647	-	-
Supplies	-	-	(15,288)	143,252
Taxes and contributions recoverable	-	47	(547,199)	(90,917)
Income and social contribution taxes recoverable	(10,721)	3,452	(145,293)	(29,543)
CCC subrogation	-	-	(92,666)	64,676
Receivables relating to A component and other financial items	-	-	382,155	(25,346)
Contract assets	-	-	(5,415)	(65,097)
Other accounts receivable	(24,599)	(74,016)	(151,369)	(228,035)
Trade accounts payable	(3,701)	1,141	(648,431)	230,358
Payroll obligations and charges	396	246	(454,676)	(447,551)
Taxes and contributions payable	12,241	3,030	995,567	530,008
Income and social contribution taxes payable	34,128	(12)	44,760	175,021
Contribution - public lighting	-	-	8,982	43,372
Industry charges	-	-	278,094	(326,863)
Profit sharing	8,223	(4,147)	(93,102)	(100,518)
Post-employment benefits	-	-	(112,768)	(108,501)
Contingencies paid	-	-	(716,969)	(497,777)
Future commitments	-	-	-	-
Other accounts payable	12	6	623,364	204,107
PIS/COFINS to be refunded to consumers	-	-	-	(12,164)
Dividends receivable	1,722,450	708,976	-	-
Assets/Liabilities classified as held for sale	-	-	(964)	-
Cash flows from operating activities	1,754,057	953,589	7,632,868	7,916,367
Financial investments	141,062	240,729	1,193,096	1,210,334
Income and social contribution taxes paid	(270)	-	(239,365)	(376,509)
Interest paid	(419,749)	(657,503)	(4,335,392)	(4,400,679)
Net cash flows from operating activities	1,475,100	536,815	4,251,207	4,349,513
Cash flows from investing activities				
Acquisitions of intangible assets	(65)	(36)	(40,688)	(83,072)
Return of price paid by former parent company	-	-	-	142,090
Acquisitions of property, plant and equipment	(968)	(141)	(404,177)	(2,606,231)
Acquisitions of contract assets	-	-	(5,542,130)	(6,458,751)
Corporate restructuring	3,803,600	-	-	-
Capital increase in investees	(3,992,542)	(1,159,200)	-	10,000
Capital reduction in investees	155,600	-	-	-
Divestiture	320,913	-	1,030,913	-
Acquisition of noncontrolling interests in subsidiary	-	-	-	3,403,000
Acquisition of interests in associate	(6,869,274)	-	(6,869,274)	-
Net cash flows from subsidiaries disposed of	-	-	(29,864)	(60,787)
Financial redemptions (investments)	1,717,740	(1,944,738)	(2,335,779)	(3,048,912)
Cash flows used in investing activities	(4,864,996)	(3,104,115)	(14,190,999)	(8,702,663)
Cash flows from financing activities				
Amortization of loans and financing	(2,442,787)	-	(7,829,405)	(11,456,082)
Loans and financing raised	5,566,992	1,286,782	10,851,675	6,752,267
Debentures raised	-	1,578,983	13,714,760	15,424,094
Amortization of debentures	(3,700,000)	(448,400)	(9,812,128)	(5,556,180)
Amortization of lease liabilities	-	-	(26,247)	(22,932)
Derivative financial instruments received	-	-	85,039	61,916
Amounts paid in connection with in-court reorganization plan	-	-	(28,514)	(26,321)
Related parties – intercompany loans received	-	44,417	-	-
Capital increase	3,158,158	429,281	3,170,224	429,281
Dividends paid	(516,194)	(385,133)	(1,433,958)	(796,686)
Buyback of own shares	(57,538)	-	(57,538)	-
Gains (losses) from disposal of treasury shares	-	989,679	-	989,679
Net cash flows from financing activities	2,008,631	3,495,609	8,633,908	5,799,036
Increase (decrease) in cash and cash equivalents	(1,381,265)	928,309	(1,305,884)	1,445,886
Cash and cash equivalents at beginning of year	1,389,062	460,753	4,612,248	3,166,362
Cash and cash equivalents at end of year	7,797	1,389,062	3,306,364	4,612,248
Increase (decrease) in cash and cash equivalents	(1,381,265)	928,309	(1,305,884)	1,445,886

See accompanying notes.

Equatorial S.A. and Consolidated

Statements of value added

Years ended December 31, 2024 and 2023

(In thousands of reais)

	Parent Company		Consolidated	
	2024	2023	2024	2023
Revenue				
Sales of products and services	-	-	52,783,725	54,834,576
Construction revenue	-	-	8,542,273	
Allowance for expected credit losses	-	-	(630,522)	(642,522)
Other revenues	-	-	20,107	28,407
	-	-	60,715,583	54,220,461
Inputs acquired from third parties (includes ICMS and IPI)				
Cost of sales	-	-	(28,102,785)	(25,142,398)
Materials, power, services from suppliers and other	(55,110)	(38,564)	(3,852,651)	(3,288,192)
Grant - CCC	-	-	(75,627)	(3,336)
Other expenses	(30,957)	(907)	(646,669)	(661,905)
	(86,067)	(39,471)	(32,677,732)	(29,095,831)
Gross value added (invested)	(86,067)	(39,471)	28,037,851	25,124,630
Depreciation and amortization	(180)	(115)	(2,185,353)	(1,873,371)
Net value (invested) added generated by the Company	(86,247)	(39,586)	25,852,498	23,251,259
Value added received in transfer				
Finance income	495,958	539,349	4,518,815	3,509,917
Equity pickup	3,248,396	2,750,916	264,761	-
Amortization of concession right	-	-	(571,837)	(573,436)
	3,744,354	3,290,265	4,211,739	2,936,481
Total value added to be distributed	3,658,107	3,250,679	30,064,237	26,187,740
Value added distributed				
Personnel				
Salaries	52,752	30,760	685,777	706,779
Benefits	1,877	1,310	224,978	279,601
FGTS	437	283	104,377	90,030
	55,066	32,353	1,015,132	1,076,410
Taxes, charges and contributions				
Federal taxes	(31,446)	(100,891)	8,300,232	7,832,624
State taxes	-	-	7,790,990	6,355,412
Local taxes	-	-	14,926	13,806
	(31,446)	(100,891)	16,106,148	14,201,842
Debt remuneration				
Interest	495,870	662,549	7,199,939	6,161,603
Rental	156	65	32,999	25,059
Other	326,786	581,010	1,942,214	1,846,542
	822,812	1,243,624	9,175,152	8,033,204
Equity remuneration				
Dividends	667,773	452,604	1,236,837	747,210
Profits withheld for the year	2,143,902	1,622,989	1,574,838	1,328,383
Noncontrolling interests on income for the year	-	-	956,130	800,691
	2,811,675	2,075,593	3,767,805	2,876,284
Value added	3,658,107	3,250,679	30,064,237	26,187,740

See accompanying notes.

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements
December 31, 2024 and 2023
(In thousands of reais)

1 Operations

Equatorial S.A. (formerly Equatorial Energia S.A.) (the “Company” or “Equatorial” or “Parent Company” or, jointly with its Subsidiaries, referred to as the “Group”), is a publicly-held corporation domiciled in Brazil, headquartered at Alameda A, Quadra SQS, nº 100, sala 30, Loteamento Quitandinha, bairro Altos do Calhau, city of São Luís, state of Maranhão, CEP 65070-900, and is engaged in holding interests in other companies, primarily in electric power generation, distribution and transmission operations, and sanitation. The Company’s shares are traded on Mercado de Balcão Organizado do Brasil, Bolsa, Balcão S.A. (B3) under ticker symbol “EQTL3”. Since 2008, the Company has participated in Novo Mercado.

1.1 Subsidiaries

Equatorial has investments as follows:

Energy distribution:	Type of company	Equity interest	Brazilian state and area of operation	No. of consumers*	Concession contract No.	Concession term	Concession start date	Concession end date
Equatorial Pará Distribuidora de Energia S.A.	Publicly held company	Indirect, 71.61%	Pará	3,064,204	182/1998	30 years	07/28/1998	07/27/2028
Equatorial Maranhão Distribuidora de Energia S.A.	Publicly held company	Indirect, 48.32%	Maranhão	2,805,962	060/2000	30 years	08/11/2000	08/10/2030
Equatorial Goiás Distribuidora de Energia S.A.	Publicly held company	Indirect, 99.96%	Goiás	3,497,392	063/2000	30 years	07/08/2015	07/07/2045
Companhia Estadual de Distribuição de Energia Elétrica - CEEE-D	Publicly held company	Indirect, 95.12%	Rio Grande do Sul	1,957,519	081/1999	30 years	07/07/2015	07/06/2045
Equatorial Piauí Distribuidora de Energia S.A.	Privately held company	Indirect 70.45%	Piauí	1,546,949	001/2018	30 years	10/18/2018	10/17/2048
Equatorial Alagoas Distribuidora de Energia S.A.	Privately held company	Direct, 91.50%	Alagoas	1,394,549	002/2019	30 years	03/19/2019	03/18/2049
Companhia de Eletricidade do Amapá CEA	Privately held company	Indirect, 99.98%	Amapá	237,938	001/2021	30 years	11/24/2021	11/23/2051
Energy transmission:	Type of company	Equity interest	State (headquarters)	Area of operation (transmission line)	Concession contract No.	Concession term	Concession start date	Concession end date
Equatorial Transmissora 1 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia	007/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 2 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia	008/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 3 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia e Piauí	010/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 4 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia e Minas Gerais	012/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 5 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia e Minas Gerais	013/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 6 SPE S.A.	Privately held company	Indirect, 100%	Brasília	Bahia e Minas Gerais	014/2017	30 years	02/10/2017	09/02/2047
Equatorial Transmissora 8 SPE S.A.	Publicly held company	Indirect, 100%	Brasília	Pará	048/2017	30 years	07/21/2017	20/07/2047
Sanitation:	Type of company	Equity interest	State	No. of consumers*	Concession contract No.	Concession term	Concession start date	Concession end date
Concessionária de Saneamento do Amapá SPE S.A.	Privately held company	Indirect, 80%	Amapá	95,431	001/2021	35 years	07/13/2022	12/07/2057

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements (Continued)
December 31, 2024 and 2023
(In thousands of reais)

Energy generation:	Type of company	Equity interest	State	Area of operation	Energy contracted (MWm)	Grant term	Grant start date	Grant end date
Eólica Baixa Verde S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	6	35 years	08/11/2010	08/11/2045
Eólica Pedra do Reino S.A.	Privately held company	Indirect, 100%	Bahia	Bahia	10	35 years	06/30/2010	06/30/2045
Eólicatec Sobradinho S.A.	Privately held company	Indirect, 100%	Bahia	Bahia	6.8	35 years	08/03/2011	08/03/2046
Eólica Moxotó S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	8.4	35 years	04/18/2011	04/18/2046
Nova Ventos do Morro do Chapéu Energias Renováveis S.A.	Privately held company	Indirect, 100%	Ceará	Ceará	13.1	35 years	06/30/2011	06/30/2046
Nova Ventos do Parazinho Energias Renováveis S.A.	Privately held company	Indirect, 100%	Ceará	Ceará	14	35 years	07/08/2011	07/08/2046
Nova Vento Formoso Energias Renováveis S.A.	Privately held company	Indirect, 100%	Ceará	Ceará	13.5	35 years	07/08/2011	07/08/2046
Nova Ventos de Tianguá Energias Renováveis S.A.	Privately held company	Indirect, 100%	Ceará	Ceará	14.1	35 years	07/04/2011	07/04/2046
Nova Ventos de Tianguá do Norte Energias Renováveis S.A.	Privately held company	Indirect, 100%	Ceará	Ceará	13.1	35 years	07/04/2011	07/04/2046
Eólica Serra de Santana S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	8.1	35 years	08/17/2011	08/17/2046
Eólica Lagoa Nova S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	13.5	35 years	08/03/2011	08/03/2046
Eólica Seridó S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	12.7	35 years	08/11/2011	08/11/2046
Eólica Paraíso S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	9	35 years	05/02/2012	05/02/2047
Eólica Lanchinha S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	13.2	35 years	05/02/2012	05/02/2047
Eólica Cabeço Vermelho S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	13.6	35 years	07/14/2014	07/14/2049
Eólica Cabeço Vermelho II S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	9	35 years	07/18/2014	07/18/2049
Ventos de São Clemente I Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	15.3	35 years	11/25/2014	11/25/2049
Ventos de São Clemente II Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	14.2	35 years	11/25/2014	11/25/2049
Ventos de São Clemente III Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	14.5	35 years	11/27/2014	11/27/2049
Ventos de São Clemente IV Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	14.6	35 years	11/28/2014	11/28/2049
Ventos de São Clemente V Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	15.7	35 years	11/27/2014	11/27/2049
Ventos de São Clemente VI Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	13.3	35 years	11/27/2014	11/27/2049
Ventos de São Clemente VII Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	10.7	35 years	11/28/2014	11/28/2049
Ventos de São Clemente VIII Energias Renováveis S.A.	Privately held company	Indirect, 100%	Pernambuco	Pernambuco	9.5	35 years	11/27/2014	11/27/2049
Eólica Pedra Rajada S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	11	35 years	04/02/2015	04/02/2050
Eólica Pedra Rajada II S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	10.1	35 years	04/02/2015	04/02/2050
Eólica Boa Esperança I S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	14.4	35 years	08/20/2015	08/20/2050
Eólica Pedra do Reino IV S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Bahia	9.7	35 years	05/12/2016	05/12/2051
Vila Sergipe 1 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Rio Grande do Norte	Variable	35 years	12/26/2018	12/26/2053
Vila Rio Grande do Norte 1 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Rio Grande do Norte	Variable	35 years	12/26/2018	12/26/2053
Vila Rio Grande do Norte 2 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Rio Grande do Norte	Variable	35 years	12/26/2018	12/26/2053
Vila Sergipe 2 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/21/2019	03/21/2054
Vila Sergipe 3 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/21/2019	03/21/2054
Vila Piauí 3 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/21/2019	03/21/2054
Vila Piauí 1 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Rio Grande do Norte	Variable	35 years	03/26/2019	03/26/2054
Vila Piauí 2 Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Rio Grande do Norte	Variable	35 years	03/26/2019	03/26/2054
Vila Alagoas II Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
Vila Espírito Santo I Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
Vila Espírito Santo II Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
Vila Espírito Santo III Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
Vila Espírito Santo IV Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
Vila Espírito Santo V Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	Rio Grande do Norte	Rio Grande do Norte	Variable	35 years	03/12/2020	03/12/2055
UFV Sol do Pilar S.A.	Privately held company	Indirect, 100%	São Paulo	Non-operational	-	-	(a)	-
Ribeiro Gonçalves Solar VI S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	11	35 years	08/21/2020	08/20/2055
Ribeiro Gonçalves Solar VII S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	9.9	35 years	08/21/2020	08/20/2055
Ribeiro Gonçalves Solar VIII S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	9.9	35 years	08/21/2020	08/20/2055
Sertão Solar Barreiras XV S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.27	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XVI S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.27	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XVII S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.31	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XVIII S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.32	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XIX S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.32	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XX S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.32	35 years	05/25/2021	05/24/2056
Sertão Solar Barreiras XXI S.A.	Privately held company	Indirect, 100%	São Paulo	Bahia	16.32	35 years	05/25/2021	05/24/2056

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Energy generation:	Type of company	Equity interest	State	Area of operation	Energy contracted (MWm)	Grant term	Grant start date	Grant end date
Ribeiro Gonçalves Solar III S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	12.2	35 years	08/01/2019	07/31/2054
Ribeiro Gonçalves Solar IV S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	6	35 years	08/01/2019	07/31/2054
Serra do Mel VIII Ltda.	Limited liability company	Indirect, 100%	São Paulo	Nonoperational	-	-	(a)	-
Serra do Mel IX Ltda.	Limited liability company	Indirect, 100%	São Paulo	Nonoperational	-	-	(a)	-
Serra do Mel X Ltda.	Limited liability company	Indirect, 100%	São Paulo	Nonoperational	-	-	(a)	-
Sol Serra do Mel XIII S.A.	Privately held company	Indirect, 100%	São Paulo	Nonoperational	-	-	(a)	-
Vila Echoenergia Empreendimentos e Participações S.A.	Privately held company	Indirect, 100%	São Paulo	Nonoperational	-	-	(a)	-
Ribeiro Gonçalves Solar II S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	12.2	35 years	08/01/2019	07/31/2054
Ribeiro Gonçalves Solar I S.A.	Privately held company	Indirect, 100%	São Paulo	Piauí	5	35 years	08/01/2019	07/31/2054

Energy sale:	Type of company	Equity interest	State
Equatorial Renováveis S.A.	Privately held company	Indirect, 100%	São Paulo
Echoenergia Comercializadora de Energia Ltda.	Limited liability company	Indirect, 100%	São Paulo

Provision of services:	Type of company	Equity interest	State
Equatorial Serviços S.A.	Privately held company	Direct, 100%	Maranhão
Equatorial Telecomunicações S.A.	Privately held company	Indirect, 100%	Maranhão
Equatorial Geração Distribuída SPE S.A.	Privately held company	Indirect, 100%	Maranhão
Equatorial Engenharia e Construções S.A.	Privately held company	Indirect, 100%	Maranhão
E-Nova Geração Distribuída S.A.	Privately held company	Indirect, 100%	Maranhão
Equatorial Finanças S.A.	Privately held company	Indirect, 100%	Maranhão
Echoenergia Suprimentos e Empreendimentos Ltda.	Limited liability company	Indirect, 100%	Rio Grande do Norte

Holding companies – Energy distribution, generation and transmission, and sanitation:	Type of company	Equity interest	State
Equatorial Energia Distribuição S.A.	Privately held company	Direct, 74.21%	Maranhão
Equatorial Transmissão S.A.	Privately held company	Direct, 100%	Federal District
Equatorial Participações e Investimentos S.A.	Privately held company	Direct, 100%	Maranhão
Equatorial Participações e Investimentos II S.A.	Privately held company	Direct, 100%	Maranhão
Equatorial Participações e Investimentos III S.A.	Privately held company	Direct, 100%	Maranhão
Equatorial Transmissora Holding S.A.	Privately held company	Indirect, 100%	Maranhão
Echoenergia Participações S.A.	Privately held company	Indirect, 100%	São Paulo
Echoenergia Crescimento S.A.	Privately held company	Indirect, 100%	São Paulo
Echo Holding I S.A.	Privately held company	Indirect, 100%	Ceará
Ventos de São Clemente Holding S.A.	Privately held company	Indirect, 100%	Ceará
Ventos de São Jorge Holding S.A.	Privately held company	Indirect, 100%	Ceará
Serra do Mel Holding S.A.	Privately held company	Indirect, 100%	São Paulo
Serras Holding S.A.		Indirect, 100%	Rio Grande do Norte
Ribeiro Gonçalves Solar Holding S.A.	Privately held company	Indirect, 100%	São Paulo
Barreiras Holding S.A.	Privately held company	Indirect, 100%	São Paulo

(*) Refers to total consumers considering the captive and free markets, unaudited.
(a) Pre-operational companies not scheduled to start up in 2025

The accounting policies have been applied consistently to the consolidated companies and are consistent with those used in the previous year.

All assets, liabilities, profit or loss, revenues, expenses, and cash flows of the same group related to transactions between Group members are fully eliminated upon consolidation.

1.2 Associates

The Company holds 15% interest in the Companhia de Saneamento Básico do Estado de São Paulo (SABESP) as of August 28, 2024, when the shareholding was acquired.

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1.2.1 Acquisition of significant interest in the Companhia de Saneamento Básico do Estado de São Paulo (SABESP) by the Equatorial Group

Context and description of the transaction:

On June 28, 2024, Equatorial Participações e Investimentos IV S.A. (Equatorial Participações IV), a company 100% controlled by Equatorial Energia S.A. at the time, was confirmed as the Finalist Anchor Investor of the public offering of secondary distribution of common registered, book-entry shares without par value issued by SABESP and held by the State of São Paulo, at the price per Share of the Priority Allocation of R\$67.00 (sixty-seven reais), the transaction amounting to a total of R\$6,869,274.

On July 18, 2024, Equatorial Participações IV formalized its status as Anchor Investor of SABESP, with execution of the Agreement for Investment, Lock-up and Other Covenants with the State of São Paulo, which establishes voting rights and obligations and restrictions on the trading of shares issued by SABESP held by the signatory shareholders, in addition to other commitments assumed by the signatories.

With liquidation of the Offering, which took place on July 22, 2024, and subject to the conditions described in the Preliminary Prospectus of the Public Offering of Secondary Distribution of Common Shares Issued by SABESP and held by the State of São Paulo, Equatorial Participações IV now holds shares representing 15% (fifteen percent) of SABESP's capital. The acquisition was submitted for approval by the Brazilian Antitrust Agency (CADE), after a final decision was handed down on August 26, 2024. Equatorial Participações IV was merged into Equatorial S.A. on December 20, 2024, thereby transferring the ownership of the shares of SABESP to the Company.

SABESP is a publicly held company with shares listed on the São Paulo Stock Exchange (B3) and the New York Stock Exchange (NYSE). The company was founded in 1973 as a result of the merger of several sanitation companies operating in the state of São Paulo and was created with the purpose of centralizing and improving basic sanitation services in the state of São Paulo. The investee is responsible for the collection, treatment, and distribution of drinking water, as well as the treatment and proper disposal of collected sewage, contributing to public health and environmental preservation, serving 375 municipalities in the state of São Paulo.

Accounting impact:

This acquisition did not result in control of SABESP by Equatorial S.A., and was classified as significant influence without control. The acquired interest was recognized as an investment in associate, in accordance with CPC 18 (R2) - Investments in Associates, Subsidiaries, and Joint Ventures. The investment was initially recorded at acquisition cost, which includes the fair value of the consideration transferred. According to the shareholders' agreement, Equatorial has the right to appoint three board members out of a total of nine, in addition to having priority in appointing the CEO of SABESP.

For measurement of the initial recognition of the investment, balances from August 31, 2024, the closest reporting date to the acquisition date, was used. The excess amount paid over the proportional equity of the investee, amounting to R\$1,241,719, was allocated as revaluation surplus and will be amortized over the concession period.

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Financial information of SABESP:

Below is a summary of the key financial information of SABESP for the year ended December 31, 2024, in thousands of reais (R\$):

- Total assets: R\$ 80,978,272
- Total liabilities: R\$ 44,050,218
- Equity: R\$36,928,054
- Net income for the year: R\$9,579,563

Future perspectives:

The Company believes that its interest held in SABESP will bring long-term strategic and financial benefits. The Company will continue to monitor SABESP's performance and explore collaboration opportunities that can generate additional value for both parties. The Company also plans to support SABESP in its initiatives to expand and improve sanitation services. Equatorial is committed to proactively managing potential risks to the investment to protect the interests of its shareholders.

Risks and uncertainties:

As with any investment, there are risks associated with holding interest in SABESP, including but not limited to:

- Market risks: fluctuations in economic and regulatory conditions.
- Operational risks: challenges in the operation and maintenance of sanitation systems.
- Financial risks: fluctuations in interest rates and exchange rates that may affect the cost of capital and investment profitability.

1.3 Disposal of subsidiary - Equatorial Transmissora SPE 7 S.A.

On July 8, 2024, the Share Purchase Agreement and Other Covenants was entered into between Equatorial Transmissão S.A. ("Equatorial Transmissão"), a wholly-owned subsidiary of Equatorial S.A. and sole shareholder of Equatorial Transmissora 7 SPE S.A., as seller, and Infraestrutura e Energia Brasil S.A., as buyer, with the intervention and consent of Equatorial SPE 7 and CDPQ, a global investment group, establishing, among other matters, the terms and conditions of the disposal of the totality of the shares issued by Equatorial SPE 7. The approval of the transaction took place on August 8, 2024, at CADE, and on October 9, 2024, at ANEEL, while the closing occurred on December 5, 2024, after all the precedent conditions were met.

In the context of the Transaction, the equity value of up to R\$840,627 as of November 30, 2024, was adjusted by the Interbank Deposit Certificate (CDI) until the effective closing. Infraestrutura Energia paid the amount of R\$710,000 to Equatorial Transmissão for acquisition of 100% of the shares of Equatorial SPE 7, on the closing date of the transaction, and the difference was divided as follows: (i) amount payable in installments (with each installment adjusted by the CDI as of the closing date), and (ii) amount payable through earn-out subject to fulfillment of certain conditions defined under the terms of the Agreement. The gain recognized from the transaction totaled R\$252,188.

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1.4 Merger of Equatorial Participações e Investimentos III S.A. by Equatorial S.A.

On December 20, 2024, the merger of Equatorial Participações e Investimentos IV S.A. (Equatorial Participações IV) by Equatorial S.A. was approved, which now directly holds 102,526,480 shares of SABESP, corresponding to 15% of the total shares of this investee, as well as the rights and obligations assumed upon execution of the Agreement for Investment, Lock-up and Other Covenants with the State of São Paulo, which establishes voting rights and obligations and restrictions on the trading of shares issued by the Company held by the signatory shareholders, in addition to other commitments assumed by the signatories. Accordingly, the equity of Equatorial Participações IV was fully transferred to Equatorial S.A. with the universal succession, without interruption of operations, with all its assets and liabilities, rights and obligations, of any nature, whether of an equity or non-equity nature, resulting in the extinction of Equatorial Participações IV.

1.5 Extreme weather events in Rio Grande do Sul State – Indirect subsidiary Companhia Estadual de Distribuição de Energia Elétrica (CEEE-D)

1.5.1 Weather event in May 2024

Between the end of April and the beginning of May 2024, the state of Rio Grande do Sul faced an extreme weather event with heavy and persistent rainfalls that caused floods and flooding in several regions. A total of 469 cities in the state were affected, 51 of which are serviced by CEEE-D, with interruption of energy affecting 226 thousand customers at the peak of the event. Due to the weather event, approximately 1,290 consumer units ceased to exist, which represents 0.07% of the total served by the indirect subsidiary.

As a consequence of the weather event, until December 31, 2024, CEEE-D recognized a negative impact of R\$27,263, related to provisions recognized due to inventory losses, asset write-offs, as well as expenses related to commercial actions and other miscellaneous costs.

CEEE-D is in the process of recovering the most significant amounts from the insurers, with no expected date to receive the full amount yet, considering that inspections of the damaged materials and analysis of the submitted documentation are still ongoing, based on its operational risk and civil liability insurance policies. It is important to note that the policies fully cover all identified claims; the only remaining task is to assess the final amount to be received. To date, CEEE recorded R\$4,400 referring to advances received and/or approved by the insurer. Due to the ongoing claims assessment process, the other requests to be recognized by the insurer remain under discussion.

Brazilian Electricity Regulatory Agency (ANEEL) issued Ruling No. 1092 on May 14, 2024 containing more flexible rules for the provision of public electricity distribution services to face the public calamity in the state of Rio Grande do Sul, considering commercial, economic-financial and technical aspects. The main commercial and financial flexibilities had a duration of 90 days. There are no significant impacts between this date and the 2024 year end date.

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1.5.2 Other weather events

On June 15 and 16, 2023, heavy rains hit the state of Rio Grande do Sul and supply failure affected 22% of customers served by the CEEE-D. The natural phenomenon caused power outages for about 422 thousand customers. On July 13, 2023, an extratropical cyclone hit the state and supply failure affected 38% of customers served by the indirect subsidiary. The natural phenomenon caused power outages for about 730 thousand customers. In both cases, the indirect Subsidiary put the contingency plan into effect and implemented an extra structure, carrying out real-time monitoring in its operation center.

Between August 7 and 11, 2023, storms with wind gusts of 40 to 70 km/h impacted the energy supply to about 150 thousand customers (8% of the total consumers), followed by another weather event in the subsequent month with similar characteristics, but lasting longer, affecting about 1.1 million consumers (58% of the total consumers) distributed throughout the concession area.

On January 16 and 17, 2024, heavy rains hit the state again and 34% of the customers served by CEEE-D had supply failures (power outage to about 651 thousand customers). On March 21, 2024, Rio Grande do Sul State was once again impacted by heavy rains and gusty winds, and about 43% of customers had supply failure (power outage to about 815 thousand customers). The indirect Subsidiary put the contingency plan into effect once again and implemented an extra structure, carrying out real-time monitoring in its operation center.

On October 23, 2024, an extratropical cyclone with wind speeds exceeding 100 km/h struck 43 municipalities and affected 262 thousand customers served by CEEE-D's concession. The response was swift, with 92% of customers having their service restored within 24 hours, thanks to the mobilization of 957 teams, including 151 professionals from other Equatorial Group distributors to assist in the network reconstruction. No significant financial impacts requiring disclosure were identified.

For such weather events, CEEE-D recorded operating expenses of R\$12,682 related to call center services, customer service support, and materials.

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1.6 Tax reform on consumption

On December 20, 2023, Constitutional Amendment No. 132/2023 was enacted, establishing the Tax Reform on consumption. The reform replaces PIS, COFINS, IPI, ICMS, and ISS with a dual Value Added Tax (VAT) model, consisting of the Goods and Services Contribution Tax (CBS), under federal jurisdiction, and the Goods and Services Tax (IBS), under state and municipal jurisdiction.

On January 16, 2025, Supplementary Law No. 214/2025 was published, establishing the initial guidelines for implementation of the tax reform. However, operational aspects and specific details still depend on supplementary regulation.

Accordingly, as of December 31, 2024, there are no impacts from the tax reform on the Company's individual and consolidated financial statements. Management continues to monitor the developments of the regulation and will assess the effects as new definitions are established.

1.7 Shareholders' Agreement – Transactions with Equatorial Piauí Distribuidora de Energia S.A. ("Equatorial Piauí") and Equatorial Alagoas Distribuidora de Energia S.A. ("Equatorial Alagoas")

1.7.1 Equatorial Piauí

On March 21, 2023, the Company's Board of Directors approved the transfer of all shares of Equatorial Piauí, representing 94.94% of the capital owned by the Company, to subsidiary Equatorial Energia Distribuição S.A. ("Equatorial Distribuição"), through capital increase. On that same date, the Company's Board of Directors approved the investment agreement between the Company and Itaú Unibanco S.A. ("Itaú"), which governs the terms and conditions for a new investment by Itaú in Equatorial Distribuição, through subscription and payment of class B preferred shares of Equatorial Distribuição, totaling approximately R\$2,103,000. The contribution was made on that date and the Investment Agreement was executed on March 23, 2023, under which the investment by Itaú in Equatorial Distribuição was implemented ("Transaction").

With completion of the Transaction, Itaú became the holder of 559,308,511 class B preferred shares issued by Equatorial Distribuição, which, together with the 397,661,749 class A preferred shares issued by Equatorial Distribuição and already previously held by Itaú, represent 20.83% of the total capital of Equatorial Distribuição and all the preferred shares issued by it.

With completion of Transaction 1, the Company now holds one additional common share issued by Equatorial Distribuição, and thus became the holder of a total of 3,637,513,056 common shares issued by Equatorial Distribuição, representing 79.17% of the total capital of Equatorial Distribuição. As a consequence of this transaction, Equatorial Distribuição became the direct controller of Equatorial Piauí, with 94.94% equity interest, while the Company became its indirect controller. Consequently, Equatorial Distribuição assumed the role of issuer of the Book-Entry Commercial Notes and issuer of the Debentures (6th issue of debentures), previously assumed by the Company.

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1.7.2 Equatorial Alagoas

On December 21, 2023, the Company's Board of Directors approved the partial transfer of shares of Equatorial Alagoas, representing 19% of the capital owned by the Company, to subsidiary Equatorial Distribuição S.A., through capital increase. On the same date, the Company's Board of Directors approved the execution of an amendment to the investment agreement between the Company and Itaú Unibanco S.A., with the intervention and consent of Equatorial Energia. The objective is to regulate the terms and conditions for the investment to be made by Itaú in Equatorial Distribuição, amounting to R\$1,300,000, through the issue of 70,921,986 additional class B preferred shares ("New Class B Preferred Shares") and 236,406,620 new class C preferred shares issued by Equatorial Distribuição, subject to observance of certain conditions precedent and compliance with specific obligations established in the Investment Agreement, as well as the corresponding implementation of the Transaction in accordance with the terms of the Investment Agreement.

With completion of the Transaction, Itaú became the holder of 236,406,620 class C preferred shares issued by Equatorial Distribuição and 70,921,986 class B preferred shares, which, together with the 397,661,749 class A preferred shares and 559,308,511 class B preferred shares already previously held by Itaú, represent 25.79% of the total capital of Equatorial Distribuição and all the preferred shares issued thereby. With completion of the Transaction, the Company now holds one additional common share issued by Equatorial Distribuição, and thus became the holder of a total of 3,637,513,057 common shares issued by Equatorial Distribuição, representing 74.21% of the total capital of Equatorial Distribuição. As a result of this contribution, Equatorial Distribuição became an investor in Equatorial Alagoas, holding 19% interest in the total capital of Equatorial Alagoas, while control remains with Equatorial S.A.

1.7.3 Privileged dividends

In accordance with the provisions of the bylaws of Equatorial Distribuição, filed with the Commercial Registry of the State of Maranhão, under No. 20240976886, in the session held on July 26, 2024:

1) As long as there are class A preferred shares and class B preferred shares, pursuant to article 17, paragraph 2 of the Corporation Law, holders of preferred shares issued by Equatorial Distribuição will be entitled to dividends distributed by Equatorial Distribuição, according to the terms and conditions established below, in each year, until the total amount paid is equivalent to the amounts below ("Privileged Dividends PNA and PNB"). Such Privileged Dividends owed to the holders of class A preferred shares and class B preferred shares will be allocated in the proportion of 19.60% for class A preferred shares and 80.40% for class B preferred shares, except regarding item (1.1.2) below, whose distribution will be 100% (one hundred percent) allocated exclusively to class B preferred shares and with priority over the distribution provided for in item (1.1.1) below.

1.1) 15% and 27.10% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to the first six-month period of 2023:

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(1.1.1) regarding class A preferred shares and class B preferred shares, 15% of the net income determined by Equatorial Distribuição, as defined in article 191 of the Corporation Law, after the deductions required by article 193 of the Corporation Law and subtraction of the amounts earned by Equatorial Pará Distribuidora de Energia S.A., Equatorial Maranhão Distribuidora de Energia S.A., Equatorial Piauí Distribuidora de Energia S.A., and Equatorial Alagoas Distribuidora de Energia S.A. (the “Subsidiaries”) from the resulting amount, in the context of tax-related lawsuits in which the Subsidiaries are plaintiffs, concerning PIS/COFINS debts (“Tax Lawsuits”) and that effectively become part of the Company’s net income (net of any taxes applicable to amounts received from Tax Lawsuits and already considering any other applicable deductions) (“Net Income”) earned by Equatorial Distribuição in the respective period, for distributions related to the first six-month period of 2023; and

(1.1.2) Additionally, exclusively for class B preferred shares, and with priority over the distribution provided for in item (1.1.1) above, 27.10% of the Net Income earned by Equatorial Distribuição in the respective period, for distributions related to the first half of 2023.

1.2) 15% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to the second six-month period of 2023;

1.3) 15% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to 2024;

1.4) 15% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to 2025;

1.5) 20% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to 2026;

1.6) 35% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to 2027;

1.7) 55% of Net Income earned by Equatorial Distribuição in the respective years, for the distributions relating to 2028 and 2029; and

1.8) 60% of Net Income earned by Equatorial Distribuição in the respective years, for the distributions relating to 2030 onwards.

2) In the event that class A preferred shares or class B preferred shares cease to exist, each of the percentages mentioned in item "1" above will be proportionally reduced by 19.60% (nineteen point sixty hundredths percent) if class A preferred shares are no longer issued, and by 80.40% (eighty point forty hundredths percent) if class B preferred shares are no longer issued, except regarding item (1.1.2) above, whose distribution will be 100% (one hundred percent) allocated exclusively to class B preferred shares, which will not be distributed if only class A preferred shares are issued.

3) As long as there are class C preferred shares, pursuant to article 17, paragraph 2 of the Corporation Law, holders of class C preferred shares will be entitled to dividends distributed by Equatorial Distribuição in each year, until the total amount paid is equivalent to the amounts below (“Privileged Dividends PNC” and, together with the Privileged Dividends PNA and PNB, the “Privileged Dividends”):

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3.1) 3.50% of Net Income earned by Equatorial Distribuição in the respective period, for distributions related to the second half of 2023, in accordance with the provisions of item (ii.8), paragraph 2, article 5 of the Bylaws of Equatorial Distribuição, for 2024 and 2025;

3.2) 21% of Net Income earned by Equatorial Distribuição in the respective year, for the distributions relating to 2026; and

3.3) 25% of Net Income earned by Equatorial Distribuição in the respective years, for the distributions relating to 2027 onwards.

The distribution of dividends of Equatorial Distribuição is conditioned on the existence of income and on the decision of the shareholders at the general meeting to propose dividends above the mandatory percentage of 25% of net income. Equity pickup is calculated considering the economic benefit that Equatorial S.A. has in Equatorial Distribuição, that is, the current dividend distribution percentage.

2 Basis for preparation and presentation of the individual and consolidated financial statements

2.1 Statement of compliance

The individual and consolidated financial statements were prepared and are presented in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and also in accordance with the accounting practices adopted in Brazil, which comprise those set forth in the Brazilian corporation law, and in accordance with the standards issued by the Brazilian Financial Accounting Standards Board (CPC) and approved by Brazil's National Association of State Boards of Accountancy (CFC) and by the Brazilian Securities and Exchange Commission (CVM).

The Company's subsidiaries, as applicable, also observe the guidance contained in the Brazilian Power Sector Accounting Manual (MCSE) and the standards issued by the Brazilian Electricity Regulatory Agency (ANEEL), where not conflicting with the accounting practices adopted in Brazil and/or with the international accounting practices.

Management assessed the Company's ability to continue as a going concern and concluded that it has the resources to continue its business in the future. Furthermore, management is not aware of any uncertainties that may cast doubt as to its ability to continue as a going concern. As such, according to CPC 26 (R1) – Presentation of Financial Statements, these individual and consolidated financial statements were prepared on a going concern basis.

The individual and consolidated financial statements present prior-year comparative information. Additionally, the Company considered Accounting Guidance OCPC 07, issued by the CPC in November 2014, in preparing its individual and consolidated financial statements. Accordingly, significant information of the individual and consolidated financial statements is being disclosed and corresponds to that used to manage the Company's operations.

The individual and consolidated financial statements have been authorized for issue by the Board of Directors on March 26, 2025.

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2.2 Basis of measurement

The Company's individual and consolidated financial statements were prepared on a historical cost basis and adjusted for: (i) fair value of financial instruments measured at fair value; and (ii) impairment losses on assets.

2.3 Functional and presentation currency and foreign currency transactions

The individual and consolidated financial statements are presented in Brazilian reais (R\$), which is also the functional currency of the Company and its subsidiaries. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The transactions in foreign currencies are translated into the functional currency of the Company and its subsidiaries at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Foreign currency differences arising on translation are recognized in profit or loss, except for monetary items designated as part of a net investment hedge, such differences being recognized directly in other comprehensive income until the time of disposal of the net investment, when they are recognized in the statement of profit or loss.

2.4 Significant accounting judgments, estimates, and assumptions

2.4.1 Judgments and estimates

In preparing the individual and consolidated financial statements, management used judgments, estimates and assumptions in connection with certain transactions that reflect in the recognition and measurement of assets, liabilities, revenues and expenses, and the related disclosures, as well as disclosures of contingent liabilities. The estimates and assumptions are based on historical data and other relevant factors, and are continuously reviewed by management. Actual results may differ from these estimates.

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Significant estimates and judgments used by the Company in preparing these individual and consolidated financial statements are included in the following notes:

Topic	Note	Description
Investments in subsidiaries and associates	3.1.1 and 12	Determining whether the Company holds significant control or influence on an investee
Operating revenue, net	3.2 and 27	Judging on the determination and classification of revenues by performance obligation, including revenue from infrastructure implementation, revenue from remuneration of contract assets, and revenue from operation and maintenance
Distributed generation	4.1.5	Credit to be refunded to the consumer for the injected and unused balance at the average energy purchase price
Provisions for reimbursement	3.2.3	Recognizing and measuring the main assumptions about the probability and magnitude of outflows of funds
Concession financial asset	3.4 and 13	Criteria for calculating and updating the financial assets of the concession
Receivables (payables) relating to A Component and other financial items	3.5, 8 and 32	Regulatory criteria and assumptions about certain items
Intangible assets	3.6 and 15	Calculating the amortization of the concession's intangible assets
Property, plant and equipment	3.7 and 14	Calculating PPE depreciation and provision for decommissioning
Contract assets	3.8 and 16	Judging on the applicability of the interpretation of concession agreements
Post-employment benefit	3.11 and 31	Estimating the costs of retirement plans with post-employment health care benefits
Deferred income and social contribution taxes	3.12.2 and 22	Recoverability and estimates of temporary differences
Trade accounts receivable	3.14.1, 7 and 32	Estimating revenue amounts on energy supplied but not billed
Financial instruments	3.14 and 32	Judgment for defining the method and assumptions for assessing the fair value of financial instruments
Allowance for expected credit losses	3.17.2, 7.2 and 32	Credit risk analysis criteria for determining the provision for impairment
Provision for contingencies	3.19 and 24	Recognizing provisions for tax, civil and labor risks (measurement and assessment of the likelihood of loss)
Share-based payment transactions	26.7	Probability of exercising options
Fair value of derivative financial instruments	2.4.2 and 32.4	Defining fair value through valuation techniques, including the discounted cash flow method, for financial assets and liabilities not quoted in active markets

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2.4.2 Fair value measurement

The Company and its subsidiaries measure financial instruments and nonfinancial assets at fair value, that is, at the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability will occur:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Company and its subsidiaries.

The Company and its subsidiaries established a control structure related to fair value measurement. This includes an assessment team that has overall responsibility for reviewing all significant fair value measurements, including Level 3 fair values.

The assessment team regularly reviews significant unobservable data and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of CPC/IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Assets and liabilities whose fair values are measured and disclosed in the financial statements are classified within the fair value hierarchy described below:

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

Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable; and

Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

The Company and its subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the reporting period in which the changes have occurred.

In determining fair value, the impact of potential issues related to climate change, including legislation, that could affect the measurement of the fair value of assets and liabilities in the individual and consolidated financial statements was considered. Currently, the impact of issues associated with climate change is not material to the Company's individual and consolidated financial statements.

Additional information on the assumptions used to measure fair values is included in Note 32.3 – Category and fair value of financial instruments.

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3 Material accounting policy information

The material accounting policies described below are those important for demonstrating the financial condition and results of the Company and its subsidiaries and have been consistently applied to all the periods presented in these individual and consolidated financial statements, except for the implementation of new standards, interpretations, and guidance included in Note 3.22 - Main changes in accounting policies.

3.1 Basis of consolidation

3.1.1 Investments in subsidiaries and associates

(i) Subsidiaries

The Company controls an entity when it is exposed to, or has rights over, the variable returns arising from its involvement with the entity and has the ability to affect those returns by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Company obtains control until the date on which control ceases to exist.

In the Company's individual financial statements, subsidiaries are accounted for using the equity method.

(ii) Associates

Associate is an entity over which the Company has significant influence, that is, has the power to participate in the financial and operating decisions of the investee, but without control or joint control over such policies.

Investments in associates are initially recognized at cost, which includes transaction costs. After initial recognition, the financial statements include the Company's interests in the investee's net income or loss for the year and other comprehensive income until the date the significant influence ceases to exist.

3.1.2 Noncontrolling interests

The Company elected to initially measure any noncontrolling interest at the proportional share in the acquiree's identifiable net assets on the acquisition date, as well as on the fair value of the identifiable assets and liabilities assumed.

Changes in the Company's interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

3.1.3 Transactions eliminated on consolidation

Intercompany balances and transactions, as well as any assets and liabilities, equity, revenues, expenses, and cash flows related to transactions between group entities, are fully eliminated. Unrealized gains arising from transactions with investees accounted for under the equity method are eliminated against the investment, proportionally to the Group's interest held in the investee. Unrealized losses are eliminated similarly to unrealized gains, but only to the extent that there is no evidence of impairment loss.

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Intra-group losses may indicate a decrease in the recoverable amount of assets, which requires their recognition in the consolidated financial statements. Accounting Pronouncement CPC 32 - Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intercompany transactions.

3.2 Revenue recognition

The Company's subsidiaries recognize revenue in accordance with CPC 47 (IFRS 15) – Revenue from Contracts with Customers, or as they satisfy the performance obligation by transferring goods and services to the customer. Revenue is recognized as the customer receives the contracted electricity service, that is, when the energy is consumed.

The Company's subsidiaries recognize revenue from the following main sources of revenue:

3.2.1 Distribution

(i) Distribution revenue

Billing and the corresponding recognition of revenue from electric power distribution occur monthly according to the reading schedule, considering the amount of energy used by the customer and the prevailing energy tariff. In addition, the Company's subsidiaries recognize unbilled amounts, corresponding to the period from the last reading date to month closing date, which are estimated and recognized as revenue in the month in which the energy was consumed.

Distribution revenues are classified as: i) supply of electric power to the consumer; and ii) electric power in the spot market. Revenue is measured based on the consideration priced in the contract with the customer, received or receivable, net of any variable considerations, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other similar items.

(ii) Revenue from availability - use of the grid

The Company's distribution subsidiaries recognize revenue for providing distribution grid facilities to its free and captive clients. This revenue is calculated according to the Distribution System Use Tariff (TUSD) set by ANEEL.

(iii) Construction revenue

Company subsidiaries engaged in distribution record revenues and costs relating to construction or improvement services of the infrastructure used in providing electric power distribution services.

Construction margin is null, since: (i) the tariff model does not provide for profit margins for infrastructure construction activity; (ii) the core activity of the subsidiaries is electric power distribution; (iii) constructions are substantially performed by means of third-party services; and (iv) no gains from construction are forecasted in the plans of Company distribution subsidiaries' management.

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(iv) Revenue from remuneration of indemnifiable financial assets

Revenue from remuneration of regulatory assets is recognized using the effective interest method, considering the regulatory rate established by ANEEL, based on the regulatory WACC (Weighted Average Cost of Capital), and recorded in the net revenue group. There is also revenue arising from adjustment of the financial asset by reference to the variation of the Extended Consumer Price Index (IPCA). This index is used so that the financial asset better reflects the VNR (new replacement value) on the date of a possible indemnification of the concession structure by the granting authority, as described in Note 3.4. Concession financial asset (indemnifiable asset).

3.2.2 Transmission

(i) Revenue from infrastructure implementation and improvement

Revenues from infrastructure construction and improvement are services relating to implementation and reinforcement of the electric power transmission facilities, and are recognized over time by applying the projected margin, estimated at the contract commencement, on expenditures incurred.

(ii) Revenue from operation and maintenance (O&M)

Revenue from O&M refers to the consideration for operation and maintenance performance obligations established in the concession agreement. Such amounts are calculated based on incurred costs, plus the projected margin defined in the initial project estimates. O&M revenues are recognized after completion of the construction phase.

(iii) Remuneration of concession assets

For recognition of revenue on contractual assets, a financial remuneration income is recorded on a straight-line basis, under the item remuneration of contractual assets, using the discount rate defined at the beginning of each project. This monthly adjustment should compensate the infrastructure and indemnification the Company expects to receive from the granting authority at the end of the concession. The indemnification is considered by the Company to be the residual carrying amount at the end of the concession.

3.2.3 Energy generated from renewable sources

(i) Revenues from generation and sale of electricity

Operating income from the normal course of activities of the Company's indirect subsidiaries is measured at the fair value of the consideration received or receivable. Operating income is recognized when it represents the transfer (or promise) of goods or services to customers in order to reflect the consideration of what amount is expected to be exchanged for those goods or services.

Revenue from the sale of energy generation is recorded based on the energy generated and with tariffs specified in the terms of the supply contracts or the current market price, as the case may be.

The energy produced by the Company's indirect subsidiaries is sold in two ways: (i) through Contracts for the Sale of Electricity in the Regulated Environment – ACR (Regulated Contracting Environment); and (ii) through Electricity Trading Agreements in the Free Environment – ACL (Free Contracting Environment), both registered with the CCEE (Electric Energy Trading Chamber).

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The contracts of the Company's indirect subsidiaries have similar characteristics, described below: (i) determined monthly quantities of energy per MWh, that is, the subsidiaries have the obligation to deliver the contracted energy to their customers; (ii) fixed energy prices per MWh throughout the duration of the contract; (iii) performance obligations are met monthly, as energy is delivered, as this is how contracts are signed and controlled; and (iv) the subsidiaries do not have a history of default, that is, the receipt of consideration for the performance obligation is not affected by credit risk.

Excess generation: All energy generation produced above the contracted monthly quantities as stipulated by the CER contracts are recognized in the accrual month according to the calculation methodology established in each contract, and these amounts are divided into four-year and annual surpluses. Four-year surpluses are considered when the accumulated generation reaches between 100% and 130% of the amount of energy contracted and annual surpluses when the accumulated generation exceeds 130% of the amount of energy contracted.

Deficit generation: All energy generation produced below the contracted monthly quantities as stipulated by the CER contracts are recognized in the accrual month according to the calculation methodology established in each contract, and these amounts are divided into four-year and annual reimbursements. Four-year reimbursements are considered when the accumulated generation reaches between 90% and 100% of the amount of energy contracted and annual reimbursements when the accumulated generation is less than 90% of the amount of energy contracted.

The Company's indirect subsidiaries consider that such consideration is a variable portion provided for in the contract, as determined by CPC 47/ IFRS 15 - Revenue from contracts with customers, in which the entity must estimate the amount of consideration to which the entity will be entitled in exchange for the transfer of promised goods or services to the customer, to the extent that it is highly probable that a significant reversal in the value of accrued revenues will not occur. The Company and its subsidiaries measure the variable consideration in said contracts using the most probable value method.

3.2.4 Sanitation

(i) Water supply and sewage services

The revenue related to the water supply and sewage service comprises the performance obligation, and is recognized when measuring the volume consumed by customers. Revenues, including the unbilled portion, are recognized based on the consideration, priced in the contract with the customer, received or receivable.

(ii) Other indirect water and sewage services

Revenue from other indirect water and sewage services refers to the provision of sewage connection services, hydrometer installations and water connection and reconnection, with performance obligations met at the conclusion of each service provided, and the revenue recognized in this time.

(iii) Construction revenue

Revenue related to construction or improvement services under the service concession agreement is recognized based on the stage of completion of the work. This revenue comprises the construction cost plus the profit margin and the costs of loans attributable to this asset. The Company estimated that any margin is close to zero.

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3.3 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, and other highly liquid short-term investments, maturing within three months, with insignificant risk of any change in value. Cash and cash equivalents are presented net of the balances of secured accounts, which are treated separately in the statement of cash flows. These balances are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Secured accounts are presented in the statement of financial position as “Loans” under current liabilities.

3.4 Concession financial asset (indemnifiable asset)

Public Electricity Concession Agreements between the government (concession authority) and the Company’s distribution subsidiaries (concession operator) regulate the exploration of public energy distribution services, where:

- The agreement establishes which services the operator shall provide and to whom (consumer class);
- The agreement establishes performance standards for providing utility services regarding the maintenance and improvement of consumer service quality indexes, and at the end of the arrangement the operator is obliged to return the assets in the same state of repair it received them at the outset. To comply with such obligations, constant investments are made throughout the concession period; As such, assets used to provide the services may be replaced, whenever necessary, until the end of the concession period;
- At the end of the concession the assets related to the infrastructure should be returned to the concession authority through payment of compensation; and
- The price is regulated by a rate mechanism established in concession agreements based on a parametric formula (Portions A and B), and the rate review mechanisms are defined, which should be sufficient to cover costs, amortization of the investment and yield of the invested capital.

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Based on the characteristics established in the Company's electricity distribution concession agreement, management believes that the conditions have been met to apply ICPC 01 (R1)/ IFRIC 12 - Concession Arrangements, which provides guidelines about the accounting of utility concessions for private operators, in order to reflect the energy distribution business, embracing:

- Estimated portion of the investments made and not amortized or depreciated by the end of the concession determined based on the New Replacement Value ("VNR"), classified as financial assets due to be an unconditional right to receive cash or another financial asset directly from the concession authority. The VNR is determined according to the estimate of the costs required for complete replacement of an asset with others that have the same functionality, quality of services and the same capacity as the existing asset, measured at fair value through profit or loss; and
- Remaining portion of the financial assets (residual value) computed according to the VNR classified as intangible assets because their recovery is conditional on usage of the public service, through consumption of energy by consumers.

Distribution infrastructure received or constructed, which was originally represented by the Company's financial assets and intangible assets, is recovered by means of two cash flows: (i) through the consumption of energy by consumers (issue of monthly billing upon measurement of power consumed/sold) over the concession period; and (ii) as indemnification of reversible assets at the end of the concession period, to be received directly from the granting authority or whomever such granting authority delegates this task to.

In accordance with Law No. 12783/2013, calculation of investments linked to reversible assets, not yet amortized, for indemnification purposes, must be based on the new replacement value method (using the Regulatory Compensation Base - BRR), which is the criterion adopted by ANEEL to determine the energy tariff of distribution companies. In addition, compensation referring to the portion of assets that composes the compensation base is recognized, including the portion not yet approved by ANEEL, which is calculated based on estimates and taking into consideration, besides IPCA, an expectation of disallowances based on management's experience and the history of disallowances in prior approval requests, which better reflects the best estimate for the asset's fair value. The Company's distribution subsidiaries record adjustments to the concession-related indemnifiable financial assets under operating revenues, which more appropriately reflects their electric power transmission and distribution business model and better presents their financial position and performance, in accordance with OCPC 05 – Concession Arrangements.

This indemnification will take place based on the installments of investments linked to reversible assets, not yet amortized or depreciated, which have been carried out to ensure the continuity and updating of the service under grant.

The Company's distribution subsidiaries recognize a financial asset resulting from a concession agreement when they have an unconditional contractual right to receive cash or other equivalent financial asset from the granting authority for the construction or improvement services provided.

If the Company's distribution subsidiaries are reimbursed for construction services partially through a financial asset and partially through an intangible asset, then each component of the compensation received or receivable is recorded individually and initially recognized at fair value of the remuneration received or receivable and are not reclassified subsequent to initial recognition, unless the Company distribution subsidiaries change their management model for the financial asset.

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3.5 Receivables (payables) relating to A Component and other financial items

Electric power tariffs, pursuant to the tariff model in effect, must consider revenue that is sufficient to ensure the concession's economic and financial balance, as established in Law No. 8987/1995. In this sense, electric power distribution companies are authorized to charge their consumers: (i) annual tariff adjustment; and (ii) every five years, according to each concession, periodic review for purposes of partial recalculation of B Component, and adjustment of A Component, pursuant to Law No. 12783/2013.

Electric power tariffs are composed of two portions:

A Component (non-manageable costs): this portion must be neutral in relation to the Company subsidiaries' performance, i.e., costs incurred by Company subsidiaries, which may be classified as A Component, are fully passed through to the consumer and supported by the granting authority; and

B Component (manageable costs): composed of expenses with investments in infrastructure, expenses with operation and maintenance, and remuneration to capital providers. This portion effectively affects the entity's performance since it is subject to risk inherent in the business and has no guarantee of tariff neutrality.

This tariff definition mechanism may give rise to timing differences, which derive from the difference between estimated costs (A Component and other financial components) included in the tariff at the beginning of the tariff period and costs effectively incurred over the tariff effectiveness period. This difference constitutes a right to receive by Company subsidiaries in cases in which the forecasted costs included in the tariff are lower than the costs effectively incurred, or an obligation when the estimated costs included in the tariff exceed the costs effectively incurred. These differences are recorded on an accrual basis and estimated as revenue by means of a sector-related asset or a decrease in financial assets in the case of a sector-related liability.

These amounts are effectively settled during the coming rate period (upon effective pass-through to the tariff), or in the event the concession is terminated for any reasons, with balances that have not been recovered, they will be included in the compensation base that exists. This settlement is only of a financial nature since its effect on P&L for the year through a revenue adjustment has already been recognized on an accrual basis.

3.6 Intangible assets

3.6.1 Service concession agreements and subsequent costs

The Company's distribution subsidiaries recognize an intangible asset resulting from the concession agreement when they are entitled to charge for use of the concession asset. According to CPC 04 (IFRS 38), an intangible asset received as remuneration for the provision of construction services or improvements under a service concession agreement is measured at fair value upon initial recognition. After this recognition, this intangible asset is measured at cost, less accumulated amortization and impairment losses. Subsequent costs are only capitalized when it is probable that future economic benefits associated with the expenditures will flow to the Company's subsidiaries.

The amounts recorded in the intangible assets of subsidiary Companhia de Saneamento do Amapá – CSA correspond to amounts paid as grants to the municipalities that make up the concession as a condition for operating it. These concession rights are amortized on a straight-line basis over the directly related concession term.

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3.6.2 Special obligations

Obligations related to electric utility concessions and permits consist of amounts and/or goods received from Municipalities, States, the Federal Government and consumers in general in connection with donations and co-investments with the Company's distribution subsidiaries, and no writing off thereof is permitted without the prior approval of the Regulatory Agency. This requirement ensures compliance with regulations and oversight by the regulatory authority, ensuring that obligations are handled in accordance with established standards, as provided for in Laws No. 8987/1995 and No. 12783/2013.

3.6.3 Amortization

Amortization is calculated on the acquisition cost of an asset or other equivalent cost, deducted from the residual value. Amortization is recognized in profit or loss using the straight-line method and limited to the remaining term of the concession agreement of the Company's subsidiaries or estimated useful life of intangible assets, whichever is lower, other than goodwill, as from the date they are available for use. This method best reflects the consumption pattern of future economic benefits incorporated into the asset, as established in CPC 04 (IFRS 38).

The useful life of an intangible asset in a concession arrangement is the period from which the Company subsidiaries can charge consumers in general for use of the infrastructure until the end asset's useful life, not beyond the end of the concession period. Amortization methods, useful lives and residual values are reviewed if so resolved by the regulatory agency.

3.7 Property, plant and equipment

3.7.1 Recognition and measurement

Property, plant and equipment are recorded at acquisition, construction or buildup cost, which includes capitalized financing costs, less accumulated depreciation and, when applicable, accumulated impairment losses. They also include any other costs to place the assets in the location and in the condition necessary for them to be able to operate in the manner intended by the management, the costs of dismantling and restoring the location where these assets are located and the costs of financing on qualifying assets.

In the case of replacement of property, plant and equipment components, the new component is recorded at acquisition cost (replacement) if it is likely to bring economic benefits to the Company and its subsidiaries and if the cost can be reliably measured, the amount being written off of the replaced component. Maintenance costs are recognized in profit or loss as incurred.

Interest costs on borrowings and financing costs are directly attributable to the acquisition, construction or production of a qualifying asset. Financing costs are recognized in profit or loss based on the straight-line method in relation to the useful lives of the PPE items to which they belong.

An item of property, plant and equipment is derecognized when sold (for example, on the date the recipient obtains control) or when no future economic benefits are expected from its use or sale.

Any gain or loss resulting from the sale and/or write-off of a fixed asset is determined by comparing the proceeds from the sale with the book value of the asset and are recognized net, within general and administrative expenses, under "Other".

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The goods and facilities used in the activities of transmission or distribution of electric energy are linked to these services, and cannot be withdrawn, sold, donated, assigned or given in mortgage guarantee without the prior and express authorization of ANEEL. The recorded amounts of goods and facilities are part of the assets linked to the respective concessions. Therefore, they are part of the scope of the policies described in Notes 3.4 Financial assets of the concession and 3.7 Intangible assets.

3.7.2 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other cost-equivalent amount, less the residual value.

Depreciation is recognized in profit or loss based on the straight-line method in relation to the estimated useful lives of each part of an item of property, plant and equipment, as this method is the one that best reflects the pattern of consumption of future economic benefits embodied in the asset. The rates used are in accordance with the Electric Sector Asset Control Manual ("MCPSE"), approved by Ruling No. 674/2015 by ANEEL, which in management's assessment represent the useful life of the assets. Management also assesses the authorization terms for the wind farms in view of the fees contained in the ("MCPSE"), applied to the remaining useful life of the fixed assets, in order to ensure that the concession terms for the wind farms are not shorter than the remaining useful life of the equipment items. Depreciation methods, useful lives and residual values will be reviewed at the end of each fiscal year and any adjustments will be recognized as changes in accounting estimates. Depreciation of fixed assets does not exceed the authorization period for the farms.

Wind generation unit - Blades	15 years
Wind generation unit - Generator	20 years
Wind generation unit - Nacelle	25 years
Wind generation unit - Tower	30 years
Improvements	30 years
Transmission lines	33 years
Furniture and fixtures	16 years
Mobile and portable communication equipment	16 years
IT equipment	6 years
Other equipment	16 years

3.7.3 Provision for decommissioning

The lease agreements for the land where the wind farms are installed, with the exception of indirect subsidiaries Complexo de São Clemente, Tianguá and Eólica Paraíso S.A, contain clauses that oblige the indirect subsidiaries, at the end of the contractual term, to return the land in original conditions prior to the implementation of the farms. The indirect subsidiaries obtained, through budgets, the assumptions of the procedures required to proceed with the decommissioning. Thus, based on market estimates, they recognized the respective obligations at present value. The main costs to be incurred contained in the estimate of the provision for decommissioning are: disassembly of wind turbines, crane rental, transportation of items to be discarded, labor for disassembly and final destination of discarded items. The present value of the decommissioning obligation was estimated based on the unit cost of decommissioning each wind turbine, multiplied by the number of existing wind turbines in the wind farm, projecting the estimated value at the end of the lease contractual term based on the IPCA index and adjusting the respective value to an average nominal discount rate of 3.5% p.a., in 2024.

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3.8 Contract assets

3.8.1 Distribution

The contract asset is a right to consideration in exchange for goods or services transferred to the customer. As determined by CPC 47/ IFRS 15 - Revenue from contracts with customers, the assets linked to the concession under construction, recorded in accordance with the scope of ICPC 01 (R1)/ IFRIC 12 – Service Concession Arrangements, must be classified as contract assets in view of the Company's subsidiaries having the right to charge for the services provided to public service consumers or receive money or other financial assets, for the reversal of the public utility infrastructure, only after the entry of these assets into service (energization), and consequent transfer from assets under construction (contract assets) to concession intangible assets, in which the nature of the remuneration paid by the Granting Authority to the concessionaire is determined in accordance with the terms of the concession contract.

The contract assets (infrastructure under construction) are initially recognized at acquisition cost.

3.8.2 Transmission

Electric power transmission services are regulated by means of concession contracts between the federal government (granting authority – grantor) and transmission subsidiaries of the Company, which are in charge of transporting the energy from the generation centers to the distribution points.

The concession contract establishes that Company transmission subsidiaries will build a transmission infrastructure or invest in the improvement of the existing infrastructure.

Company subsidiaries maintain their transmission infrastructure available for users to the extent that the performance obligations are satisfied, and receive Annual Permitted Revenue (RAP) as compensation after the end of the infrastructure construction phase over the term of the contract.

Investments in transmission infrastructure are amortized to the extent that receipts occur. Any unrealized investments give rise to the right to indemnification by the granting authority (when provided for by contract) which, at the end of the concession, will receive the entire transmission infrastructure.

The termination of the concession will imply the reversion of the assets linked to the service to the granting authority.

Two performance obligations are included in the contractual relationship between Company subsidiaries and the granting authority, to wit: (i) infrastructure implementation and improvement; and (ii) operation and maintenance (O&M).

To the extent that the performance obligations are satisfied, revenue is recognized against a contract asset until duly approved by ANEEL. After issuing the credit notice (AVC), which is the RAP billing document issued by the National System Operator (ONS), when the Company's subsidiaries obtain the unconditional right to cash, the amounts are classified as financial assets.

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Management of the subsidiaries that are transmission companies assesses the timing for recognition of concession assets based on the economic characteristics of each concession contract. Contract assets are originated to the extent that the concession operator satisfies the obligation to build and implement the transmission infrastructure, and revenue is recognized over the term of the project. Contract assets are matched against infrastructure revenue, which is recognized in proportion to the expenses incurred. The contract assets' indemnifiable portion, existing in certain types of contract, is identified when the infrastructure implementation is finalized.

Profit margin for infrastructure implementation is calculated based on the characteristics and complexity of the ventures, as well as on the macroeconomic scenario in which such ventures are established, and takes into consideration the weighting of the estimated flows of cash receipts in relation to the estimated flows of expected costs for infrastructure implementation investments. Profit margins are reviewed on an annual basis, when the venture enters into operation and/or indications of significant variations in construction progress are identified.

The profit margin for transmission infrastructure operation and maintenance activities is computed based on observation of item-by-item revenues applied in similar observable circumstances, in cases in which Company subsidiaries are exclusively, i.e., severely entitled to compensation for operating and maintenance activities, in accordance with CPC 47/IFRS 15 – Revenue from Contracts with Customers and costs incurred for provision of operating and maintenance activity services.

In order to segregate the financing component included in the infrastructure implementation operation, the Company subsidiaries engaged in transmission services estimate the discount rate that would be reflected in a separate financing transaction between the entity and its customer at contract commencement.

The rate applied to the contract assets reflects the implicit rate of each venture's financial flow and considers the Company subsidiaries' estimate to price the financial component established in the beginning of each concession contract, by reference to the macroeconomic characteristics aligned with the granting authority's methodology and each project's capital cost structure.

These rates are established at start date of each concession contract or improvement and reinforcement projects, and remain unchanged over the concession period. When the granting authority reviews or adjusts the revenue that the Company's subsidiaries are entitled to receive, the contract assets' carrying amount is adjusted to reflect the reviewed flows, and this adjustment is recorded as income or expense directly in P&L for the year.

For infrastructure implementation activities, infrastructure revenue is recognized at fair value and respective costs relating to infrastructure implementation services are recorded as incurred, added to the estimated margin for each venture, taking into account the estimated consideration from variable portions.

The variable portion for unavailability (PVI) is estimated based on the historical record of occurrences. Due to the forecasting difficulty prior to each project's entry into operation, the variable portion for entry into operation (PVA) and the variable portion for operational restriction (PVRO) are included, when applicable, in the receipt flows when Company subsidiaries rate their occurrence as probable.

For operation and maintenance activities, revenue is recognized for the pre-established fair price, which considers the estimated profit margin, to the extent that the services are provided.

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3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that take a substantial period of time to be made ready for sale or their intended use are capitalized as part of the corresponding asset's cost, as established in CPC 20 (IFRS 23 – Borrowing Costs). This standard permits capitalization of borrowing costs during the construction or production period. All other borrowing costs are recorded as an expense in the year in which they are incurred. Borrowing costs consist of interest and other costs incurred by an entity.

3.10 Government grants and subsidies

Government grants are recognized if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant.

When the benefit covers an expense, it is recognized as revenue over the benefit period on a systematic basis in relation to the cost that the benefit is intended to compensate. When the benefit consists of an asset, it is recognized as deferred revenue and entered in profit and loss, in an amount equal to the expected useful life of the corresponding useful asset. When the Company subsidiaries receive non-monetary benefits, the asset and the benefit are recorded at nominal value and reflected in profit or loss over the expected useful life of the asset, in equal annual installments.

3.10.1 Tax benefits

The Superintendency for the Development of the Northeast (SUDENE) and the Amazonian Development Agency (SUDAM) issued Certificates of Income Tax Reduction that grant the Company's subsidiaries the right to a 75% income tax reduction under the justification of total modernization of their electric facilities, diversification of infrastructure projects and implementation of transmission lines in SUDENE and SUDAM's area of operation:

Company	Tax Benefit	Issue	Certificate of Income Tax Reduction	Effectiveness
Equatorial Maranhão	SUDENE	04/20/2023	37/2023	2023 to 2032
Equatorial Pará	SUDAM	12/28/2018	180/2018	2018 to 2027
Equatorial Piauí	SUDENE	04/20/2023	38/2023	2023 to 2032
Equatorial Alagoas	SUDENE	07/07/2023	91/2023	2023 to 2032
CEA	SUDAM	10/24/2023	88/2023	2023 to 2032
Equatorial Telecom	SUDAM	12/29/2023	214/2023	2023 to 2033
Equatorial Telecom	SUDENE	09/01/2023	139/2023	2023 to 2032
SPE 01	SUDENE	10/26/2020	80/2020	2021 to 2030
SPE 02	SUDENE	10/26/2020	79/2020	2021 to 2030
SPE 03	SUDENE	10/19/2021	146/2021	2022 to 2031
SPE 04	SUDENE	08/18/2021	104/2021	2021 to 2030
SPE 05	SUDENE	08/18/2021	105/2021	2022 to 2031
SPE 06	SUDENE	12/22/2021	216/2021	2022 to 2031
SPE 08	SUDAM	12/30/2020	98/2020	2020 to 2029

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State VAT (ICMS) matching credit

On July 22, 2021, the Secretary of Finance of the State of Amapá (SEFAZ) and Companhia de Eletricidade do Amapá (CEA) executed the terms of agreement No. 001/2021 in which the state will grant an ICMS tax matching credit of 10% (ten percent) calculated on the gross billing value of the agreeing party's business establishments located in the state, in the second month prior to the credit, which must be used exclusively for the settlement of overdue and falling due debts arising from the consumption of electric energy by the State Public Administration, including its quasi-governmental entities and foundations.

REIDI

Indirect subsidiaries Equatorial Transmissora 1 SPE S.A. and Equatorial Transmissora 8 SPE S.A. qualified for the Special Infrastructure Development Incentive Scheme – REIDI, introduced by Law No. 11488/2007, which awards the tax incentive of staying PIS (Contribution to Social Integration Program) and COFINS (Contribution to Social Security Financing Program) in the acquisitions of goods and services for infrastructure works over the term of 5 (five) years, as per Declaratory Executive Acts (DRF) No. 185 of February 15, 2024 and No. 16 of May 11, 2022.

3.10.2 Benefits for reinvestments

These derive from the tax benefit instituted by the federal government by operation of Law No. 5508/1968, as amended by Law No. 8167/1991, Law No. 9532/1997 and Provisional Executive Order (MP) No. 2199/2014, which allows companies operating in industrial, agroindustrial, infrastructure and tourism sectors, considered a priority in accordance with Decree No. 4213/2002 and which operate in the SUDAM/SUDENE area, to reinvest in their own equipment supplementation or modernization projects, or for investment in working capital in the same or the subsequent calendar year. The amounts are deposited with Banco do Nordeste (BNB).

Company	Quasi-governmental entity	Financial institution
SPE 06	SUDENE	Banco do Nordeste

3.11 Employee benefits

3.11.1 Employees' short-term benefits

Short-term employee benefits are expensed as personnel expenses as the related service is provided. A liability is recognized for the amount expected to be paid if the Company subsidiaries have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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3.11.2 Defined contribution (DC-type) plans

Obligations for contributions to defined contribution plans are expensed in profit or loss as personnel expenses related to employee benefits, as per guidance from CPC 33 (IAS 19) – Employee Benefits. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. This approach reflects accounting prudence, ensuring that assets are recognized when there is an expectation of future economic benefits.

3.11.3 Defined benefit (DB-type) plans

The Company distribution subsidiaries' net obligation in respect of benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees will earn as members of the DB-type plan sponsored by the Company subsidiaries. This amount is discounted to present value and is presented net of the fair value of any of the DB plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company subsidiaries, the asset to be recognized is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income (OCI). The Company subsidiaries determine the net interest expense (income) on the net defined benefit liability (asset) for the period by multiplying the net amount of defined benefit liability/assets by the discount rate used in measuring the defined benefit obligation, both as determined at the beginning of the year to which the individual and consolidated financial statements refer, considering any changes in the net amount of liability/defined benefit asset in the period due to contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are enhanced, the resulting change in benefit that relates to past service provided by the employees is recognized immediately in profit or loss. The Company's distribution subsidiaries recognize gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.11.4 Share-based payment transactions

Equatorial Energia S.A. granted share-based payment and share purchase options to executives and employees of the Company and its subsidiaries.

The Company and its subsidiaries recognize products or services received or acquired in a share-based payment transaction when they obtain the products or to the extent that they receive the services. For matching purposes, the Company and its subsidiaries recognize the corresponding increase in equity if the products or services are received in a share-based payment transaction settled in equity instruments, or a financial liability, corresponding to share-based payment settled in cash (or with other assets).

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Fair value at grant date of share-based payment arrangements granted to executives and employees is recognized as personnel expenses and a corresponding increase in equity or liabilities, over the period in which the employees are vested to the premiums. The amount recognized as expense is adjusted to reflect the number of premiums for which the service and performance conditions are expected to be met, so that the final amount recorded as expense is based on the number of premiums that effectively met the service conditions at vesting date.

In situations where equity instruments are issued and some or all of the assets or services received by the Company and its subsidiaries as consideration cannot be specifically identified, the unidentified assets or services received (or receivable) are measured by the difference between the fair value of the share-based payment and the fair value of any products or services received on the date they are granted. However, for cash-settled transactions, the liability must be remeasured at the end of each reporting period until it is settled.

3.12 Income and social contribution taxes

Current and deferred income taxes comprise both income and social contribution taxes. Income tax is calculated at a rate of 15%, plus 10% surtax on taxable profit exceeding R\$240, whereas social contribution tax is computed at a rate of 9% on net profit. When applicable, income and social contribution tax losses are offset, limited to 30% of the taxable profit for the period.

According to ICPC 22 - Income Taxes, the Company and its subsidiaries assess the likelihood of acceptance of uncertain tax treatments. If they conclude that the position will not be accepted, the effect of the uncertainty will be reflected in P&L for the period. As of December 31, 2024, regarding uncertainties about income tax treatments, the Company and its subsidiaries conducted assessments and concluded that it is more likely than not that the treatments will be accepted by the tax authority.

3.12.1 Current income and social contribution taxes

Current income and social contribution taxes are calculated on taxable profit or tax losses for the year plus prior-year adjustments, if any. The amount of current tax payable or receivable is recognized in the statement of financial position as an asset or liability considering the best estimate of the amount expected to be paid or received. This is measured using tax rates prevailing at the reporting date.

The Company and its subsidiaries offset current tax assets and current tax liabilities if they:

- are legally entitled to offset the recognized amounts; and
- intend to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.12.2 Deferred income and social contribution taxes

Deferred tax assets and liabilities are recognized in respect of accumulated income and social contribution tax losses and temporary differences between the carrying amounts in the individual and consolidated financial statements and the amounts determined pursuant to tax legislation.

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Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of significant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to fully recognize a deferred tax asset, the reversals of the existing temporary differences will be limited to future taxable profits projected as per the business plans of the Company and its subsidiaries over the concession period.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3.13 Earnings (loss) per share

The basic earnings per share are calculated through profit and loss for the year and the weighted average of the free float in the respective year. The diluted earnings per share are calculated according to the profit and loss for the year attributable to controlling shareholders, adjusted for the effects of instruments potentially impacting profit and loss for the year and the average free float, adjusted for instruments potentially convertible into shares with a dilutive effect in the reported years, pursuant to CPC 41/IAS 33 - Earnings per Share.

3.14 Financial instruments

3.14.1 Financial assets

(a) Financial assets

Upon initial recognition, financial assets are classified as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL).

Trade accounts receivable are initially recognized on the date they originate. All other financial assets are initially recognized when the Company and its subsidiaries become a party to the contractual provisions of the instrument. A financial asset (except for trade accounts receivable without a significant financing component) is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs directly attributable to its acquisition or issue. Trade accounts receivable without a significant financing component are initially measured at the operation price.

A financial asset (except for trade accounts receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured at FVTPL, transaction costs directly attributable to its acquisition or issue, according to CPC 48 (IFRS 9) – Financial Instruments. Trade accounts receivable without a significant financing component are initially measured at the operation price.

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A financial asset is measured at amortized cost if both of the following conditions are met and it is not stated as measured at FVTPL:

- it is maintained within a business model with the objective of maintaining financial assets in order to receive contractual cash flows; and
- its contractual terms generate the cash flows on specified dates that constitute solely payments of principal and interest on the outstanding principal.

A debt instrument is measured at FVOCI if both of the following conditions are met and it is not stated as measured at FVTPL:

- it is maintained within a business model whose objective is achieved by both the receipt of contractual cash flows and the sale of financial assets; and
- its contractual terms generate the cash flows on specific dates that constitute solely payments of principal and interest on the outstanding principal.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Company and its subsidiaries can elect to make irrevocable subsequent changes to the fair value of the investment in OCI. This election is made for each investment.

All financial assets not classified as measured at amortized cost or at FVTOCI, as described above, are classified as at FVTPL. This includes all derivative financial assets. Upon initial recognition, the Company and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if this eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Financial assets – business model assessment

The Company and its subsidiaries assess the objective of the business model in which a financial asset is held in the portfolio as this better reflects how the business is managed and the information is provided to management.. The information considered includes:

- The policies and objectives stipulated for the portfolio and the practical functioning of these policies. These include the question of ascertaining whether the management strategy is focused on obtaining contractual interest revenue, maintaining a given interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected cash flows, or the realization of cash flows through the sale of assets;
- How the portfolio's performance is assessed and reported to Company management;
- The risks affecting the performance of the business model (and the financial asset maintained in said business model) and how such risks are managed;
- How business managers are compensated - for example, if the compensation is based on the fair value of the assets managed or the contractual cash loans obtained; and

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- The frequency, volume and timing of the financial asset sales in previous years, the reasons for these sales and expectations for future sales.

The transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a way consistent with the ongoing recognition of the Company's and its subsidiaries' assets.

Financial assets held for trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

(c) Financial assets - assessment as to whether the contractual cash flows are solely payments of principal and interest

For purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money and the credit risk associated with the outstanding principal over a given period, as well as other inherent risks and costs of lending (such as liquidity risk and administrative costs), along with a profit margin.

The Company and its subsidiaries examine the instrument's contractual terms to determine whether the contractual cash flows entail solely payments of the principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or value of the contractual cash flows so that it would no longer meet this condition. When making this assessment the Company and its subsidiaries consider:

- Contingent events modifying the value or timing of the cash flows;
- Terms that could adjust the contractual rate, including variable fees;
- Prepayment and extending the term; and

The terms limiting the Company's and its subsidiaries' access to specific cash flows from specific assets (for example based on an asset's performance).

Prepayment is consistent with the criteria of paying the principal and interest if the prepayment mainly represents unpaid amounts of the principal and interest on the outstanding principal - which may include reasonable additional compensation for early termination of the contract. Furthermore, in relation to a financial asset acquired for an amount less than or greater than the nominal value of the contract, the permission or requirement for prepayment at an amount representing the nominal value of the contract plus the contractual interest (which may also include reasonable additional compensation for early termination of the contract) accumulated (but not paid) are treated as consistent with this criterion if the fair value of the prepayment is insignificant upon initial recognition.

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(d) Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently stated at fair value. The net income including interest or dividend revenue is recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at the amortized cost using the effective interest method. The amortized cost is reduced for impairment. Revenue from interest, exchange variance gains and losses and <i>impairment</i> are recognized in profit or loss. Any gain or loss resulting from derecognition is recognized in profit or loss.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income is calculated using the effective interest method. Foreign exchange gains and losses, and impairment are recognized in profit or loss. Other net income is recognized in OCI. Upon derecognition, accumulated income in OCI is reclassified to P&L.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. The dividends are recognized as a gain in profit or loss, unless the dividend clearly represents a recovery of part of the investment cost. Other net income is recognized in OCI and never reclassified to profit or loss.

3.14.2 Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified, upon initial recognition, as financial liabilities at FVTPL, financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for trading, is a derivative or is designated as such on initial recognition. Financial liabilities measured at FVTPL are measured at fair value and the net revenue, including interest, is recognized in profit or loss. Other financial liabilities are subsequently measured at the amortized cost using the effective interest method.

The financial liabilities of the Company and its subsidiaries include accounts payable and other payables, loans and financing, and derivative financial instruments.

The Company and its subsidiaries classify financial liabilities arising from financing agreements (such as reverse factoring, forfeit, etc.) with suppliers as Trade Accounts Payable in the statement of financial position if they have similar nature and function to accounts payable. This is the case if the financing agreement with suppliers is part of the working capital used in the normal operating cycle of the Group, the level of security provided is similar to that of accounts payable, and the terms of the liabilities that are part of the supply chain financing agreement are not substantially different from the terms of accounts payable that are not part of the agreement. The cash flows related to liabilities arising from financing agreements with suppliers are classified as Trade Accounts Payable.

Expenses on interest and exchange variance gains and losses are recognized in profit or loss. Any gain or loss resulting from derecognition is also recognized in profit or loss.

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3.14.3Derecognition

(a) Financial assets

The Company and its subsidiaries derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or when the Company and its subsidiaries transfer the rights to receive the contractual cash flows of a financial asset in a transaction where essentially all the risks and rewards of ownership of financial assets are transferred or in which the Company and its subsidiaries neither transfer nor substantially retain all the risks and rewards of ownership of the financial asset nor retain control over the financial asset.

(b) Financial liabilities

The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and its subsidiaries also derecognize a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability is recognized based on the modified terms and recognized at fair value.

Upon derecognizing a financial liability, the difference between the former carrying amount and the amount paid (including assets transferred that do not flow through cash or undertaken liabilities) is recognized in profit or loss.

3.14.4Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company and its subsidiaries currently have a legally enforceable right to offset the amounts and intend either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3.14.5Derivative financial instruments and hedge accounting

Certain direct and indirect subsidiaries maintain derivative financial instruments to hedge their exposures to foreign currency and interest rate fluctuations. The Company's subsidiaries have no embedded derivatives.

Derivatives are measured initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss, except for cash flow hedges, defined below:

Cash flow hedge

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and presented in the hedge reserve account. The effective portion of changes in the fair value of the derivative recognized in OCI is limited to the accumulated change in the fair value of the hedged item, determined based on present value, since the hedge inception. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

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Pursuant to CPC 48 (IFRS 9) – Financial Instruments, at the beginning of a hedging relationship, the Company and its subsidiaries formally designate and document the hedge relationship to which they wish to apply hedge accounting and the risk management objective and strategy to carry out the hedge.

For further information on identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Company and its subsidiaries assess whether the hedging relationship meets the hedge effectiveness requirements, including their analysis of hedge ineffectiveness sources and how to determine the hedge ratio, refer to Note 32.4 – Derivative financial instruments.

3.15 Capital

3.15.1 Common shares

Common shares are classified in equity, in accordance with CPC 39 (IAS 32) - Financial Instruments. Incremental costs directly attributable to the issue of new shares are stated in equity and deducted of the amount raised, net of taxes. This practice ensures that the net amount received from the issue of shares is presented clearly and accurately.

3.15.2 Non-redeemable preferred shares

Non-redeemable preferred shares are classified in equity, since dividends are paid on a discretionary basis. These shares do not generate any obligation to deliver cash or other financial assets of the Company, nor do they require settlement in a variable number of equity instruments. Discretionary dividends are recognized as distributions in equity at the date when approved by Company shareholders.

3.15.3 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in P&L on the purchase, sale, issue, or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in capital reserves.

3.16 Distribution of dividends

The dividend recognition policy complies with CPC 25/IAS 37 - Provisions, Contingent Liabilities and Contingent Assets and ICPC 08 (R1) Recording proposed dividend payments, which determine that proposed dividends payable and premised on bylaw obligations should be recorded in Current liabilities.

The Company's bylaws state that at least 25% of the annual net income should be paid out as dividends. The bylaws also state that the Board of Directors shall resolve the payment of interest on equity and dividends. In addition, the unrealized profits reserve, established in accordance with article 197 of Law No. 6404/76, has been recognized as dividends payable, according to the expected realization of unrealized profits from previous years.

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The Company recognizes a liability for the payment of dividends when such distribution is authorized and is no longer an option of the Company, or when provided for by law. Pursuant to the prevailing corporate law, a distribution is authorized when approved by shareholders and the corresponding amount is directly recognized in equity. Corporate law also requires the payment of a mandatory minimum dividend, after making adjustments to income earned in the year and allocation of reserves also provided for in article 202 of the Brazilian Corporation Law.

An additional dividend to the minimum mandatory dividend set out in a management proposal made before the reporting date should be maintained in Equity in a specific account called “additional proposed dividend”. If the proposal is made after the reporting date and before the date of issue of the individual and consolidated financial statements, this fact must be mentioned in the note on events after the reporting period.

3.17 Impairment

3.17.1 Nonderivative financial assets

The Company’s subsidiaries recognize estimates of expected credit losses on financial assets measured at amortized cost and contract assets.

The Company uses an allowance matrix to calculate the expected credit losses on accounts receivable and contract assets. The allowance matrix is initially based on historical loss rates observed. The Company reviews the matrix prospectively to adjust it based on historical credit loss experience.

The Company and its subsidiaries measure their allowance for loss at an amount equal to the expected credit loss for the entire life, except for the items described below, which are measured as expected credit loss for 12 months:

- Debt securities with low credit risk at the reporting date;
- Other debt securities and bank balances for which the credit risk (i.e., the risk of default over the expected lifetime of the financial instrument) has not significantly risen since initial recognition;
- The allowance for losses on trade accounts receivable and contract assets, which are measured at an amount equal to the expected credit loss for the instrument’s entire life; and
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the lifetime ECL, the Company and its subsidiaries consider reasonable and supportable information that is material and available without excessive cost or effort. This includes quantitative and qualitative information and analyses based on the Company’s and its subsidiaries’ historical experience in creditworthiness and forward-looking information.

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The Company subsidiaries conducted a study that projects the time in which the credit risk of a financial asset increases significantly if it is overdue. See Note 32.5 – Finance risk management for further information. The Company and its subsidiaries consider a financial asset to be in default when:

- It is highly unlikely that the debtor will pay all of its credit obligations to the Company and its subsidiaries without resorting to actions such as realizing the guarantee (if applicable);
- Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument; or
- 12-month ECLs are ECLs that result from possible default events within the 12 months after the reporting date (or a shorter period, if the instrument's expected life is shorter than 12 months).

The maximum period considered to estimate the expected credit loss is the maximum contractual period during which the Company and its subsidiaries are subject to credit risks.

3.17.2 Impaired financial assets

At each reporting date, the Company and its subsidiaries evaluate whether the financial assets recorded at amortized cost are credit impaired. A financial asset is 'impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that a financial asset is impaired includes the following observable data:

- Significant financial difficulty of the issuer or borrower;
- Violation of contractual clauses, such as default or being more than 90 days overdue;
- Restructuring of an amount due to the Company on terms that it would not consider otherwise;
- The probability that the borrower will enter bankruptcy or other type of financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

As of December 31, 2024, the Company and its subsidiaries did not identify financial assets with no expectation of realization, except for what the Company's subsidiaries already recognize an estimated loss for assets, such as accounts receivable, which have expected loss on realization.

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3.17.2.1 Expected credit losses and effective losses - Distribution

The Company's subsidiary distributors adopt the practice of estimating Expected Credit Losses (ECL), which assesses the credit risk of receivables by aging category. This assessment considers the median percentage of non-receipt related to each aging category, determined based on a 5-year collection history and on invoicing from the 24 months obtained in the year prior to the first year of the collection history, with updates. The methodology used establishes a percentage of estimated expected losses for each aging list, reflecting the Company's historical credit loss experience. The estimate of expected losses is shown in an allowance matrix, which results from a study on the payment behavior of electric power invoices and the percentage of default of installments collectively. In addition, this estimate is adjusted for specific prospective factors, both for delinquent consumers and for the economic environment, ensuring that the data used is relevant and up-to-date, as explained in Note 32.4 a) Credit risks. After studies conducted by the Group to assess which variables show a correlation index with the actual amount of allowance for expected credit losses, no other indices or macroeconomic factors were identified that significantly impacted or had a direct correlation with the level of delinquency.

For significant installments, the Company's distribution subsidiaries adopt an item-by-item assessment referring to the credit risk since the guarantees of monthly settlement of the securities are provided for in the debt acknowledgment statement. The Company's distribution subsidiaries understand that for negotiations with expected receipt guarantees, the credit risk is lower than the credit risk of security without guarantee of receipt provided for in the terms. To this end, the Company's distribution subsidiaries adopt governance for the relevant negotiations carried out with senior management for decision-making purposes.

For the recognition of effective losses, the Company's distribution subsidiaries write them off of the gross carrying amount of a financial asset that does not have a reasonable expectation of settlement in whole or in part, and bills overdue for more than 05 years are written off in their entirety. The Company's distribution subsidiaries do not expect any significant recovery of the amount written off. However, financial assets written off may still be subject to credit enforcement in order to comply with the procedures of the Company's distribution subsidiaries for the recovery of amounts due.

3.17.2.2 Expected credit losses and effective losses - Sanitation

CSA adopts the practice of estimating ECL, which assesses the credit risk of receivables by aging category. This assessment considers the percentage of non-receipt related to each aging category, determined based on a 2-year collection history, which is the period of the Company's concession. The methodology used establishes a percentage of estimated expected losses for each aging list, reflecting the Company's historical credit loss experience. The estimate of expected losses is shown in an allowance matrix, which results from a study on the payment behavior of water and basic sanitation invoices and the percentage of default of installments collectively. After studies conducted by the Group to assess which variables show a correlation index with the actual amount of allowance for expected credit losses, no other indices or macroeconomic factors were identified that significantly impacted or had a direct correlation with the level of delinquency.

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For significant installments, the indirect subsidiary adopts an item-by-item assessment referring to the credit risk since the guarantees of monthly settlement of the securities are provided for in the debt acknowledgment statement. CSA understands that for negotiations with expected receipt guarantees, the credit risk is lower than the credit risk of security without guarantee of receipt provided for in the terms. To this end, the Company adopts governance for the relevant negotiations carried out with senior management for decision-making purposes.

For the recognition of effective losses, the indirect subsidiary writes off the gross carrying amount of a financial asset that is not reasonably expected to be settled in whole or in part from customers whose receivables are considered uncollectible. The indirect subsidiary does not expect any significant recovery of the written-off amount. However, financial assets written off may still be subject to credit enforcement in order to comply with the procedures of CSA for the recovery of amounts due.

3.17.3 Nonfinancial assets

Company subsidiaries have only one cash-generating unit (CGU), when considered individually, which generates cash inflows and outflows due to their continuous use. Most of these inflows are independent of the cash inflows of other assets of the group or CGUs.

Additionally, management annually reviews the net book value of nonfinancial assets (except inventories, contract assets and deferred taxes) in order to identify any events or changes in economic, operating or technological circumstances that may indicate impairment. Once such evidence is identified, an impairment test is conducted, which consists of comparing the carrying amount of the assets with their recoverable amount, defined as the higher of the value in use and the fair value less costs to sell.

The Company carried out impairment assessment for the year ended December 31, 2024, according to Note 15.2 – Impairment assessment.

3.18 Present value adjustment (PVA)

3.18.1 Installment payments of accounts receivable

The Company's subsidiaries use the average rate of 10.48% as the discount rate, which reflects interest compatible with the nature, term and risks related to the transaction, also taking into account the market rates observable on the initial date of the transaction, to calculate the adjustment to present value of the total installments, in accordance with CPC 12 - Adjustment to present value.

3.18.2 Other assets and liabilities

Long-term monetary assets and liabilities are monetarily restated and therefore adjusted to their present value. The adjustment to present value of short-term monetary assets and liabilities is calculated and only recorded if considered to have a material effect on the financial statements taken as a whole. For purposes of recording and determining relevance, the adjustment to present value is calculated considering the contractual cash flows and the explicit and, in some cases, implicit interest rates of the respective assets and liabilities, based on the analyses performed and management's best estimate.

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3.19 Provision for contingencies

Provisions for contingencies are established for all legal proceedings for which it is probable that an outflow of resources will be required to settle the contingency/obligation and a reasonable estimate can be made, in accordance with CPC 25 (IAS 37) - Provisions, Contingent Liabilities, and Contingent Assets. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors.

Provisions are reviewed and adjusted to reflect changes in circumstances, such as applicable statute of limitations, the completion of tax inspections, or additional exposure identified as a result of new issues or court decisions.

3.20 Statement of value added (SVA)

The Company and its subsidiaries prepared the SVA (Demonstração do Valor Adicionado – DVA) in accordance with CPC 09 (R1) - Statement of Value Added, which is presented as an integral part of the individual and consolidated financial statements, in accordance with Brazilian corporation law and the accounting practices adopted in Brazil applicable to publicly traded companies. IFRS do not require the presentation of this statement and, as such, it is presented as supplementary information under IFRS, without prejudice to the set of financial statements.

3.21 Climate issues

The Company and its subsidiaries consider climate issues in estimates and assumptions, when appropriate. This assessment includes a wide range of potential impacts arising from both physical and transition risks. The Company and its subsidiaries monitor significant changes and developments, such as new legislation related to climate change, as well as the potential transition to a low-carbon economy. The items and considerations most directly affected by climate issues include:

- **Useful life of assets:** When reviewing the residual values and expected useful lives of assets, the Group considers climate issues, such as legislation and regulations related to climate change that may restrict the use of assets or require significant capital expenditures.
- **Impairment loss of nonfinancial assets:** The value in use can be affected in many ways by transition risk, such as legislation and regulations related to climate change. The Group constantly monitors potential climate effects on its cash flow projections.
- **Decommissioning obligations:** The impact of legislation and regulations related to climate change is considered when estimating the timing and future decommissioning costs in the generation segment.

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3.22 Main changes in accounting policies

The main standards that have been amended, issued or are under discussion by the IASB and CPC and that are potentially relevant to the operational and financial context of the Company and its subsidiaries are the following:

3.22.1 Amendments effective from 2024:

Standard	Description of amendment	Effectiveness
CPC 26 (R1) / IAS 1: Presentation of financial statements	Classification and disclosure of a liability with covenant clauses as current or noncurrent, where the liability should be classified as current when the entity is not entitled, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period. In addition, only covenants that must necessarily be complied with before or at the end of the reporting period will affect the classification of a liability as current or noncurrent.	01/01/2024
CPC 06 (R2) / IFRS 16: Leases	The amendment specifies that the seller-lessee must subsequently measure the lease liability derived from the transfer of asset – which meets the requirements to be accounted for as revenue from sale - and leaseback transaction in a way that no gain or loss is recognized for the right of use retained in the transaction.	01/01/2024
CPC 3 (R2) / IAS 7: Statement of cash flows	Disclosure of reverse factoring transactions, which involves the entities and their suppliers. The new disclosure requirements are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows, and exposure to liquidity risk.	01/01/2024
CVM Resolution No. 199/ CPC 9 (R1): Statement of value added	CVM Resolution No. 199 defines certain criteria for the preparation and presentation of the Statement of Value Added (SVA), whose main objective is to clarify regulatory requirements and, consequently, reduce the scope of accounting practices adopted in the preparation of the SVA by Brazilian companies.	01/01/2024

The Company and its subsidiaries assessed the amendments and standards mentioned above and did not identify significant impacts on their individual and consolidated financial statements.

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3.22.2 Amendments effective from 2025

Standard	Description of amendment	Effectiveness
CVM Resolution No. 223/ OCPC 10: Carbon Credits (tCO ₂ e), Emission Allowances, and Decarbonization Credits (CBIO)	Establish requirements for the recognition, measurement, and disclosure of carbon credits (tCO ₂ e), emission allowances, and decarbonization credits (CBIO) for entities operating in the Brazilian capital market. The objective is to reduce the diversity of accounting practices adopted in the financial statements.	01/01/2025
CPC 02 / IAS 21: Effects of changes in exchange rates and translation of financial statements	The amendments require that entities apply a consistent approach to assessing whether a currency is exchangeable for another currency the spot exchange rate to be used.	01/01/2025
CPC 48 / IFRS 9 and CPC 40 (R1) / IFRS 7: Classification and Measurement of Financial Instruments	The amendments establish requirements related to: (i) settlement of financial liabilities through electronic payment systems; (ii) assessment of the contractual cash flow characteristics of financial assets, including those with ESG-linked features; and (iii) specific amendments to cover electricity contracts related to the nature (wind and solar sources).	01/01/2026
Accounting Pronouncement CBPS No. 01 (IFRS S1): Sustainability-related Disclosures Accounting Pronouncement CBPS No. 02 (IFRS S2): Climate-related Disclosures	The new pronouncements address the requirements and guidelines related to corporate sustainability, in line with the international standards IFRS S1 and IFRS S2. These standards aim to promote greater transparency and standardization in the disclosure of environmental, social, and governance (ESG) information, as well as the financial impacts related to climate.	01/01/2026
IFRS 18: Presentation and Disclosure of Financial Statements	IFRS 18 introduces three defined categories for income and expenses - operating, investing and financing - to improve the structure of the statement of profit or loss, and requires all companies to provide new defined subtotals, including operating income. The improved structure and new subtotals will give investors a consistent starting point for analyzing the performance of the companies. IFRS 18 also requires companies to disclose explanations of those company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures. The new requirements will improve the discipline and transparency of management-defined performance measures, and make them subject to audit. IFRS 18 will replace IAS 1/ CPC 26: Presentation of Financial Statements.	01/01/2027
IFRS 19: Subsidiaries without Public Accountability: Disclosures	It allows eligible entities to choose to apply their reduced disclosure requirements while still applying the recognition, measurement, and presentation requirements in other IFRS accounting standards.	01/01/2027
CPC 18 (R3) / IAS 28 and CPC 36 (R3) / IFRS 10: Investment in Associates and Joint Ventures – Correlation with the International Accounting Standards	CPC incorporated into the text of some of its provisions the addressing of the use of the Equity Method (EM) for measuring investments in controlled entities in the individual financial statements. The use of the Equity Method for measuring these investments is determined by Law No. 6404/76 and, due to its relation to the individual financial statements, there was no correspondence in the standards issued by the IASB.	No defined date
ICPC 09 (R3): Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements, and Application of the Equity Method	Accounting Interpretation ICPC 09 (R3), issued by the CPC, becomes mandatory for publicly traded companies. The standard comes into effect on January 1, 2025, applying to years beginning on or after that date, and revoking CVM Resolution No. 124.	01/01/2025

The Company and its subsidiaries are in the process of analyzing the impacts of the above pronouncements and have decided not to adopt any other standard, interpretation, or amendment that has been issued but is not yet in effect.

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4 Regulatory matters

4.1 Distribution

4.1.1 Tariff flags

According to information from the National System Operator (ONS), the system underwent a period of sharp reduction in reservoir levels, starting in July 2012 and ending in November 2021, lasting 113 months, after which the reservoirs began to increase again.

In 2024, the conditions were favorable with a forecast to continue in 2025. The table below shows the tariff flags that were in effect in 2023 and 2024.

	Flag Color	
	2024	2023
January	Green	Green
February	Green	Green
March	Green	Green
April	Green	Green
May	Green	Green
June	Green	Green
July	Yellow	Green
August	Green	Green
September	Red 1	Green
October	Red 2	Green
November	Yellow	Green
December	Green	Green

4.1.2 Contractual coverage

Electricity distribution companies are required to guarantee 100% of their energy market through auctions regulated by ANEEL, also having the guarantee of passing on costs or revenues arising from surplus electricity to tariffs, limited to 5% of the regulatory requirement and costs resulting from electricity shortages, as established in Decree No. 5163/2004. However, when a distribution utility exceeds this limit and does so voluntarily, it incurs the difference between the purchase price and the selling price for the surplus on the spot market. The calculated amounts are monetarily restated by reference to the Central Bank Benchmark rate (SELIC) and offset in subsequent tariff processes.

In the years ended December 31, 2024 and 2023, the Company's distribution subsidiaries participated in the Surplus and Deficit Offset Mechanisms (MCSD) of Existing Energy and New Energy, Surplus Sale Mechanism (MVE), as provided for in Ruling No. 1009, of March 22, 1.009, to adapt its contractual portfolio to the regulatory level of coverage. It should be highlighted that such mechanisms are provided for in the commercialization procedures, and distributors may declare a deficit or surplus of energy in their energy purchase contracts in the regulated environment – CCEARs).

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In 2024, the subsidiaries remained within the pass-through limit for tariffs and presented the following levels of contractual coverage:

<u>Companies</u>	<u>Coverage level 2024</u>	<u>Coverage level 2023</u>
Indirect subsidiaries		
Equatorial Maranhão Distribuidora de Energia S.A.	102.96%	99.07%
Equatorial Pará Distribuidora de Energia S.A.	103.53%	99.34%
Equatorial Piauí Distribuidora de Energia S.A.	102.79%	101.62%
Equatorial Goiás Distribuidora de Energia S.A.	105.31%	104.49%
Companhia Estadual de Distribuição de Energia Elétrica - CEEE-D	103.92%	106.91%
Companhia de Eletricidade do Amapá - CEA	110.08%	114.15%
Direct subsidiary		
Equatorial Alagoas Distribuidora de Energia S.A.	106.56%	105.72%

4.1.3 Annual Tariff Adjustment (RTA) and Periodic Tariff Review (RTP)

Annually, ANEEL calculates the new annual tariff adjustment indices (RTA) of the Company's direct and indirect subsidiaries, adjusting its A Component expenses (non-manageable costs, such as energy purchase, sector-related charges, transmission charges), and from time to time, when there is a periodic tariff review (RTP) it also restates B Component (manageable costs).

In this process, the CVAs accounted for by the subsidiaries are validated, and the differences between the amount computed by them and the amount granted by ANEEL in the same year must be written off. The calculation of differences between these amounts is referred to as adjustment effect in the direct and indirect subsidiaries.

The activation ranges of the Tariff Flags and the amounts of the energy application tariff were defined, which is addressed in Submodule 6.8, of the Tariff Regulation Procedures (PRORET) as observed in Note 4.1.1 - Tariff Flags.

In a public Executive Board meeting, ANEEL approved the following Annual Tariff Adjustments and Periodic Tariff Reviews (RTP) for the Company subsidiaries in 2024:

<u>Subsidiary</u>	<u>Classification</u>	<u>Effective from</u>	<u>Approval resolution</u>	<u>Effect</u>
Equatorial Maranhão	Annual Tariff Adjustment	08/28/2024	3376/2024	(1.22%)
Equatorial Pará	Annual Tariff Adjustment	08/13/2024	DSP 2335/2024	(3.23%)
Equatorial Piauí	Annual Tariff Adjustment	12/02/2024	3414/2024	(4.28%)
Equatorial Alagoas	Periodic Tariff Review	05/03/2024	3326/2024	(3.49%)
Equatorial Goiás	Annual Tariff Adjustment	10/22/2024	3407/2024	4.33%
CEEE-D	Annual Tariff Adjustment	11/22/2024	3413/2024	4.67%
CEA	Annual Tariff Adjustment	12/13/2024	3430/2024	13.70%

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4.1.4 Regulatory charges

Distribution service revenue is subject to the following taxes and contributions at the following basic rates:

- Research and development – R&D (Pesquisa e Desenvolvimento P&D) and energy efficiency (Pesquisa de Eficiência Energética - PEE) – The minimum percentages required to be invested (P&D and PEE) and collected (National Fund for Scientific and Technological Development (FNDCT), Ministry of Mines and Energy (MME), National Electric Energy Conservation Program (PROCEL) and Energy Development Account (CDE) are as follows:

From 01/01/2023 to 12/31/2025						
R&D (% of NOR)				PEE (% of NOR)		
R&D/ANEEL	CDE	FNDCT	MME	PEE/ANEEL	CDE	PROCEL
0.21 to 0.3	Up to 0.09	0.3	0.15	0.14 to 0.2	Up to 0.06	0.05

- Energy Development Account (Conta de Desenvolvimento Energético - CDE);
- System service charges (ESS); and
- Electricity services inspection fee (TFSEE).

These charges are presented as a deduction of revenue in the statement of profit or loss. See Note 8 – Amounts receivable (payable) relating to A Component and other financial items, for further detail.

4.1.5 Legal Framework – Distributed Generation

ANEEL Ruling No. 1059, dated February 7, 2023, which governs Law No. 14300/2022, was considered the legal framework for Micro and Mini Distributed Generation (MMGD), a system in which consumers generate their own electricity, typically through solar panels or small wind turbines. The Resolution covers procedures related to the charging for use of the distribution network and the timeframe for the distributor to carry out the connection works for the systems, among other matters.

Approval Resolution No. 3169, dated December 29, 2022, defined the percentage reductions, by distributor, to be applied to the Distribution System Use Tariff (TUSD) and the Energy Tariff (TE). These percentages are used to establish the tariff applied to the billing of consumption associated with the Electric Energy Compensation System (SCEE).

The distributing subsidiaries have customers in their portfolio classified as MMGD (Micro and Mini Distributed Generation). ANEEL Ruling No. 1000/2021 defines the Electric Energy Compensation System (SCEE) as an arrangement in which the active energy injected by a consumer unit with MMGD is granted to the local distributor as a free loan.

Subsequently, this energy is offset with the consumption of the same unit or other consumer units. When the energy generated in a given month exceeds the amount needed to offset consumption during that period, the consumer accumulates an energy surplus, which is recorded as a credit to be offset against future bills. This credit is considered a liability to be refunded to the consumer, calculated based on the injected and unused balance multiplied by the average purchase price of energy from the Company's subsidiaries.

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4.2 Transmission

The Company's subsidiaries will receive the Annual Allowed Revenue (RAP) for the provision of public transmission services, which will be reviewed at periodic intervals of 5 (five) years during the concession period, through approval resolutions issued by ANEEL. RAP of the Company's subsidiaries after the tariff review is now as follows:

	RAP	REH	Effect of tariff review	RTP	Effective from
SPE 01	104,144	3,050/2022	9.38%	Periodic Tariff Review	06/01/2022
SPE 02	94,466	3,050/2022	9.39%	Periodic Tariff Review	06/01/2022
SPE 03	137,705	3,050/2022	9.39%	Periodic Tariff Review	06/01/2022
SPE 04	248,458	3,050/2022	9.43%	Periodic Tariff Review	06/01/2022
SPE 05	114,641	3,050/2022	9.42%	Periodic Tariff Review	06/01/2022
SPE 06	142,154	3,050/2022	9.44%	Periodic Tariff Review	06/01/2022
SPE 08	193,469	3,348/2024	4.56%	Periodic Tariff Review	07/01/2024

In addition to the five-year reviews, ANEEL will annually adjust the RAP by reference to the Extended Consumer Price Index (IPCA), during the months of June or July of each year. For cycle 2024-2025 commencing in July 2024, the Company's subsidiaries RAP is as follows:

	RAP	REH	Effect of tariff adjustment	RTP	Effective from
SPE 01	113,812	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024
SPE 02	102,039	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024
SPE 03	148,745	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024
SPE 04	268,376	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024
SPE 05	123,832	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024
SPE 06	153,550	3,348/2024	3.93%	Periodic tariff adjustment	07/01/2024

The termination of the concession will imply the reversion of the assets linked to the service to the granting authority.

The concession contract is classified as a contract asset and is classified as a financial asset after issuance of the Credit Notice (AVC).

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4.2.1 Regulatory fees

The sector charges described below are part of government policies for the electricity sector and are all defined by law. Their values are established by ANEEL Resolutions or Decisions, for the purpose of payment by concessionaires of amounts charged from consumers through electricity supply tariffs and are classified under the heading regulatory charges payable in the statement of financial position.

Energy Development Account (Conta de Desenvolvimento Energético - CDE)

Created by Law No. 10438, of April 26, 2002, with the purpose of providing funds for: i) the energy development of the States; ii) the competitiveness of energy produced from wind sources, small hydroelectric plants, biomass, natural gas and mineral coal, in the areas served by the interconnected electrical systems; iii) promoting the universalization of the electricity service throughout the national territory. The amount is set annually by ANEEL based on the electricity used by consumer units connected to transmission facilities. This amount is paid to the Electric Energy Trading Chamber - CCEE and passed on to consumer units through the tariff for use of the transmission system (TUST).

Alternative Source Incentive Program (PROINFA)

Instituted by Law No. 10438 of April 26, 2002, this program is intended to increase the share of alternative renewable sources in the production of electricity in the country, such as wind energy (wind), biomass and small hydroelectric power plants. The value is fixed according to the forecast of electric energy generation by the plants that are part of PROINFA. This amount is paid to Eletrobras and passed on to consumer units through the TUST.

Research and Development (R&D)

Public utility concessionaires engaged in the distribution, transmission or generation of electric energy, the licensees for public electricity distribution services and those authorized for the independent production of electricity, excluding, by way of exemption, those that generate energy exclusively from wind, solar, biomass, qualified co-generation and small hydroelectric plants, must invest, annually, a percentage of their Net operating revenue in Research and Technological Development projects in the Electric Energy Sector – R&D, according to regulations established by ANEEL.

Electricity services inspection fee (Taxa de Fiscalização de Serviços de Energia Elétrica - TFSEE)

Created by Law No. 9427/1996, the TFSEE is levied on the production, transmission, distribution and commercialization of electric energy and according to article 29 of Law No. 12783/2013. The TFSEE is now equivalent to 0.4% of the annual economic benefit.

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4.3 Basic sanitation

4.3.1 New legal framework for basic sanitation

On July 15, 2020, Law No. 14026/2020 was published, changing the basic sanitation framework in Brazil. The main points changed were: i) Regionalization: preference for regionalized provision over fragmented provision; ii) Legal goals of universalization; iii) Regulation: the National Water Agency (“ANA”) was designated to establish general regulatory guidelines in the national context, providing homogeneity and legal certainty to the sector; iv) Competition: the principle of competitive selection of the service provider was established.

The indirect subsidiary Concessionária de Saneamento do Amapá SPE S.A. (CSA) has institutionally adapted to comply with current legislation arising from the new Legal Framework, as well as its complementary regulatory developments, considering that CSA was in the assisted operation phase until July 12, 2022.

4.3.2 Tariff Adjustment

Subsidiary CSA underwent an Annual Tariff Adjustment. The application tariffs and values related to CSA's supplementary services, contained in the Resolution of the Regulatory Agency for Delegated Public Services of the State of Amapá – ARSAP No. 003, of July 13, 2023, were adjusted by 5.48% (five point forty-eight percent), in line with Resolution No. 006, of July 11, 2024, effective from August 30, 2024.

5 Cash and cash equivalents

	Parent Company		Consolidated	
	2024	2023	2024	2023
Cash and bank deposits	543	489	303,949	271,827
Cash equivalents (a)				
Investments				
Bank Deposit Certificates – CDB (b)	811	1,327,640	842,571	3,658,761
Repurchase (repo) agreements (c)	-	-	1,791,145	380,940
Savings	-	-	-	756
Investment funds				
Repurchase (repo) agreements	5,979	54,034	272,137	99,425
Bank Deposit Certificates – CDB	249	6,488	78,816	71,180
Open-ended investment fund	215	411	17,746	129,359
Subtotal - cash and cash equivalents	7,254	1,388,573	3,002,415	4,340,421
Total	7,797	1,389,062	3,306,364	4,612,248

- (a) Cash equivalents refer to Bank Deposit Certificates (CDB), repurchase agreements, among other highly liquid assets with low credit risk. Such investments are available for use in the Company's operations, readily convertible into a known amount of cash and subject to an insignificant risk of change in value. Therefore, these are financial assets with immediate liquidity classified as cash equivalents, according to CPC 03 (R2) – Statement of cash flows;
- (b) The decrease observed in the period was due to amortization of debentures, as presented in Note 19; and
- (c) The observed increase occurs mainly due to the raising of loans and debentures, as explained in Notes 18.6 and 19.4, respectively.

The Company's and its subsidiaries' portfolio earns interest pursuant to Interbank Deposit Certificate (CDI) variation, and hence the portfolio' average profitability for the year ended December 31, 2024 is equal to 98.12% of the variation of CDI (100.65% of CDI at December 31, 2023).

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6 Financial investments

	Parent Company		Consolidated	
	2024	2023	2024	2023
Current				
Investment funds (a)				
Investment fund shares	240,613	1,758,356	7,433,271	6,103,877
FIDC investment fund shares (b)	-	-	128,589	162,176
Government securities	9,808	134,386	473,945	276,802
Financial bills	2,920	78,574	139,916	149,420
Open-ended investment fund (c)	235	-	1,328,611	754,195
Restricted funds (d)	-	-	227,047	178,969
Total current	253,576	1,971,316	9,731,379	7,625,439
Noncurrent				
Restricted funds (d)	-	-	702,741	557,220
Total noncurrent	-	-	702,741	557,220
Total	253,576	1,971,316	10,434,120	8,182,659

- (a) Investment funds represent low-risk transactions in financial institutions with ratings above AA- and AA+, based on the rating agencies Fitch Ratings and Standard & Poor's, and comprise various assets aiming at better profitability with the lowest level of risk, such as: fixed income securities, government securities, repurchase agreements, debentures, CDBs, in accordance with the Company's investment policy. In addition, the investment portfolio contains funds, which are investments in shares (FIC), administered by financial institutions responsible for allocating resources in shares of various open-ended funds. Therefore, the Company does not have direct management and control, nor significant interest in these open-ended funds (maximum limit of 10% of equity) according to CPC 36 (R3) / IFRS 10 – Consolidated financial statements. The decrease observed in the year at the Parent Company was due to amortization of debentures, as presented in Note 19;
- (b) Receivables Investment Fund (FIDC), with part of its resources used in advance on trade notes payable to suppliers of the Equatorial Group, as described in Note 17.1 – Trade accounts payable - reverse factoring (agreement);
- (c) Open-ended investment funds comprise assets such as repurchase agreements, government securities, CDBs, time deposits, among other financial instruments; and
- (d) The restricted funds refer to investments restricted to loan and financing guarantees, invested in government securities, and funds backed by government securities, whose classification between current and noncurrent is defined according to the term of use of the funds.

The Company's and its subsidiaries' portfolio earns interest pursuant to Interbank Deposit Certificate (CDI) variation, and hence the portfolio' average profitability for the year ended December 31, 2024 is equal to 98.10% of the variation of CDI (102.41% of CDI at December 31, 2023).

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7 Trade accounts receivable (Consolidated)

7.1 Breakdown of balances

	2024				2023			
	Falling due	Overdue		Total	Falling due	Overdue		Total
		Within 90 days	Over 90 days			Within 90 days	Over 90 days	
Residential	1,160,340	1,121,769	2,407,348	4,689,457	1,206,867	1,005,284	2,944,275	5,156,426
Industrial	146,002	28,131	83,226	257,359	156,080	32,182	251,521	439,783
Commercial	467,568	160,557	416,200	1,044,325	498,337	167,913	680,337	1,346,587
Rural	149,132	125,386	334,078	608,596	155,526	106,525	340,695	602,746
Government	210,451	97,734	116,258	424,443	214,222	83,589	163,262	461,073
Public lighting	78,770	19,243	92,705	190,718	75,408	12,434	150,997	238,839
Public utility	105,484	48,307	73,405	227,196	105,778	43,735	93,363	242,876
Accounts receivable from billed consumers	2,317,747	1,601,127	3,523,220	7,442,094	2,412,218	1,451,662	4,624,450	8,488,330
Residential	736,476	90,480	1,002,898	1,829,854	845,188	95,389	1,156,167	2,096,744
Industrial	70,911	5,000	37,429	113,340	72,506	6,883	68,315	147,704
Commercial	328,849	15,737	201,268	545,854	355,874	18,336	273,556	647,766
Rural	75,384	7,047	63,382	145,813	73,358	7,588	76,475	157,421
Government	350,152	12,112	90,551	452,815	364,537	15,929	131,851	512,317
Public lighting	177,754	5,198	12,511	195,463	179,316	4,008	22,001	205,325
Public utility	171,600	2,723	10,122	184,445	90,024	3,341	10,743	104,108
Installment payments (a)	1,911,126	138,297	1,418,161	3,467,584	1,980,803	151,474	1,739,108	3,871,385
Accounts receivable from unbilled consumers (b)	1,318,952	-	-	1,318,952	1,401,295	-	-	1,401,295
Low-income consumers (c)	272,645	-	-	272,645	255,532	-	-	255,532
Other (d)	894,791	4,498	20,687	919,976	711,547	-	-	711,547
Total	6,715,261	1,743,922	4,962,068	13,421,251	6,761,395	1,603,136	6,363,558	14,728,089
(-) Allowance for expected credit losses (ECL)	(511,251)	(243,303)	(3,242,901)	(3,997,455)	(599,006)	(223,785)	(4,632,627)	(5,455,418)
Total trade accounts receivable	6,204,010	1,500,619	1,719,167	9,423,796	6,162,389	1,379,351	1,730,931	9,272,671
Current				8,538,999				8,414,799
Noncurrent				884,797				857,872

- (a) The installments refer to renegotiation of overdue invoices and bear interest of up to 1% p.m. The amounts presented for accounts receivable referring to installment payments are net of the adjustment to present value in the amount of R\$450,591 at December 31, 2024 (R\$470,396 at December 31, 2023), matched against finance income (costs), in the net amount of R\$19,805, in accordance with Note 30;
- (b) This corresponds to electricity distributed but not billed to consumers and billing is based on reading cycles, which in certain cases occurs after the accounting closing period;
- (c) By operation of Laws No. 12212 and No. 10438, the Federal Government determined the application of the low-income social tariff in order to contribute to the reasonableness of the tariff for the supply of electricity to end consumers belonging to the low-income residential subclass; and
- (d) Other accounts receivable balances mainly comprise: default interest and fines for self-reconnection of consumers of the distribution subsidiaries; contracts for the sale of energy in the regulated (ACR) and free (ACL) environments of the subsidiary Echo Participações; accounts receivable from the use of the transmission network of the transmission subsidiaries; provision of telephony services, integration of *internet* telecommunications that uses fiber optic services, and human resources services of the subsidiaries Equatorial Telecomunicações e Serviços; and energy sale agreements of the subsidiary Equatorial Renováveis S.A.

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7.2 Allowance for expected credit losses

	2023	Allowance/ Reversals (b)	Write-offs (c)	2024
Accounts receivable from billed consumers	(3,267,222)	(352,994)	1,391,599	(2,228,617)
Installment payments	(1,934,532)	(100,753)	454,978	(1,580,307)
Accounts receivable from unbilled consumers	(36,774)	2,969	-	(33,805)
Other (a)	(216,890)	(134,871)	197,035	(154,726)
Total (b)	(5,455,418)	(585,649)	2,043,612	(3,997,455)

	2022	Allowance/ Reversals	Write-offs	2023
Accounts receivable from billed consumers	(2,897,838)	(417,552)	48,168	(3,267,222)
Installment payments	(1,676,998)	(253,100)	(4,434)	(1,934,532)
Accounts receivable from unbilled consumers	(31,889)	(4,885)	-	(36,774)
Other (a)	(127,682)	(92,599)	3,391	(216,890)
Total	(4,734,407)	(768,136)	47,125	(5,455,418)

- (a) Other ECLs comprise mainly: fines on irregular consumption, self-reconnection and default, as provided for in ANEEL Resolution No. 456 of November 29, 2000;
- (b) The net changes in the year generated an allowance in the amount of R\$585,649, with an impact of the allowance on operating income (expenses) and a reversal in finance income (costs) of R\$594,680 and R\$9,031, respectively, as per Note 28 - Service costs and operating expenses and Note 30 - Finance income (costs); and
- (c) This refers to write-off of allowance for ECL of notes that were effectively written off from accounts receivable.

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8 Receivables (payables) relating to A Component and other financial items (Consolidated)

	2023	Recognition	Amortization	Restatement	Recognition with cash effect	PIS/COFINS credits	Reclassification	2024
A Component								
Energy Development Account (CDE)	(6,636)	(248,682)	101,461	9,688	-	-	-	(144,169)
Alternative Electric Power Source Incentive Program (PROINFA)	(57,402)	3,581	42,445	(4,263)	-	-	-	(15,639)
National grid	551,798	(179,955)	(115,036)	44,450	-	-	-	301,257
Acquisition of energy CVA (a)	(1,190,899)	871,203	(109,985)	(99,042)	-	-	-	(528,723)
System service charges (ESS) (b)	375,980	(192,288)	116,412	32,263	-	-	-	332,367
Itaipu Transp.	33,902	(20,618)	(5,780)	2,764	-	-	-	10,268
	<u>(293,257)</u>	<u>233,241</u>	<u>29,517</u>	<u>(14,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,639)</u>
Financial items								
Energy overcontracting (c)	376,934	(67,697)	(92,243)	12,763	(28,210)	-	-	201,547
Neutrality	(326,712)	192,768	(217,220)	(22,816)	-	-	-	(373,980)
Exceeding demand and excess reactive power	(318,383)	(185,994)	125,083	(23,508)	-	-	-	(402,802)
Hydrological risk (d)	(918,116)	265,667	(299,002)	(56,303)	-	-	-	(1,007,754)
PIS/COFINS credit offsetting (e)	56,103	-	1,259,494	7,962	-	(1,174,424)	147,087	296,222
Loan – water shortage (f)	(100,444)	-	100,444	-	-	-	-	-
CDE Tariff Reasonableness – Loan (g)	(114,127)	167,156	(6,973)	(16,017)	(165,028)	-	611	(134,378)
Tariff adjustment – RTD	29,351	(30,251)	23,194	900	-	-	-	23,194
Other (h)	270,595	739,868	(803,488)	8,088	(188,917)	-	(38,352)	(12,206)
	<u>(1,044,799)</u>	<u>1,081,517</u>	<u>89,289</u>	<u>(88,931)</u>	<u>(382,155)</u>	<u>(1,174,424)</u>	<u>109,346</u>	<u>(1,410,157)</u>
Total	<u>(1,338,056)</u>	<u>1,314,758</u>	<u>118,806</u>	<u>(103,071)</u>	<u>(382,155)</u>	<u>(1,174,424)</u>	<u>109,346</u>	<u>(1,454,796)</u>
Current								
Amounts receivable	97,933							-
Amounts to be returned	<u>(479,822)</u>							<u>(1,301,652)</u>
Net effect	<u>(381,889)</u>							<u>(1,301,652)</u>
Noncurrent								
Amounts receivable	16,277							264,381
Amounts to be returned	<u>(972,444)</u>							<u>(417,525)</u>
Net effect	<u>(956,167)</u>							<u>(153,144)</u>
Total net effect	<u>(1,338,056)</u>							<u>(1,454,796)</u>

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	2022	Recognition	Amortization	Restatement	Recognition with cash effect	PIS/COFINS credits	Reclassification	2023
A Component								
Energy Development Account (CDE)	566,998	(74,302)	(529,544)	30,411	-	-	(199)	(6,636)
Alternative Electric Power Source Incentive Program (PROINFRA)	135,350	(26,179)	(167,256)	834	-	-	(151)	(57,402)
National grid	534,953	(33,007)	(3,402)	54,038	-	-	(784)	551,798
Acquisition of energy CVA	(444,741)	(544,177)	(70,181)	(125,948)	-	-	(5,852)	(1,190,899)
System service charges (ESS)	519,998	5,842	(199,069)	50,378	-	-	(1,169)	375,980
Itaipu Transp.	13,750	22,034	(4,344)	2,500	-	-	(38)	33,902
	<u>1,326,308</u>	<u>(649,789)</u>	<u>(973,796)</u>	<u>12,213</u>	<u>-</u>	<u>-</u>	<u>(8,193)</u>	<u>(293,257)</u>
Financial items								
Energy overcontracting	286,755	(44,531)	125,859	27,952	(19,949)	-	848	376,934
Neutrality	(100,214)	(78,693)	(128,923)	(18,882)	-	-	-	(326,712)
Exceeding demand and excess reactive power	(224,330)	(168,995)	104,903	(17,957)	(2,199)	-	(9,805)	(318,383)
Hydrological risk	(785,627)	(265,691)	184,864	(51,662)	-	-	-	(918,116)
PIS/COFINS credit offsetting	1,046	-	2,065,739	49,539	-	(2,060,221)	-	56,103
Loan – water shortage	(429,615)	129,497	342,432	(4,314)	-	-	(138,444)	(100,444)
CDE Tariff Reasonableness – Loan	(370,137)	124,832	389,948	(23,891)	(78,526)	-	(156,353)	(114,127)
Tariff adjustment – RTD	-	27,359	-	1,992	-	-	-	29,351
Other	(114,064)	386,466	(389,716)	(54,714)	53,786	-	388,837	270,595
	<u>(1,736,186)</u>	<u>110,244</u>	<u>2,695,106</u>	<u>(91,937)</u>	<u>(46,888)</u>	<u>(2,060,221)</u>	<u>85,083</u>	<u>(1,044,799)</u>
Total	<u>(409,878)</u>	<u>(539,545)</u>	<u>1,721,310</u>	<u>(79,724)</u>	<u>(46,888)</u>	<u>(2,060,221)</u>	<u>76,890</u>	<u>(1,338,056)</u>
Current								
Amounts receivable	394,179							97,933
Amounts to be returned	(195,764)							(479,822)
Net effect - assets	<u>198,415</u>							<u>(381,889)</u>
Noncurrent								
Amounts receivable	61,921							16,277
Amounts to be returned	(690,667)							(972,444)
Net effect between asset (liability) balance	<u>(628,746)</u>							<u>(956,167)</u>
Total net effect	<u>(430,331)</u>							<u>(1,338,056)</u>

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- (a) The balance of energy CVA had the following changes: (i) the positive recognition of costs with effect on availability, hydrological risk and financial exposure transferred to the distributors to serve the market in the amount of R\$914,938, and negative recognition of R\$43,735, generating net changes in recognition of R\$871,203. The positive impact of amortization of the financial component of this item for the period was of R\$109,985;
- (b) The System Service Charge (ESS) is related to the payment of dispatched thermal power plants that operate with the purchase price above the Settlement Price for Differences (PLD). The measure to dispatch these thermal plants is taken by the National System Operator (ONS) to ensure the energy security of the system. The forecast value of the ESS granted by ANEEL in the tariff process of the Company's subsidiaries was lower than the costs effectively paid. As a result, until the year ended December 31, 2024, the ESS account resulted in liability recognition of R\$192,288. The impact of the positive amortization for the period was R\$116,412;
- (c) The negative balance setup of R\$67,697 is due to sale in the spot market at an average PLD lower than the average electricity purchase price of the distributor. The impact of amortization in the year was of R\$92,243;
- (d) Early recognition of electricity purchase costs associated with hydrological risks, as provided for in PRORET submodule 4.4 – other financial components, item 5.11. The hydrological risk forecast defined in the tariff process will be reversed in the subsequent tariff process, and appropriately adjusted. The impact of amortization in the year was of R\$299,002;
- (e) This refers to amortization of credits arising from the exclusion of State VAT (ICMS) from the PIS/PASEP and COFINS base, as provided for in Decision No. 361 of February 9, 2021. After approval of the tariff review adjustment of the Company subsidiaries, the amount of R\$1,259,494 was amortized, and indirect subsidiary Equatorial Goiás represents the largest concentration of this amortization;
- (f) Amount referring to the transfer of funds from the Water Shortage Account to distributors to cover the items provided for in article 2 of ANEEL Ruling No. 1008 of March 15, 2022, with the following items: 1) Estimation of the balance of the Rate Tier Pooling Account for April 2022; 2) Costs associated with the Program for the Voluntary Reduction of Electricity Consumption addressed in Resolution No. 2 of August 31, 2021 of the Chamber of Exceptional Rules for Hydropower Management (CREG); 3) Cost of energy imports under a decision approved by CREG for July and August 2021; 4) Deferrals addressed in article 13, paragraph 1-I, of Law No. 10438 of April 26, 2002; 5) Fixed income for May to December 2022 from the Simplified Bidding Procedure (PCS) of 2021, according to ANEEL's decision. The term for realizing this balance is based on the recognition of these amounts in the tariff adjustments or revisions of each subsidiary and follows the 12-month tariff cycle, which may be extended for another 12 months;
- (g) The Company's subsidiaries recorded the inflow of resources in the amount of R\$165,028, according to ANEEL Decision No. 1239 dated April 23, 2024, which established the values of resources from the Energy Development Account (CDE) related to the amounts contributed by Eletrobras or its subsidiaries under CNPE Resolution No. 15 of 2021, to be transferred to the electricity distribution concessionaires and licensees by April 30, 2024. This contribution aligns with the Tariff Reasonableness policy, facilitated by the transfer of resources from the CDE Fund. The primary objective is to mitigate the impact of electricity costs for end consumers, promoting more favorable energy tariff conditions. The Tariff Reasonableness policy of the CDE is an essential tool for the economic and financial sustainability of the electricity sector and for consumer protection, ensuring balance in the distribution of sectoral charges and moderation of energy tariffs. The Company recorded a negative impact of R\$6,973 for the year ended December 31, 2024, resulting from amortization of the financial component associated with these transfers; and
- (h) Effect of amortization for the year ended December 31, 2024, which was impacted by the negative amounts of the approved financial figures in the last tariff process, as follows: (i) Settlement of the CDE COVID charge and CDE Shortage; (ii) CDE COVID Migrant Charges and Water Shortage Charge; (iii) Itaipu Recalculation; (iv) Deferral of B Component (CCEE); (v) COVID Neutrality; (vi) Water Shortage Loan; (vii) RTA 2021 Recalculation Financials – B Component; (viii) Reversal of the provisional recalculation of CVA; (ix) Reversal of credits associated with Resolutions No. 376 and No. 414; (x) TSFEE Recalculation Financials; (xi) Transmission Financials; (xii) Amortization of PIS COFINS Credit; (xiii) Water Shortage Flag Financials; (xiv) Cost of Use of the Distribution System (CUSD); (xv) Universalization target penalty; (xvi) Adjustments of connection charges and TUSD, and impacted by the positive amounts: (i) Amortization of water shortage and COVID spread; (ii) Tariff Adjustment; (iii) Adjustment of B Component and TSEE; (iv) Contract termination - Financial Guarantees; (v) Connection Charge; Consumer Council; (vi) Financial Guarantees; (vii) Annual difference in invoices of REH 3313/24; (viii) Amortization of DIC FIC; and (ix) Tariff Postponement Financials.

Annually, ANEEL calculates the new annual tariff adjustment indices (RTA) of the Company's subsidiaries, adjusting its A Component expenses (non-manageable costs such as energy purchase, sector-related charges, transmission charges), and from time to time, when there is a periodic tariff review (RTP) it also restates B Component (manageable costs).

In this process, the CVAs accounted for by the subsidiaries are validated, and the differences between the amount computed by them and the amount granted by ANEEL in the same period must be written off. The calculation of differences between these amounts is referred to as adjustment effect in the direct and indirect subsidiaries.

Since July 1, 2022, the ranges that trigger Tariff Flags, under Submodule 6.8 of the Tariff Regulation Procedures (PRORET), are defined in the Tariff Flag trigger worksheet, according to Ruling No. 3306 of March 5, 2024. The amounts to be added to the energy tariff (TE) will be 18.85 R\$/MWh, when the yellow tariff flag is effective, 44.63 R\$/MWh, when the red tariff flag level 1 is effective, and 78.77 R\$/MWh, when red tariff flag level 2 is effective.

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In the year ended December 31, 2024, the Company's subsidiaries recognized the amount of R\$765,967 (R\$126,332 at December 31, 2023) of tariff flag, of which R\$539,314 (R\$1,072 at December 31, 2023) obtained through tariff flag via billing with customers, and R\$227,283 (R\$125,260 at December 31, 2023) received via Rate Tier Pooling Account (CCRBT). The tariff flag was created by means of Decree No. 8401/2015 and is managed by the Electric Energy Trading Chamber (CCEE).

9 Taxes and contributions recoverable (Consolidated)

	<u>2024</u>	<u>2023</u>
Current		
ICMS recoverable (CIAP) (a)	512,111	422,194
PIS and COFINS recoverable (ICMS) (b)	961,401	1,195,500
PIS and COFINS	87,121	43,342
Other	51,469	39,538
Total current	<u>1,612,102</u>	<u>1,700,574</u>
Noncurrent		
ICMS recoverable (CIAP) (a)	894,911	812,943
PIS and COFINS recoverable (ICMS) (b)	1,790,637	1,866,503
Other	66,550	66,579
Total noncurrent	<u>2,752,098</u>	<u>2,746,025</u>
Total taxes and contributions recoverable	<u><u>4,364,200</u></u>	<u><u>4,446,599</u></u>

- (a) The Company's subsidiaries have recoverable taxes referring to ICMS credits on the acquisition of materials intended for operational assets, allocated at the proportion of 1/48ths; and
- (b) Direct subsidiary Equatorial Alagoas, as well as indirect subsidiaries Equatorial Maranhão, Equatorial Pará, Equatorial Piauí, CEEE-D, and Equatorial Goiás have assets related to PIS/COFINS recoverable amounting to R\$2,752,038 (R\$3,062,003 at December 31, 2023), net of tax offset against federal taxes, after publication of the Decision on Appeal to the Supreme Court (STF), and supported by the final and unappealable decision of the case, in accordance with Note 25 - PIS/COFINS to be refunded to consumers. This balance will be realized against the following federal taxes: Corporate Income Tax (IRPJ), Social Contribution Tax on Net Profit (CSLL), Contribution Tax on Gross Revenue for Social Integration Program (PIS), and Contribution Tax on Gross Revenue for Social Integration Program (COFINS), in addition to federal withholding taxes. In addition, the indirect subsidiary Equatorial Telecom has a balance of R\$397 as of December 31, 2024 (R\$459 as of December 31, 2023).

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10 Related parties

At December 30, 2024 and 2023, the Company and its subsidiaries have related-party transactions, mainly, loans, dividends, among others, with the companies below:

		Parent Company			
		2024		2023	
Companies	Note	Assets (liabilities)	Effect on profit or loss Income (expense)	Assets (liabilities)	Effect on profit or loss Income (expense)
<u>Other accounts receivable</u>					
Indirect subsidiaries					
Equatorial Maranhão Distribuidora de Energia S.A.	(a)	7,427	17,952	6,599	17,212
Equatorial Pará Distribuidora de Energia S.A.	(a)	6,776	24,153	7,789	27,753
Equatorial Piauí Distribuidora de Energia S.A.	(a)	4,175	16,004	4,649	19,024
Companhia Estadual de Distribuição de Energia Elétrica - CEEE-D	(a)	21,101	43,915	10,878	35,152
Companhia de Eletricidade do Amapá - CEA	(a)	9,271	20,936	6,437	14,366
Equatorial Transmissora 4 SPE S.A.	(a)	-	315	3,290	11,554
Equatorial Transmissora 5 SPE S.A.	(a)	-	-	-	416
Equatorial Transmissora 6 SPE S.A.	(a)	-	155	1,616	5,676
Equatorial Transmissora 7 SPE S.A.	(a)	-	-	-	67
Equatorial Transmissora 8 SPE S.A.	(a)	-	-	-	114
Equatorial Goiás Distribuidora de Energia S.A.	(a)	58,045	97,053	23,521	33,266
Concessionária de Saneamento do Amapá SPE S.A.	(a)	-	-	-	204
Subtotal		106,795	220,483	64,779	164,804
Direct subsidiary					
Equatorial Alagoas Distribuidora de Energia S.A.	(a)	2,256	7,854	2,252	7,850
Subtotal		2,256	7,854	2,252	7,850
<u>Other accounts receivable - Intercompany</u>					
Indirect subsidiaries					
Equatorial Maranhão Distribuidora de Energia S.A.	(b)	-	-	499	499
Equatorial Pará Distribuidora de Energia S.A.	(b)	-	-	1,018	1,018
Equatorial Piauí Distribuidora de Energia S.A.	(b)	-	-	1,272	1,272
Subtotal		-	-	2,789	2,789
Direct subsidiaries					
Equatorial Transmissão S.A.	(b)	-	-	461	461
Equatorial Alagoas Distribuidora de Energia S.A.	(b)	-	-	360	360
Subtotal		-	-	821	821
Total		109,051	228,337	70,641	176,264
<u>Intercompany loans</u>					
Indirect subsidiaries					
Equatorial Goiás Distribuidora de Energia S.A.	(c)	-	-	-	489
Equatorial Transmissão SPE 03 S.A.	(d)	-	-	-	1,311
Total		-	-	-	1,800
<u>In-court reorganization</u>					
Indirect subsidiaries					
Equatorial Pará Distribuidora de Energia S.A.	(e)	138,114	12,013	129,055	941
Total		138,114	12,013	129,055	941
<u>Dividends receivable</u>					
Direct subsidiaries					
Equatorial Transmissão S.A.	(i)	745,137	-	47,302	-
Equatorial Distribuição S.A.	(i)	7,429	-	16,220	-
Integração Transmissora de Energia S.A - INTESA	(i)	-	-	2,943	-
Equatorial Alagoas Distribuidora de Energia S.A.	(i)	48,678	-	81,369	-
Equatorial Participações II	(i)	6,161	-	-	-
Equatorial Serviços S.A.	(i)	12,579	-	-	-
Associate					
SABESP	(i)	341,272	-	-	-
Total		1,161,256	-	147,834	-

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Companies	Note	Consolidated			
		2024	Effect on profit or loss Income (expense)	2023	Effect on profit or loss Income (expense)
		Assets (liabilities)		Assets (liabilities)	
Trade accounts receivable					
Associação para Assinatura de Energia	(j)	957	-	-	-
Other accounts receivable					
Associação para Assinatura de Energia	(k)	632	-	-	-
Other accounts payable					
Entity - Post-employment benefit plan					
Equatorial Energia Fundação de Previdência	(f)	-	(7,187)	-	2,773
Trade accounts payable					
Other types of related parties					
Instituto de Ciência e Tecnologia Grupo Equatorial (ICT)	(g)	(4,179)	-	(29,180)	-
Amounts payable according to the in-court reorganization plan					
Other types of related parties					
Centrais Elétricas Brasileiras S.A. - Eletrobras	(h)	(597,608)	(54,442)	(545,166)	(50,261)
Dividends receivable					
Associate					
SABESP	(i)	341,272	-	-	-

- (a) On September 16, 2022, a Private Instrument of Return on Guarantees (guarantee/surety) was entered into between the subsidiaries (Promisees) and the Company (Promisor), with the purpose of providing a return on the guarantees given in the form of guarantee/surety for contracts. The provision of the guarantee has a return equivalent to 1% (one percent) per annum, on a *pro rata* basis, on the outstanding balance of the guaranteed contract or security;
- (b) Refers to the Human Resources and Administrative Infrastructure sharing agreement whose reimbursement results from the sharing of condominium, IT and telecommunications expenses and human resources expenses, based the regulatory apportionment criterion, pursuant to article 12, module V of ANEEL Resolution No. 948/2021;
- (c) On January 6, 2023, a Private Loan Agreement was entered into between Equatorial Goiás and the Company, in the amount of R\$25,141 and at the cost of CDI + 1.50% p.a., with final maturity on February 27, 2023;
- (d) On July 14, 2021, a loan agreement was entered into between the Company, as the "Lender," and Equatorial Transmissora 3 SPE S.A., as the "Borrower." This loan was formalized through a Private Loan Agreement, previously approved by ANEEL through Decision No. 3085 dated December 31, 2018. The total loan amount is R\$15,000,000 (fifteen million reais), with a term of 24 (twenty-four) months, starting from July 15, 2021, and subject to an interest rate of 105.5% of the CDI p.a. on a daily *pro rata* basis. The agreement was executed to avoid shortage of resources due to possible delays in the disbursement of the long-term financing contracted;
- (e) Amounts arising from the direct or indirect acquisition of credits included in the in-court reorganization plan of Equatorial Pará;
- (f) The amounts with EQTPREV arise from the contributions of the sponsor of indirect subsidiaries Equatorial Maranhão, CEEE-D and direct subsidiaries Equatorial Piauí and Equatorial Alagoas with their supplementary pension foundation;
- (g) Amounts with Instituto de Ciência e Tecnologia Grupo Equatorial refer to Research and Development (R&D) and Energy Efficiency Program (PEE) projects, under corporate management, with direct subsidiary Equatorial Alagoas and indirect subsidiaries Equatorial Piauí, Equatorial Pará, Equatorial Maranhão and SPEs 01 to 06 and 08. Additionally, the distributors Equatorial Maranhão, Equatorial Piauí, Equatorial Alagoas, Equatorial Goiás, and CEEE-D recognized expenses with donations made to the institute in the amount of R\$20,096;
- (h) On December 01, 2014, the Belém 13th Civil Court Judge decreed, based on articles 61 and 63 of Law No. 11102/05, after a decision by the Court Administrator and the Public Prosecutor, the end of the in-court reorganization plan of subsidiary Equatorial Pará. These obligations only end upon their fulfillment in full. Centrais Elétricas Brasileiras S.A. - Eletrobras, holds approved receivables amounting to R\$423,463, which will be settled as follows: (i) grace period for payment of principal and interest until August 2019, with capitalized interest; (ii) interest of 6% p.a. paid on a semiannual basis as of the last day of September 2019, and levied on the principal balance; and (iii) payment of principal: (iii.a) from March 2027 through September 2030, amortization corresponding to 5% p.a. of principal in semiannual installments; (iii.b) from March 2031 through September 2033, amortization corresponding to 10% p.a. of principal p.a., in semiannual installments; (iii.c) in September 2034, the balance of 50% (fifty per cent) of the principal amount;
- (i) Refers to dividends receivable for 2024;
- (j) The amounts with the Association refer to supply of electric energy; and
- (k) Refers to expenses with consulting, fees, and energy bills from the indirect subsidiary E-Nova with the Association.

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In addition to the above transactions, the Company's subsidiaries carry out transactions among themselves related to sharing of expenses and leases, intercompany purchase and sale of goods and materials, assets assigned in lending, provision of telecommunications services and use of the transmission system, among others, for which the balances in the statements of financial position and of profit or loss are fully eliminated in the consolidated financial statements.

10.1 Key management personnel compensation

Key Management personnel include the Statutory Audit Committee, Board of Directors and Supervisory Board, the CEO and Chief Officers. Compensation was set at up to R\$48,800, as per the Annual and Special General Meeting held on April 30, 2024 (R\$29,100 on April 28, 2023).

The Company's chief officers do not have any loan, advance or other transactions with the Company and its subsidiaries.

As of December 31, 2024 and 2023, the Company and its subsidiaries do not have any compensation in the category of employment contract termination benefits for their key management personnel.

Post-employment benefits are described in Note 31 - Post-employment benefits and refer to retirement and pension benefit plans in order to complement and supplement the benefits paid by the official social security system.

Executive officers are entitled to stock option plans and share-based payments. Maturity dates and strike prices of the stock options of executive officers and additional detailed information on the plan are presented in Note 26.7 – Stock option plans.

Proportion of each element in the total compensation paid for the year ended December 31, 2024:

	2024	%
Total fixed annual compensation	22,168	46%
Salary or management fees	21,994	46%
Direct and indirect benefits	174	-
Total variable compensation (bonus)	13,232	27%
Total share-based compensation	12,978	27%
Post-employment benefits	33	-
Total compensation amount	48,411	100%

The Company informs that the complete allocation of income for 2024 will be approved at the Annual General Meeting to be held in 2025.

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10.2 Guarantees

The Company provides guarantee as guarantor of the subsidiaries in insurance policies and sureties without charge or remuneration and in loan and financing agreements with remuneration of 1% p.a. on the outstanding balance. The guarantees are described in Notes 18.4 and 19.2.

11 Other accounts receivable (Consolidated)

11.1 Breakdown of balances

	2024	2023
Current		
Amounts recoverable from employees	13,742	11,984
Advances to suppliers	142,817	112,935
Disposal of assets and rights	8,950	9,990
Prepaid expenses	3,897	2,917
PIS and COFINS neutrality	14,656	27,825
Tariff discount grant (b)	637,235	235,691
Energy surplus	6,087	24,410
Mutual use of electricity pole	95,063	117,590
Consumption reduction incentive	6,595	7,269
Special credits - FUNAC – Awaiting refund (a)	35,691	30,337
(-) Allowance for expected credit losses	(44,566)	(60,919)
SUDAM/SUDENE reinvestment	182,232	124,659
Other receivables	361,112	642,888
Total current	1,463,511	1,287,576
Noncurrent		
Credit receivable – In-court reorganization	24,977	24,977
Energy surplus	14,459	-
(-) Allowance for expected credit losses	(3,013)	(2,847)
Special credits - FUNAC – Awaiting court decision (a)	442,196	521,875
Special credits - FUNAC – Awaiting refund (a)	304,164	302,520
Other receivables	71,778	20,746
Total noncurrent	854,561	867,271
Total other accounts receivable	2,318,072	2,154,847

- (a) Special credits - FUNAC are subdivided into “Special credits – FUNAC – Awaiting court decision” and “Special credits – FUNAC – Awaiting refund”. “Special credits – FUNAC – Awaiting court decision” includes the amounts relating to proceedings still under way in the Judiciary, since the payments relating to such proceedings have not been made yet. As soon as the legal proceedings end, i.e., a final unappealable decision is handed down thereon, all legal procedures will be adopted for the amounts paid to be reimbursed to the Company, either through reimbursement via cash receipt or allocation of ICMS credits, and will be transferred to “Special credits – Awaiting refund”;
- (b) Amounts receivable related to discounts applicable to users of public electricity distribution services, to be received from the Granting Authority, as provided for in article 13, item VII, of Law No. 10438, dated April 26, 2002, and in compliance with the provisions of article 3 of Decree No. 7891, dated January 23, 2013, approved by Resolution No. 2420, dated November 27, 2018. The CDE tariff subsidy, related to revenue from tariff discounts, presented an increase due to market growth and the repositioning of A Component in the annual tariff adjustment processes for the years 2023 and 2024, according to ANEEL Approval Resolutions No. 3279, dated October 17, 2023, and No. 3407, dated October 15, 2024.

State Law No. 17555 was enacted on January 20, 2012 with the objective of raising and allocating funds for reimbursement of payments of administrative and legal contingencies with triggering events that occurred until the sale of the shareholding control to Eletrobras, according to the Shareholders’ and Management Agreement between Eletrobras and the State of Goiás, as well as to the Contribution Fund (FUNAC) Cooperation Agreement between Equatorial Goiás and the State (through the State Attorney General’s Office and the State Department of Finance), and the regulations defined by State Decree No. 7732 of September 28, 2002. The resources of this fund depend on the contributions to be made by the Goiás State Government and the credits received from suits won by Equatorial Goiás to be transferred to the Fund.

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According to the provisions of the Equatorial Goiás purchase and sale agreement, entered into by Equatorial Goiás, Eletrobras and CELGPARG on February 14, 2017, the State of Goiás assumed the commitment to indemnify the buyers of Equatorial Goiás for any damages and losses resulting from, among other reasons, “amendment, revoking or edition of state law or administrative or legal decision regarding any condition or the validity of FUNAC”. Since then, Equatorial Goiás has controlled separately the receivables linked to contingencies with probable likelihood of loss and with triggering events prior to the date of change of control, as provided for in the purchase and sale agreement. Law No. 20416 was published on February 6, 2019 to amend Law No. 17555/12 (which established CELG-D Contribution Fund) and Law No. 19473/16 (which enacted the state energy policy for maintenance, improvement and expansion of the electricity distribution grid in Goiás), whereby the Government of the State of Goiás suspended part of the reimbursements to Equatorial Goiás, by retroacting the FUNAC coverage period from January 27, 2015 to April 24, 2012.

Law No. 20468 was published on April 25, 2019 to repeal State Law No. 19473 of November 3, 2016, which entitled Equatorial Goiás to allocate ICMS credits to offset administrative and legal contingencies whose triggering events occurred until January 27, 2015. As the amendments provided for in the aforementioned laws violate the privatization notice and Equatorial Goiás purchase and sale agreement, management of this Company immediately took legal measures to annul the effects of the previous laws on the grounds of unconstitutionality of said provisions, which eliminate the rights granted under other laws and a purchase and sale agreement that the State of Goiás signed, ensuring the right to reimbursement of obligations that the new controlling shareholders had to pay and whose triggering events are prior to January 27, 2015.

On June 12, 2019, the Court of Justice of the State of Goiás granted the injunction in favor of Equatorial Goiás in the records of the Writ of Mandamus No. 5098329.72.2019.8.09.0000, disregarding the amendments provided for in State Law No. 20416/19, thus determining that Equatorial Goiás purchase and sale agreement and other covenants had to be complied with, and ensuring the right to reimbursement of liabilities resulting from decisions of administrative authorities for which there is no further appeal, court decisions that are final and unappealable, and/or in-court or out-of-court settlements that were approved by courts in connection with triggering events, as provided for in previous regulations. However, on September 16, 2019, the decision was modified through the judgment of the motions for clarification filed by the State Attorney General’s Office with modifying effects, rejecting the injunction of Equatorial Goiás and upholding the repeal of the ICMS Credit Law, since it understands that this matter is complex and requires an extensive procedural analysis, which is incompatible with a preliminary analysis at the beginning of the proceedings. Consequently, Equatorial Goiás filed an appeal before the Court of Justice of the State of Goiás.

On October 1, 2019, during the trial of the appeal filed by the State of Goiás, the Court of Justice revoked the injunction that had disregarded the amendments proposed by State Law No. 20416/19, which came back into force. Equatorial Goiás filed an appeal against the decision that revoked the injunction.

On November 12, 2019, the Brazilian Association of Electricity Distributors (ABRADEE) filed a Claim of Unconstitutionality (ADI) with the Federal Supreme Court requesting the declaration of unconstitutionality of Law No. 20416/19, which amended Law No. 17555/12 (FUNAC), and of Law No. 20468/19, which repealed State Law No. 19473/16 (ICMS credits granted).

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On June 3, 2021, the Federal Supreme Court did not accept the claim of unconstitutionality filed by ABRADÉE, because it understood that a claim of unconstitutionality was not the appropriate tool to discuss laws that affected one single company, since this type of claim is intended for an abstract control of the constitutionality of the laws and not for concrete and specific cases. However, there was no statement on the merits of the laws, only on the procedural aspects. On June 24, 2021, ABRADÉE filed an appeal, which was judged on September 22, 2021 by the Plenary Session of the Federal Supreme Court, which upheld the previous decision.

During the trial of the appeal filed by Equatorial Goiás, held on May 16, 2023 (decision published on May 18, 2023), the Court of Justice unanimously granted the postulated security to ensure Equatorial Goiás the right to have its claims for reimbursement examined and decided exclusively in accordance with the provisions of State Laws No. 17.555/12 and No. 19.473/16. The State of Goiás filed a Motion for Clarification against that decision, which was rejected by the Court of Justice of the State of Goiás (TJGO) on July 25, 2023. The State of Goiás subsequently lodged a constitutional claim against the decision of the 2nd Chamber of the TJGO, which granted security under Writ of Mandamus. On December 18, 2023, the special Court committee upheld the claim of the State of Goiás to annul the judgment that had granted the security claimed by Equatorial Goiás. On February 7, 2024, the Office of the Special Court Committee was ordered to certify in the records about the final and unappealable decision on the claim and subsequent referral to the Panel for resumption of the writ of mandamus process.

Based on the constitutional principles of vested right, legal certainty, perfected legal act, objective good faith, protection of trust in contracts with the Public Administration, supremacy of the public interest and pacta sunt servanda, as provided for in article 5, XXXVI, of the Brazilian Constitution, as well as on the fact that the acts that guarantee these rights are considered perfected legal acts protected by the Brazilian legal system, and due to the legal measures pending before the High Court of Justice and the Federal Supreme Court, Equatorial Goiás' management concluded that the amounts are still recoverable and will become liquid as the obligations associated with the credits are reimbursed.

Moreover, indirect subsidiary Equatorial Goiás' right is supported by the contracts entered into with the Public Administration, and the State of Goiás has assumed, directly and unequivocally, the responsibility for the contractual terms and conditions relating to FUNAC. As regards specifically the ICMS credits granted, it should be noted that the Brazilian Tax Code and the Brazilian Constitution state that revoking the tax benefit is not possible, considering the manner and reason for the grant, and this understanding is supported by Abridgement No. 544 of the Federal Supreme Court, which clearly addresses the reasoning of Equatorial Goiás in the legal proceeding in progress at the Court of Justice of the State of Goiás, and of ABRADÉE in the ADI filed with the Federal Supreme Court, which, in short, prevents the revocation of the tax incentive granted under conditions and for a fixed term.

In addition, management of Equatorial Goiás has adopted all appropriate measures to maintain the rights acquired at the time of its acquisition, guaranteed by the State of Goiás in accordance with the purchase and sale agreement entered into on February 14, 2017.

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11.2 Changes in Special credits - Assets - FUNAC

	2023	2024						
	Opening balance	Additions/ reversals	Court decision/ payment	Provision for impairment (a)	Write-offs due to receipt	Transfers – judicial deposits	ECL (b)	Closing balance
Special credits - FUNAC – Awaiting court decision	1,154,836	18,195	(167,641)	-	-	-	-	1,005,390
(-) Impairment – Special credits – FUNAC – Awaiting court decision (a)	(632,961)	-	-	69,767	-	-	-	(563,194)
Special credits - FUNAC – Awaiting court decision	521,875	18,195	(167,641)	69,767	-	-	-	442,196
Special credits - FUNAC – Awaiting refund	922,189	-	167,641	-	(25,050)	5,400	-	1,070,180
(-) Impairment – Special credits – FUNAC – Awaiting refund (a)	(423,514)	-	-	(89,855)	-	-	-	(513,369)
(-) ECL – Special credits – FUNAC – Awaiting refund (b)	(165,818)	-	-	-	-	-	(51,138)	(216,956)
Special credits - FUNAC – Awaiting refund	332,857	-	167,641	(89,855)	(25,050)	5,400	(51,138)	339,855
Total	854,732	18,195	-	(20,088)	(25,050)	5,400	(51,138)	782,051

	2022	2023						
	Opening balance	Additions/ reversals	Court decision/ payment	Provision for impairment (a)	Write-offs due to receipt	Transfers – judicial deposits	ECL (b)	Closing balance
Special credits - FUNAC – Awaiting court decision	857,521	433,993	(136,678)	-	-	-	-	1,154,836
(-) Impairment – Special credits – FUNAC – Awaiting court decision (a)	(358,408)	-	-	(274,553)	-	-	-	(632,961)
Special credits - FUNAC – Awaiting court decision	499,113	433,993	(136,678)	(274,553)	-	-	-	521,875
Special credits - FUNAC – Awaiting refund	782,180	-	136,678	-	(1,176)	4,507	-	922,189
(-) Impairment – Special credits – FUNAC – Awaiting refund (a)	(331,510)	-	-	(92,004)	-	-	-	(423,514)
(-) ECL – Special credits – FUNAC – Awaiting refund (b)	(238,601)	-	-	-	-	-	72,783	(165,818)
Special credits - FUNAC – Awaiting refund	212,069	-	136,678	(92,004)	(1,176)	4,507	72,783	332,857
Total	711,182	433,993	-	(366,557)	(1,176)	4,507	72,783	854,732

- (a) Based on the amendments to the laws in force at the time of the acquisition, as well as on the uncertainties about the decisions that will be handed down by the judges of the jurisdictions and courts where the Company filed its appeals, management maintains a provision for loss at the amount recoverable from FUNAC in the total amount of R\$1,076,563 at December 31, 2024 (R\$1,056,475 at December 31, 2023), period for which the Company's right to offset was revoked by the amendments to Laws No. 17555/12 and No. 19473/16. In other words, for proceedings for the period from April 2012 to January 2015, a provision for impairment was recorded in full. In the year ended December 31, 2024, the impact of referred to provision and adjustments thereto amounts to R\$39,231 (R\$223,626 at December 31, 2023) and R\$19,143, in accordance with Note 28 - Service costs and operating expenses and Note 30 – Finance income (costs), respectively; and
- (b) Estimated losses are calculated on “Special credits - Awaiting refund”, considering management's receipt expectation. For December 31, 2024, a provision reversal of R\$51,138 was calculated (additional provision of R\$72,783 at December 31, 2023), according to Note 28 – Service costs and operating expenses. For the estimate, the volume of receipts x applications in the last five years is observed.

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12 Investments

The main information on investments in subsidiaries is as follows:

		Parent Company		Consolidated	
	Equity interest in 2024*	2024	2023	2024	2023
Valued by equity pickup:					
Subsidiaries:					
Equatorial Distribuição (a)	74.21%	8,218,142	7,569,671	-	-
Equatorial Alagoas	77.39%	1,821,351	1,819,331	-	-
Equatorial Serviços	100.00%	210,409	100,712	-	-
Equatorial Transmissão	100.00%	11,141,921	11,186,361	-	-
Equatorial Participações	100.00%	658,517	759,442	-	-
Equatorial Participações II	100.00%	399,341	238,721	-	-
Equatorial Participações III (b)	100.00%	(337,901)	(225,202)	-	-
Equatorial Participações IV (c)	100.00%	-	101	-	-
Subtotal		22,111,780	21,449,137	-	-
Associate:					
SABESP (c)	15%	6,769,430	-	6,769,430	-
Other investments		-	-	17,744	24,546
Total net effect		28,881,210	21,449,137	6,787,174	24,546
Total investments		29,219,111	21,674,339	6,787,174	24,546
Provision for investment loss (b)		(337,901)	(225,202)	-	-

- (a) The share of profit or loss for the year takes into account the economic interests in accordance with items B95 and B96 of CPC 36/IFRS 10, that is, the Company computes its share of profit or loss after adjusting for the dividends on shares, whether or not such dividends have been declared;
- (b) Represented by indirect investments in CSA, which recorded capital deficiency. No provision for impairment on CSA assets was required since there are recoverability projections. The Company carried out an impairment assessment for the year ended December 31, 2024, according to Note 15.2 – Impairment assessment, and expects that the indirect subsidiary acquired in December 2021 will complete the turnaround process in the next 7 years and start to record positive equity; and
- (c) On December 20, 2024, the merger of Equatorial Participações IV by the Company was approved, which now directly holds 102,526,480 shares of SABESP, corresponding to 15% of the total shares of this investee, as well as the rights and obligations assumed with execution of the Investment Agreement, according to Note 1.4.

* There was no change in the equity interest percentages in relation to the previous year.

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12.1 Changes in investments

	2023	Acquisition of investments (b)	Capital increase (c)	Capital reduction (d)	Corporate restructuring (b)	Minimum dividends / IOE	Additional dividends	Equity pickup (a)	Other comprehensive income	Stock options	Matching Shares	2024
Subsidiaries:												
Equatorial Distribuição	7,569,671	-	-	-	-	(7,429)	(1,373,302)	2,069,817	(46,659)	3,463	2,581	8,218,142
Equatorial Alagoas	1,819,331	-	-	-	-	(48,622)	(134,328)	208,460	(24,188)	118	580	1,821,351
Equatorial Serviços	100,712	-	140,027	-	-	(14,799)	-	(14,862)	(677)	8	-	210,409
Equatorial Transmissão	11,186,361	-	-	-	-	(835,457)	-	774,015	17,002	-	-	11,141,921
Equatorial Participações	759,442	-	-	(155,600)	-	-	-	(52,624)	104,737	2,562	-	658,517
Equatorial Participações II	238,722	-	-	-	-	(6,161)	-	160,910	5,609	-	261	399,341
Equatorial Participações III	(225,202)	-	49,015	-	-	-	-	(161,894)	-	180	-	(337,901)
Equatorial Participações IV	100	-	3,803,500	-	(3,803,600)	-	-	-	-	-	-	-
Total:	21,449,137	-	3,992,542	(155,600)	(3,803,600)	(912,468)	(1,507,630)	2,983,822	55,824	6,331	3,422	22,111,780
Associate:												
SABESP	-	6,869,274	-	-	-	(382,472)	-	262,531	20,097	-	-	6,769,430
Total net effect	21,449,137	6,869,274	3,992,542	(155,600)	(3,803,600)	(1,294,940)	(1,507,630)	3,246,353	75,921	6,331	3,422	28,881,210
Total investments	21,674,339											29,219,111
Total provision for investment loss	(225,202)											(337,901)

	2022	Capital increase	Corporate restructuring (a)	Shareholder agreement (a)	Minimum dividends	Additional dividends	Equity pickup	Other comprehensive income	Change in relative equity interest in subsidiaries	Stock options	Reclassification (b)	2023
Subsidiaries												
Equatorial Distribuição	4,568,336	-	2,585,592	(2,497,957)	(1,030,640)	(121,079)	2,452,820	58,422	1,545,612	8,565	-	7,569,671
Equatorial Piauí	2,109,909	-	(2,124,622)	-	-	-	21,380	(6,667)	-	-	-	-
Equatorial Alagoas	2,069,749	-	(460,970)	-	(84,863)	(46,940)	318,854	22,358	-	1,143	-	1,819,331
Equatorial Serviços	167,170	-	-	-	-	(40,000)	(25,425)	(976)	-	(57)	-	100,712
Equatorial Transmissão	9,618,977	1,108,000	-	-	(47,303)	-	502,786	3,283	-	618	-	11,186,361
INTESA	317,271	-	-	-	(2,943)	-	43,564	-	-	-	(357,892)	-
Equatorial Participações	1,308,023	11,100	-	-	-	-	(412,649)	(149,407)	-	2,375	-	759,442
Equatorial Participações II	194,032	-	-	-	-	-	36,991	7,698	-	-	-	238,721
Equatorial Participações III	(78,369)	40,000	-	-	-	-	(187,406)	-	-	573	-	(225,202)
Equatorial Participações IV	-	100	-	-	-	-	1	-	-	-	-	101
Total net effect	20,275,098	1,159,200	-	(2,497,957)	(1,165,749)	(208,019)	2,750,916	(65,289)	1,545,612	13,217	(357,892)	21,449,137
Total investments	20,353,467											21,674,339
Total provision for investment loss	(78,369)											(225,202)

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- (a) In addition to equity pickup of R\$3,246,353, the Company recognized the amount of R\$3,202 corresponding to P&L for the three-month period of INTESA and R\$1,159 corresponding to amortization expenses of the three-month concession of INTESA, a company that was sold. Additionally, the equity pickup of the associate SABESP is net of amortization of revaluation surplus amounting to R\$11,497.
- (b) On December 20, 2024, the merger of Equatorial Participações e Investimentos IV S.A. (Equatorial Participações IV) by the Company was approved, which now directly holds 102,526,480 shares of SABESP, corresponding to 15% of the total shares of this investee, as well as the rights and obligations assumed with execution of the Investment Agreement, according to Note 1.4;
- (c) On December 13, 2024, according to the minutes of the Special General Meeting, an increase in the subscribed capital of Equatorial Serviços was approved in the amount of R\$140,027. In Equatorial Participações III, on September 24, 2024, according to the minutes of the Special General Meeting, an increase in the subscribed capital in the amount of R\$49,015 was approved for its direct subsidiary CSA. Capital increases in the amounts of R\$10,000, R\$1,293,500, R\$2,400,000, and R\$100,000, totaling R\$3,803,500, were carried out as per the minutes of the Special General Meetings held on June 14, 2024, July 15, 2024, September 27, 2024, and November 6, 2024, respectively, in the former direct subsidiary Equatorial Participações IV; and
- (d) On July 3, 2024, according to the minutes of the Special General Meeting, the capital reduction of Equatorial Participações was approved, in the amount of R\$155,600.

12.2 Information on subsidiaries – Parent Company

The position of the Company's subsidiaries is presented below.

	Equity interest	Statement of financial position					Profit or loss in 2024					
		Current		Noncurrent			Net revenue	Gross profit	Operating income/ expenses	Finance income (costs), net	IRPJ and CSLL	Net income for the year
		Assets	Liabilities	Assets	Liabilities	Equity						
Balances in 2024												
Equatorial Distribuição	74.21%	521,716	488,306	10,317,867	-	10,351,277	-	-	2,723,980	8,252	(2,674)	2,729,558
Equatorial Alagoas	77.39%	1,886,562	1,416,844	3,511,251	2,546,638	1,434,331	3,109,736	887,201	(348,658)	(171,399)	(53,287)	313,857
Equatorial Serviços	100.00%	107,119	88,111	296,826	105,538	210,296	236,835	98,468	(99,128)	(3,748)	(10,475)	(14,883)
Equatorial Transmissão	100.00%	1,318,892	864,496	11,586,113	898,588	11,141,921	-	-	798,410	(24,395)	-	774,015
Equatorial Participações	100.00%	10,614	1,947	649,850	-	658,517	-	-	(63,897)	14,713	(3,441)	(52,625)
Equatorial Participações II	100.00%	472	6,162	405,031	-	399,341	-	-	160,862	48	-	160,910
Equatorial Participações III	100.00%	626	1	-	338,888	(338,263)	-	-	(162,317)	38	24	(162,255)
		3,846,001	2,865,867	26,766,938	3,889,652	23,857,420	3,346,571	985,669	3,009,252	(176,491)	(69,853)	3,748,577

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	Equity interest	Statement of financial position					Profit or loss in 2023					
		Current		Noncurrent			Net revenue	Gross profit	Operating income/ expenses	Finance income (costs), net	IRPJ and CSLL	Net income for the year
		Assets	Liabilities	Assets	Liabilities	Equity						
Balances in 2023												
Equatorial Distribuição	74.21%	577,933	244,197	9,685,995	-	10,019,731	-	-	2,944,798	(1,928)	(1,615)	2,941,255
Equatorial Alagoas	77.39%	1,345,207	820,404	3,131,957	2,269,316	1,387,444	3,062,974	813,635	(250,601)	(150,938)	(35,251)	376,845
Equatorial Serviços	100.00%	102,359	37,363	43,230	7,606	100,620	172,880	88,153	(103,891)	4,185	(13,964)	(25,517)
Equatorial Transmissão	100.00%	933,073	335,853	11,521,053	931,912	11,186,361	-	-	583,158	(80,372)	-	502,786
Equatorial Participações	100.00%	153,145	69	606,366	-	759,442	-	-	(417,033)	4,384	-	(412,649)
Equatorial Participações II	100.00%	518	3	238,206	-	238,721	-	-	36,939	55	(3)	36,991
Equatorial Participações III	100.00%	616	23	-	225,795	(225,202)	-	-	(187,789)	383	-	(187,406)
Equatorial Participações IV	100.00%	104	3	-	-	101	-	-	(7)	8	-	1
		<u>3,112,955</u>	<u>1,437,915</u>	<u>25,226,807</u>	<u>3,434,629</u>	<u>23,467,218</u>	<u>3,235,854</u>	<u>901,788</u>	<u>2,605,574</u>	<u>(224,223)</u>	<u>(50,833)</u>	<u>3,232,306</u>

12.3 Reconciliation of investments

	Equity interest	2024								
		Company equity	Profit or loss	Equity pickup (b)	Amortization of concession right	Investment amount	Concession intangible assets	Stock options	Provision for impairment of investment	Total investment
Subsidiaries										
Equatorial Distribuição (a)	74.21%	10,351,277	2,729,558	2,069,817	-	7,681,426	-	10,528	-	8,218,142
Equatorial Alagoas	77.39%	1,434,331	313,857	246,872	(38,412)	1,109,984	710,663	704	-	1,821,351
Equatorial Serviços	100.00%	210,296	(14,883)	(14,862)	-	210,296	-	-	-	210,409
Equatorial Transmissão	100.00%	11,141,921	774,015	774,015	-	11,141,921	-	-	-	11,141,921
Equatorial Participações I	100.00%	658,517	(52,625)	(52,624)	-	658,517	-	-	-	658,517
Equatorial Participações II	100.00%	399,341	160,910	160,910	-	399,341	-	-	-	399,341
Equatorial Participações III	100.00%	(338,263)	(162,255)	(161,894)	-	(338,263)	-	-	338,263	-
INTESA (P&L)	-	-	3,202	3,202	(1,159)	-	-	-	-	-
Subtotal:		<u>23,857,420</u>	<u>3,751,779</u>	<u>3,025,436</u>	<u>(39,571)</u>	<u>20,863,222</u>	<u>710,663</u>	<u>11,232</u>	<u>338,263</u>	<u>22,449,681</u>
Associate										
SABESP	15.00%	36,928,054	9,579,563	262,531	-	5,539,208	1,230,222	-	-	6,769,430
Total:		<u>60,785,474</u>	<u>13,331,342</u>	<u>3,287,967</u>	<u>(39,571)</u>	<u>26,402,430</u>	<u>1,940,885</u>	<u>11,232</u>	<u>338,263</u>	<u>29,219,111</u>

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Subsidiaries	2023										
	Equity interest	Company equity	Profit or loss	Equity pickup (b)	Amortization of concession right	Investment amount	Concession intangible assets	Stock options	Provision for impairment of investment	Other	Total investment
Equatorial Distribuição	74.21%	10,019,731	2,941,255	2,452,820	-	7,435,394	-	8,969	-	125,308	7,569,671
Equatorial Alagoas	77.39%	1,387,444	376,845	357,267	(38,412)	1,073,699	746,786	546	-	(1,700)	1,819,331
Equatorial Piauí	94.94%	1,094,917	32,033	30,411	(9,031)	-	-	-	-	-	-
Equatorial Serviços	100.00%	100,620	(25,517)	(25,425)	-	100,620	-	92	-	-	100,712
Equatorial Transmissão	100.00%	11,186,361	502,786	502,786	-	11,186,361	-	-	-	-	11,186,361
Equatorial Participações I	100.00%	759,442	(412,649)	(412,649)	-	759,442	-	-	-	-	759,442
Equatorial Participações II	100.00%	238,721	36,991	36,991	-	238,721	-	-	-	-	238,721
Equatorial Participações III	100.00%	(225,202)	(187,406)	(187,406)	-	(225,202)	-	-	225,202	-	-
Equatorial Participações IV	100.00%	101	1	1	-	101	-	-	-	-	101
		<u>24,562,135</u>	<u>3,264,339</u>	<u>2,754,796</u>	<u>(47,443)</u>	<u>20,569,136</u>	<u>746,786</u>	<u>9,607</u>	<u>225,202</u>	<u>123,608</u>	<u>21,674,339</u>
INTESA (P&L)	-	-	48,201	48,201	(4,638)	-	-	-	-	-	-
TOTAL		<u>24,562,135</u>	<u>3,312,540</u>	<u>2,802,997</u>	<u>(52,081)</u>	<u>20,569,136</u>	<u>746,786</u>	<u>9,607</u>	<u>225,202</u>	<u>123,608</u>	<u>21,674,339</u>

- (a) The Company's equity pickup is adjusted by the effective economic benefit on the subsidiary Equatorial Distribuição's P&L, due to the disproportionate distribution of dividends to be received by preferred shares. In 2024, the Company is entitled to receive 81.5% of the distributable profit for 2024, while holders of preferred shares are entitled to 18.50% of the distributable profit for 2024. These amounts are adjusted each year according to the Shareholders' Agreement. This procedure is in line with the requirements of CPC 36, item B95, which states that if the subsidiary has outstanding preferred shares entitled to cumulative dividends, which are classified as equity and are held by noncontrolling shareholders, the entity must calculate its share of profit or loss after making the adjustment to reflect dividends on those shares, whether or not those dividends have been declared. In the transaction, all dividends distributed to shareholders by the subsidiary must be paid firstly to holders of preferred shares, as shown in the table below:

	2024 to 2025	2026	2027	2028 to 2029	2030
Preferred share – A and B	15%	20%	35%	55%	60%
Preferred share – C	4%	21%	25%	25%	25%
Common share	81%	59%	40%	20%	15%

- (b) The equity pickup also includes the amortization effect of the concession right in the amount of R\$39,571 (R\$52,081 at December 31, 2023), according to item 23, letter (a), of ICPC 09.

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13 Concession financial asset (Consolidated)

Below are the changes in balances referring to the concession financial asset of distribution subsidiaries:

	2023	Financial asset adjustment (a)	Transf. contract assets (b)	Write-offs (d)	Reclassification (e)	Other (f)	2024
Financial assets – Distribution	16,907,942	858,485	3,277,793	(35,492)	(16,233)	18,646	21,011,141
Special obligations - Distribution (c)	(3,882,870)	(255,157)	(989,380)	-	-	(18,646)	(5,146,053)
Total	13,025,072	603,328	2,288,413	(35,492)	(16,233)	-	15,865,088

	2022	Financial asset adjustment (a)	Transf. Contract assets (b)	Write-offs (d)		2023
Financial assets – Distribution	13,207,533	874,844	2,841,061	(15,496)		16,907,942
Special obligations - Distribution (c)	(3,172,929)	(255,914)	(454,027)	-		(3,882,870)
Total	10,034,604	618,930	2,387,034	(15,496)		13,025,072

- (a) Aiming at the best estimate of the compensation at the end of the concession of distribution subsidiaries, the fair value of the financial asset is reviewed monthly, considering the adjustment by reference to the IPCA index, as this is one of the main annual adjustment criteria used by the regulator in the tariff adjustment processes;
- (b) These correspond to the transfers (bifurcation) from the contract assets to the financial asset of the concession;
- (c) Special obligations represent, substantially, funds from the Federal Government, States and Municipalities and from the participation of consumers, linked to investments in the concession of the public electricity service;
- (d) Write-offs of infrastructure-related assets of direct and indirect subsidiaries;
- (e) These correspond to reclassifications of financial assets to intangible assets in the amount of R\$16,233 as a result of the process of re-bifurcation of assets, due to accounting of the appraisal report of the periodic tariff review process in the direct subsidiary Equatorial Alagoas; and
- (f) The amount of R\$18,646 corresponds to recognition of energy surplus from the approved appraisal report of the indirect subsidiary CEA, given that, according to OFFICIAL LETTER No. 84/2021 – SFF/ANEEL, which addresses Accounting Procedures for the recognition of Energy Surplus and Construction in Progress, within the scope of Provisional Executive Order No. 998/2020, the accounting entry of the assets in the concessionaire's equity must be in line with the information contained in the appraisal report, with the effects of the asset valuation methodology (VNR). Chapter III, article 8, paragraph 2 of Law No. 12783, of 2013, which determines that the calculation of the amount of the indemnity corresponding to the portions of investments linked to reversible assets, not yet amortized or not depreciated, will use the new replacement value methodology as basis, according to criteria established in the regulation of the granting authority.

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14 Property, plant and equipment (Consolidated)

Breakdown of property, plant and equipment is as follows:

Property, plant and equipment In service	Useful life	2024			2023
		Cost	Accumulated depreciation	Net amount	Net amount
Buildings, civil works and improvements	30 years	583,147	(29,975)	553,172	94,116
Machinery and equipment	15 - 30 years	8,284,963	(1,674,267)	6,610,696	4,631,929
Furniture and fixtures	16 years	27,496	(2,428)	25,068	2,712
Vehicles	5 years	5,479	(1,647)	3,832	4,426
IT equipment	6 years	2,911	(1,724)	1,187	2,480
Construction in progress	-	366,808	-	366,808	2,613,806
Asset decommissioning	-	163	(163)	-	163
In course					
Buildings	30 years	401	-	401	-
Machinery and equipment	15 - 30 years	18,178	-	18,178	-
Furniture and fixtures	16 years	11	-	11	-
Vehicles	5 years	309	-	309	-
Total		9,289,866	(1,710,204)	7,579,662	7,349,632

14.1 Changes in property, plant and equipment

PPE cost	2023	Additions (c)	Write-offs	Transfers	Reclassification (b)	2024
In service						
Buildings, civil works and improvements	113,433	-	-	469,696	18	583,147
Machinery and equipment	6,060,427	8,881	(13,331)	2,152,813	76,173	8,284,963
Furniture and fixtures	4,433	465	(25)	22,623	-	27,496
Vehicles	5,317	193	-	-	(31)	5,479
IT equipment	4,315	-	-	(1,404)	-	2,911
Construction in progress (a)	2,613,969	524,036	(51,670)	(2,643,279)	(76,248)	366,808
Asset decommissioning	163	-	-	-	-	163
In course						
Buildings	-	-	-	-	401	401
Machinery and equipment	-	-	(73)	(449)	18,700	18,178
Furniture and fixtures	-	-	-	-	11	11
Vehicles	-	-	-	-	309	309
Total PPE cost	8,802,057	533,575	(65,099)	-	19,333	9,289,866
Accumulated depreciation	2023	Additions (c)	Write-offs	Transfers	Reclassifications	2024
Buildings, civil works and improvements	(19,317)	(10,663)	-	5	-	(29,975)
Machinery and equipment	(1,428,499)	(245,471)	98	(395)	-	(1,674,267)
Furniture and fixtures	(1,721)	(716)	9	-	-	(2,428)
Vehicles	(891)	(756)	-	-	-	(1,647)
IT equipment	(1,834)	(280)	-	390	-	(1,724)
Asset decommissioning	(163)	-	-	-	-	(163)
Total depreciation	(1,452,425)	(257,886)	107	-	-	(1,710,204)
Total PPE	7,349,632	275,689	(64,992)	-	19,333	7,579,662

- (a) The balance variation is mainly due to additions of R\$368,631 at the indirect subsidiary Echoenergia Crescimento. Expenses refer to completion of the Ribeiro Gonçalves and Barreiras projects;
- (b) Reclassification from PPE to intangible assets in the amount of R\$18,945 in the indirect subsidiary CSA, reclassification from PPE to intangible assets in the amount of R\$140 in the direct subsidiary Equatorial Transmissão S.A., and reclassification from PPE to intangible assets in the amount of R\$528 in Equatorial S.A.; and
- (c) The amount of R\$193,064 refers to net additions to PPE. Of this total, R\$123,576 is due to the capitalization of interest in the indirect subsidiary Echo Crescimento matched against Financial instruments.

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The PPE items of subsidiaries Echoenergia Participações and Echoenergia Crescimento are pledged as collateral for the financing obtained. For more information, see Note 18.3 – Guarantees.

15 Intangible assets (Consolidated)

Intangible assets are broken down as follows:

	Annual rates*	2024			Net amount
		Cost	Amortization	(-) Obligations related to the Concession	
Distribution					
In service – Distribution	4.23%	44,650,571	(20,296,634)	(3,546,170)	20,807,767
Concession right					
Concession right – Equatorial Maranhão (a)	3.33%	291,810	(203,106)	-	88,704
Concession right – Equatorial Pará (a)	3.33%	172,904	(169,594)	-	3,310
Concession right - Equatorial Alagoas (a)	3.33%	1,196,831	(230,450)	-	966,381
Concession right - Equatorial Piauí (a)	3.33%	1,714,448	(358,832)	-	1,355,616
Concession right - CEEE-D (a)	4.17%	2,786,062	(406,300)	-	2,379,762
Concession right - CEA (a)	3.33%	1,199,957	(123,327)	-	1,076,630
Other		78,436	(7,505)	-	70,931
Subtotal		52,091,019	(21,795,748)	(3,546,170)	26,749,101
Transmission					
In service – Transmission (Grant right)	4.34%	16,748	(2,996)	-	13,752
In course – Transmission		6,331	-	-	6,331
Subtotal		23,079	(2,996)	-	20,083
Sanitation					
Concession right – CSA (b)	2.88%	949,513	(66,678)	-	882,835
Other		11,024	(396)	-	10,628
Subtotal		960,537	(67,074)	-	893,463
Wind power generation					
Operational right (a)	6.78%	3,073,437	(590,288)	-	2,483,149
Authorization right (a)	3.22%	2,382,702	(217,381)	-	2,165,321
Other		71,773	(9,209)	-	62,564
Subtotal		5,527,912	(816,878)	-	4,711,034
Total		58,602,547	(22,682,696)	(3,546,170)	32,373,681

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	Annual rates*	2023			
		Cost	Amortization	(-) Obligations related to the Concession	Net amount
Distribution					
In service – Distribution	4.23%	41,240,404	(18,463,384)	(3,484,707)	19,292,313
Concession right					
Concession right - Equatorial Maranhão (a)	3.33%	291,810	(187,452)	-	104,358
Concession right - Equatorial Pará (a)	3.33%	172,905	(168,287)	-	4,618
Concession right - Equatorial Alagoas (a)	3.33%	1,196,831	(190,594)	-	1,006,237
Concession right - Equatorial Piauí (a)	3.33%	1,714,448	(301,752)	-	1,412,696
Concession right - CEEE-D (a)	4.17%	2,786,062	(290,214)	-	2,495,848
Concession right - CEA (a)	3.33%	1,199,957	(83,329)	-	1,116,628
Subtotal		7,362,013	(1,221,628)	-	6,140,385
Other		57,135	(4,592)	-	52,543
Subtotal		48,659,552	(19,689,604)	(3,484,707)	25,485,241
Transmission					
In service – Transmission (Grant right)	4.34%	8,287	(2,311)	-	5,976
In course – Transmission		12,617	-	-	12,617
Subtotal		20,904	(2,311)	-	18,593
Sanitation					
Concession right – CSA (b)	2.88%	943,104	(39,446)	-	903,658
Other		969	(222)	-	747
Subtotal		944,073	(39,668)	-	904,405
Wind power generation					
Operational right (a)	6.78%	3,073,437	(381,951)	-	2,691,486
Authorization right (a)	3.22%	2,385,402	(143,358)	-	2,242,044
Other		109,744	(3,559)	-	106,185
Subtotal		5,568,583	(528,868)	-	5,039,715
Total		55,193,112	(20,260,451)	(3,484,707)	31,447,954

* Weighted average annual depreciation rates (%)

- (a) This refers to the fair value adjustment of the intangible asset in a business combination through the Purchase Price Allocation (PPA), being classified as an intangible asset, as they are contractual and other legal rights, in accordance with CPC 04 / IAS 38 – Intangible assets; and
- (b) The balance presented is composed of the amount paid as a grant to operate the concession of CSA. Amortization began after the period of assisted operation, which ended in July 2022.

Intangible assets comprise the right to use assets linked to the concession service agreement, amortizable over the useful life of the asset and limited to the date of the concession agreement, under ICPC 01 (R1) / IFRIC 12 – Service Concession Arrangements.

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15.1 Changes in intangible assets

	2023	Additions	Write-offs (c)	Transfers (a)	Reclassifications (d)	Other	2024
Distribution							
In service	41,240,404	1	(555,114)	3,943,567	21,713	-	44,650,571
(-) Amortization	(18,463,383)	(2,316,742)	484,174	-	-	(683)	(20,296,634)
Total in service	22,777,021	(2,316,741)	(70,940)	3,943,567	21,713	(683)	24,353,937
Special obligations (b)	(6,434,956)	-	458	(493,245)	-	(1,508)	(6,929,251)
(-) Amortization	2,950,248	432,833	-	-	-	-	3,383,081
Total - special obligations	(3,484,708)	432,833	458	(493,245)	-	(1,508)	(3,546,170)
Concession right	7,208,332	-	-	-	-	-	7,208,332
(-) Amortization	(1,067,947)	(269,982)	-	-	-	-	(1,337,929)
Total - concession right	6,140,385	(269,982)	-	-	-	-	5,870,403
Other	52,543	18,916	-	-	-	(528)	70,931
Total Distribution	25,485,241	(2,134,974)	(70,482)	3,450,322	21,713	(2,719)	26,749,101
Transmission							
In service	583	-	-	-	9,168	-	9,751
(-) Amortization	(583)	(611)	-	-	-	-	(1,194)
Total in service	-	(611)	-	-	9,168	-	8,557
In course	12,617	2,742	-	-	(9,028)	-	6,331
Other	7,489	1	(2)	-	(706)	-	6,782
(-) Amortization	(1,513)	(255)	-	-	181	-	(1,587)
Total - Other	5,976	(254)	(2)	-	(525)	-	5,195
Total Transmission	18,593	1,877	(2)	-	(385)	-	20,083
Sanitation							
Concession right	1,206,773	-	-	6,638	(229)	-	1,213,182
(-) Amortization	(189,193)	(32,003)	-	-	(286)	-	(221,482)
Total - Concession right	1,017,580	(32,003)	-	6,638	(515)	-	991,700
Software	896	-	-	183	-	-	1,079
(-) Amortization	(149)	(533)	-	-	286	-	(396)
Total software	747	(533)	-	183	286	-	683
Special obligations (b)	(263,669)	-	-	-	-	-	(263,669)
(-) Amortization	149,747	5,057	-	-	-	-	154,804
Total - special obligations	(113,922)	5,057	-	-	-	-	(108,865)
In course							
Software	-	-	-	(183)	10,128	-	9,945
Total Sanitation	904,405	(27,479)	-	6,638	9,899	-	893,463
Wind power generation							
Operational right	3,073,437	-	-	-	-	-	3,073,437
(-) Amortization	(381,951)	(208,337)	-	-	-	-	(590,288)
Authorization right	2,385,402	-	-	-	-	-	2,385,402
(-) Amortization	(140,658)	(76,723)	-	-	-	-	(217,381)
Subtotal	4,936,230	(285,060)	-	-	-	-	4,651,170
Other	103,485	10,466	(54,087)	-	-	-	59,864
Total wind power generation	5,039,715	(274,594)	(54,087)	-	-	-	4,711,034
Total intangible assets	31,447,954	(2,435,170)	(124,571)	3,456,960	31,227	(2,719)	32,373,681

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	2022	Additions	Write-offs	Transfers (a)	Reclassifications	Other	2023
Distribution							
In service	36,762,274	28,621	(480,087)	5,070,396	-	1,291	41,382,495
(-) Amortization	(16,783,571)	(2,025,434)	345,651	-	-	(29)	(18,463,383)
Total in service	19,978,703	(1,996,813)	(134,436)	5,070,396	-	1,262	22,919,112
Special obligations (b)	(6,107,699)	(6,129)	(28)	(322,297)	-	1,197	(6,434,956)
(-) Amortization	2,577,041	373,178	28	-	-	-	2,950,247
Total - special obligations	(3,530,658)	367,049	-	(322,297)	-	1,197	(3,484,709)
Concession right	7,208,332	-	-	-	-	(142,090)	7,066,242
(-) Amortization	(797,971)	(269,976)	-	-	-	-	(1,067,947)
Total - Concession right	6,410,361	(269,976)	-	-	-	(142,090)	5,998,295
Other	31,755	24,967	-	-	-	(4,179)	52,543
Total Distribution	22,890,161	(1,874,773)	(134,436)	4,748,099	-	(143,810)	25,485,241
Transmission							
In service	583	-	-	-	-	-	583
(-) Amortization	(544)	(39)	-	-	-	-	(583)
Total in service	39	(39)	-	-	-	-	-
In course	7,713	4,904	-	-	-	-	12,617
Concession right	80,378	-	-	-	(80,378)	-	-
(-) Amortization	(18,548)	(4,637)	-	-	23,185	-	-
Total - Concession right	61,830	(4,637)	-	-	(57,193)	-	-
Other	7,489	-	-	-	-	-	7,489
(-) Amortization	(1,257)	(256)	-	-	-	-	(1,513)
Total - Other	6,232	(256)	-	-	-	-	5,976
Total Transmission	75,814	(28)	-	-	(57,193)	-	18,593
Sanitation							
Concession right	943,104	-	-	-	-	-	943,104
(-) Amortization	(12,500)	(26,946)	-	-	-	-	(39,446)
Other	364	383	-	-	-	-	747
Total Sanitation	930,968	(26,563)	-	-	-	-	904,405
Wind power generation							
Operational right	3,073,437	-	-	-	-	-	3,073,437
(-) Amortization	(177,175)	(204,776)	-	-	-	-	(381,951)
Authorization right	2,385,402	-	-	-	-	-	2,385,402
(-) Amortization	(62,255)	(78,403)	-	-	-	-	(140,658)
Subtotal	5,219,409	(283,179)	-	-	-	-	4,936,230
Other	128,968	13,312	(4,176)	-	-	(34,619)	103,485
Total wind power generation	5,348,377	(269,867)	(4,176)	-	-	(34,619)	5,039,715
Total intangible assets	29,245,320	(2,171,231)	(138,612)	4,748,099	(57,193)	(178,429)	31,447,954

- (a) The amount of R\$3,456,960 corresponds to the transfers (bifurcation) from intangible assets to financial assets of the concession;
- (b) Special obligations represent, substantially, funds from the Federal Government, States and Municipalities and from the participation of consumers, linked to investments in the concession of the public electricity and sanitation service;
- (c) Amounts corresponding to write-offs of intangible assets, among which we highlight: write-off of meters, conductors and transformers. They were written off because they were no longer in a condition for use or in a position to generate revenues. The balance of write-offs for the year derives mainly from the indirect subsidiaries Equatorial Goiás and CEEE-D; and
- (d) The changes arise mainly from the reclassification from financial assets to intangible assets in the amount of R\$16,233 in the direct subsidiary Equatorial Alagoas, reclassification from PPE to intangible assets in the amount of R\$140 in the direct subsidiary Equatorial Transmissão S.A, reclassification of R\$528 related to sale of SPE 7, in accordance with Note 1.3 Disposal of subsidiary, and reclassification of R\$9,899 from intangible assets to PPE in the indirect subsidiary CSA.

15.2 Impairment assessment

15.2.1 Impairment testing of assets with finite useful lives

Management reviews its tangible and intangible assets with finite useful lives on an annual basis to assess events or changes in economic, operational, or technological circumstances that may indicate deterioration or impairment of its cash-generating units. The Company and its subsidiaries conducted the impairment

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test as of December 31, 2024 and 2023 and considered, among other factors, the existence of accumulated losses and negative net working capital in the review to identify indication of impairment losses.

The recoverable amount of an asset is the higher value between its value in use and the fair value less costs to sell. The value in use corresponds to the discounted cash flows generated by the use of the asset during its useful life.

For the year ended December 31, 2024, an impairment test was conducted by means of a calculation based on the value in use derived from cash flow projections approved by senior management, during the period of the concession and/or grant of subsidiaries Equatorial Goiás, CEEE-D, CEA, CSA, and Echo Participações. We should stress that the companies as a whole are considered one Cash-Generating Unit (CGU).

As a result of this analysis, management concluded that there is no need to recognize provision for impairment.

15.2.2 Key assumptions used in impairment testing of assets

a) Discount rate

Future cash flows were discounted based on the representative rate of the cost of capital (WACC). The value in use is calculated based on the period between the base date and the end of the concession/grant of the analyzed subsidiaries, specifically 21 years for Equatorial Goiás, CEEE-D, and Echo Participações, 27 years for CEA, and 33 years for CSA.

The discount rate represents the assessment of risks in the current market, taking into account the time value of money and the individual risks of the related assets that have not been considered in the assumptions included in the cash flow model. The calculation of the discount rate is based on the specific circumstances of the Companies, and is derived from the weighted average cost of capital (WACC).

For the indirect subsidiaries CSA and Echo Participações, the WACC takes into account both debt and equity. The cost of equity is derived from the expected return on the investment made by the Group's investors. The cost of debt is based on the interest-bearing financing that the Group is required to honor. The specific risk of the segment is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Pre-tax discount rates used were: 11.28% and 11.50% for CSA and Echo Participações, respectively, and 11.70% for CEA, Equatorial Goiás, and CEEE-D.

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b) Sensitivity

The cash flow projections considered real growth for the next ten years and growth in accordance with inflation indices and GDP growth for the remaining years until the end of the concession. Based on the probable scenario, a sensitivity analysis was constructed for an increase or decrease of up to 3.5 percentage points in the discount rate and in the growth rate for Echo Participações, and 10% for the other subsidiaries. Whichever the combination, the value of the cash flow was greater than its carrying amount. Based on this analysis, the need to record a provision for impairment of these assets was not identified.

c) Other assumptions of the distribution subsidiaries (Equatorial Goiás, CEEE-D and CEA)

Net operating revenue

The projection of net operating revenue of the distributor is calculated based on the estimated market volume, which takes into account historical data, and macroeconomic, climatic, and regulatory perspectives. The projected electric energy tariff is also considered in accordance with the expectations of the tariff processes (annual or periodic) that will be carried out in compliance with the current regulations of ANEEL (the regulatory agency), taking into account inflation projections, operational efficiency levels, construction revenue (CAPEX), and expenditures (OPEX). Considering the market information and electric energy tariff, the amount of deductions comprising electric energy sector charges and taxes levied on revenue is estimated, in accordance with current tax legislation.

Service costs

The estimates related to energy acquisition consider the energy contracts as being 102.5% of the projected energy market, with the CVA expenses accounted for and adjusted annually by the IPCA.

The estimates of charges consider the historical amounts recorded in the CVAs, and the projections depend on the type of charge. The charges are generally estimated according to values defined in specific resolutions.

CDE COVID Account, Water Shortage, CDE Eletrobras, and Proinfa have their values and payment flows defined in resolutions, while the CDE Usage considers the value defined in Public Consultation and is restated annually by inflation and market growth of the distribution companies.

The ESS and ERR charges are calculated based on historical averages, while the TFSEE considers the value approved by ANEEL with a replication of the methodology for future calculations. R&D and PEE charges are calculated as a percentage of the Net Operating Revenue (NOR), in accordance with regulations.

Transmission costs are estimated based on the historical amounts of the Transmission Usage Amount (MUST) and projections submitted to the ONS, while the expense considers an annual adjustment by the IPCA for 12 months in July of each year, in accordance with the adjustments made by the transmission companies. CUSD data are calculated based on historical amounts with adjustments to the expense derived from the tariff process of each distribution company with which the usage contract is made.

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Operational expenditures (OPEX)

For projection of operational expenditures, assumptions were made regarding the rise in the number of consumers and the projection of inflation indicators, as well as the operational effort required to adjust and maintain the DEC and FEC indicators within regulatory levels.

Collection index (IAR)

The revenue collection index was projected considering the implementation of the methodologies and collection policies of the Equatorial Group and the expected results for the reality of each distribution company.

Capital expenditures (CAPEX)

CAPEX was estimated based on projections of the Regulatory Reinstatement Quota (QRR) and the Annual Cost of Mobile and Fixed Installations (CAIMI) approved and projected according to ANEEL's methodology for subsequent tariff cycles.

d) Other assumptions of subsidiary CSA

Market/Revenue

CSA revenue was projected on a real basis (excluding inflation), according to estimates of population growth and achievement of coverage indicators for universalization, in accordance with the concession contract, with 99% for water by 2030 and 90% for sewage by 2039, and average consumption based on historical data from Brazil. Market growth in accordance with universalization and population growth in the state. OPEX: 2025 and long-term budget in accordance with population growth. CAPEX: 2025 and long-term budget meeting universalization milestones, followed by maintenance and vegetative CAPEX thereafter.

Tariff

CSA tariff is determined by the concession contract and does not undergo changes in the real base (excluding inflation), as all components for tariff adjustment are linked to inflation indicators (ICC, IPA, INCC, and Electric Energy Cost).

Collection index (IAR)

The CSA collection index was projected considering the implementation of collection methodologies and policies in the short term. For the long term, historical data from Equatorial and benchmarking conducted with the sanitation market were considered.

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16 Contract assets (Consolidated)

Changes in the contract assets are as follows:

Distribution and Sanitation						
			Transfers (a)		Reclassifications	2024
	2023	Additions (c)	Intangible assets	Financial assets		
In course	6,920,855	8,533,467	(3,950,205)	(3,277,793)	(28,844)	8,197,480
Special obligations (b)	(1,522,417)	(2,268,846)	493,245	989,380	-	(2,308,638)
Total Distribution	5,398,438	6,264,621	(3,456,960)	(2,288,413)	(28,844)	5,888,842
Transmission						
			Yield (e)	Amortization (f)		2024
	2023	Additions (d)		Amortization (f)	Reclassifications (g)	
In course	99,452	8,806	2,398	-	(1,278)	109,378
In service	10,073,882	-	1,448,444	(1,185,822)	(1,155,737)	9,180,767
Total Transmission	10,173,334	8,806	1,450,842	(1,185,822)	(1,157,015)	9,290,145
Total contract assets	15,571,772					15,178,987
Current	1,388,395					1,123,855
Noncurrent	14,183,377					14,055,132

Distribution and Sanitation						
			Write-offs	Transfers (a)		2023
	2022	Additions (c)		Intangible assets	Financial assets	
In course	6,767,964	8,064,348	-	(5,070,396)	(2,841,061)	6,920,855
Special obligations (b)	(1,136,729)	(1,166,525)	4,513	322,297	454,027	(1,522,417)
Total Distribution	5,631,235	6,897,823	4,513	(4,748,099)	(2,387,034)	5,398,438
Transmission						
			Yield (e)	Amortization (f)		2023
	2022	Additions (d)		Amortization (f)	Reclassifications	
In course	-	74,198	-	-	-	74,198
In service	10,678,986	162,193	1,622,211	(1,488,911)	(875,343)	10,099,136
Total Transmission	10,678,986	236,391	1,622,211	(1,488,911)	(875,343)	10,173,334
Total contract assets	16,310,221					15,571,772
Current	1,437,976					1,388,395
Noncurrent	14,872,245					14,183,377

- (a) These correspond to the transfers (bifurcation) from contract assets to financial assets of the concession and intangible assets;
- (b) Special obligations represent, substantially, funds from the Federal Government, States and Municipalities and from the participation of consumers, linked to investments in the concession of the public electricity service;
- (c) The amount of R\$6,264,621 refers to net additions to contract assets recognized in the year. Of this total, R\$5,542,130 impacted the subsidiaries' cash and, according to Note 33.1 – Non-cash transactions, R\$273,220 refers to additions matched against the subsidiaries' trade accounts payable, R\$454,672 refers to additions matched against the subsidiaries' social and labor obligations, R\$240,577 refers to capitalization of interest on loans related to the acquisition or construction of qualifying assets in accordance with the rules of CPC 20 (R1) - Borrowing Costs - see information in Note 18 - Loans and financing of subsidiaries, and R\$236,820 refers to subrogation matched against special obligations. In addition, the subsidiaries recognized the amount of R\$114,418 referring to reversal of the inventory provision, according to Note 28.1 Other operating expenses, net;
- (d) In addition, the subsidiaries recognized the amount of R\$114,418 referring to reversal of the inventory provision, according to Note 28.1 Other operating expenses, net;
- (e) This balance is calculated based on the adjustment of the remaining contract assets balance using the Extended Consumer Price Index (IPCA);
- (f) The balance arises from the sum of the amortization expense of contract assets, which will occur by the end of the concession arrangement, through the recognition of the monthly billed Annual Allowed Revenue (RAP), with an accumulated amount for the year ended December 31, 2024 of R\$1,302,328, and the operation and maintenance revenue in the amount of R\$116,506 for the same year; and
- (g) Reclassification of the changes of indirect subsidiary SPE 7, following the sale and change of shareholding control, according to Note No. 1.3.

The Company's subsidiaries engaged in energy distribution evaluated and concluded that the risk of non-receipt and loss associated with the contract assets was low, since they will be remunerated as of entry

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into service: (i) through the increment of the tariff charged to customers, through the Periodic Tariff Review cycles, comprising the tariff revenue billed to consumers, or (ii) the unconditional right to receive cash or another financial asset from the Granting Authority, as compensation for the reversal of the public utility infrastructure. The Company and its subsidiaries carried out impairment assessment for the year ended December 31, 2024, according to Note 15.2 – Impairment assessment. The amounts of assets under construction are subject to ANEEL's inspection.

17 Trade accounts payable (Consolidated)

	2024	2023
Current		
Electricity supply	1,839,267	1,995,735
Charges for using the electricity grid	416,505	383,604
Materials and services (a)	2,187,827	2,257,263
Itaipu installment plan (b)	116,024	117,309
Other	68,413	55,099
Subtotal	4,628,036	4,809,010
Noncurrent		
Materials and services (a)	15,485	20,774
Itaipu installment plan (b)	58,012	174,037
Subtotal	73,497	194,811
Total	4,701,533	5,003,821

- (a) The balance is primarily due to suppliers of materials and services related to operating costs and investments in the concession infrastructure made during the year in the Company's direct and indirect subsidiaries. The variation in the year refers mostly to commercial technical services, supply of materials for civil works, IT services, regulatory obligations, transformers, vehicles and R&D; and
- (b) Balance referring to the 18 remaining installments of the Debt acknowledgment and renegotiation instrument for the transfer of energy from Itaipu - ECF 3286/2016, entered into between Equatorial Goiás, the Company's indirect subsidiary, and Eletrobras, executed on June 17, 2016, and referring to the remaining balance of Itaipu of US\$334,936 at October 30, 2015, at the then prevailing US dollar rate of R\$2.69 of ECF Contract 3002/2012, totaling R\$901,949. The debt was entered into in Brazilian reais (R\$) and has been restated at the SELIC rate calculated on a *pro rata die* basis on the outstanding balance since October 30, 2015. The instrument was paid in 120 installments, with the first 24 months including only interest, and the following 96 months, principal and interest.

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17.1 Trade accounts payable – reverse factoring (agreement)

With the objective of strengthening commercial relationships with suppliers, the Company subsidiaries authorized the assignment of credit to third parties. For the assigned notes, the subsidiaries will make payments directly to the holder on the due date and in the amounts previously agreed upon with the original suppliers (“original liability”), with no postponement of deadlines by the subsidiaries or the imposition of interest on the assigned notes, guarantees, or the existence of contractual clauses that could require early maturities. The Company subsidiaries do not have any influence over the negotiations between the supplier and the financial institution.

Currently, the transaction is operated through a Receivables Investment Fund (FIDC), via a 100% digital platform managed by the FIDC itself (which is not a related party of the Company). The Company subsidiaries provide the FIDC with the performed invoices, which, in turn, adds these invoices to the platform. The supplier accesses the platform, selecting the invoices they wish to receive in advance, and the settlement is made by the FIDC on the same day. The subsidiaries do not conduct reverse factoring transactions with overdue balances and the closing of the transaction between the FIDC and the supplier is at the discretion of the latter. The suppliers’ participation in the financing agreement is optional. If the suppliers choose to receive early payment, a fee will be payable to the FIDC, in relation to which the Company subsidiaries are not a part. The subsidiaries settle the original invoice by paying the FIDC according to the original due date mentioned.

As of December 31, 2024, the balance of trade accounts receivable – reverse factoring totals R\$321,822 (R\$369,172 as of December 31, 2023), fully settled by the FIDC on the respective dates. That is, when a supplier opts for this method, the invoice amount is immediately received and, therefore, there are no invoices payable held by the FIDC operator.

The payments for these transactions impacted the Company's cash flow by R\$2,073,984 in 2024 (R\$1,945,853 as of December 31, 2023).

Days payable outstanding for these notes is 61 days (42 days as of December 31, 2023), while DPO for suppliers who did not opt for this method is 83 days (56 days as of December 31, 2023).

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18 Loans and financing

18.1 Balance breakdown (Parent Company)

Cost of debt (% p.a.)		2024		
		Principal and interest charges		
		Current	Noncurrent	Total
Domestic currency (R\$)				
Commercial note	CDI + 0.65% to 1.30%	-	3,322,244	3,322,244
(-) Borrowing costs		-	(26,819)	(26,819)
Total local currency		-	3,295,425	3,295,425

18.2 Balance breakdown (Consolidated)

Cost of debt (% p.a.)		2024			Cost of debt (% p.a.)		2023		
		Principal and interest charges					Principal and interest charges		
		Current	Noncurrent	Total			Current	Noncurrent	Total
Foreign currency (USD)									
Citibank S.A.	CDI + 1.12% to 1.85%	821,681	1,116,106	1,937,787	CDI + 0.95% to 1.85%	176,829	1,501,970	1,678,799	
Sumitomo Mitsui Banking Corporation	CDI + 1.48%	295,149	-	295,149	CDI + 1.45% to 1.48%	236,806	227,933	464,739	
Bank of America	CDI + 1.09% to 1.8475%	747,928	1,337,855	2,085,783	CDI + 1.25% to 1.8475%	256,714	766,011	1,022,725	
Bocom BBM	CDI + 1.48% to 1.71%	29,792	83,752	113,544	CDI + 1.45% to 1.71%	200,083	16,919	217,002	
Scotiabank	CDI + 1.15% to 1.85%	1,760,753	1,619,450	3,380,203	CDI + 1.35% to 1.85%	168,559	1,598,217	1,766,776	
Santander	CDI + 0.98% to 1.62%	160,155	498,497	658,652	CDI + 1.58% to 1.62%	130,564	389,738	520,302	
Safra	CDI + 1.55%	153,941	-	153,941	CDI + 1.70% to 1.75%	303,364	-	303,364	
(-) Borrowing costs		(270)	(424)	(694)					
Total foreign currency		3,969,129	4,655,236	8,624,365		1,472,919	4,500,788	5,973,707	
Local currency (R\$)									
Brazilian Development Bank	IPCA + 3.93% to 7.38% / 7.57% / TJLP + 0.00% to 2.88	859,009	8,297,615	9,156,624	IPCA + 3.93% to 5.32% / 7.57% / TJLP + 2.02% to 2.88%	805,942	8,726,222	9,532,164	
Banco do Brasil	IPCA + 0.96% to 1.62%	68,962	755,343	824,305	IPCA + 0.96% to 1.62%	82,727	1,042,726	1,125,453	
Banco do Nordeste	IPCA + 1.30% to 11.00% / 2.50%	180,046	2,731,112	2,911,158	IPCA + 1.83% to 2.67% / CDI + 2.18% e 2.50%	202,166	2,523,022	2,725,188	
Caixa Econômica Federal	6.00%	9,963	16,453	26,416	6.00%	10,462	26,318	36,780	
CCEE/RGR/ANEEL (a)	5.00%	27,593	1,059,464	1,087,057	5.00%	44,601	1,062,989	1,107,590	
Santander	CDI + 1.10% to 1.62%	6,040	630,000	636,040	CDI + 1.62% to 1.65%	205,414	50,000	255,414	
China Construction Bank	CDI + 0.97%	6,065	150,000	156,065	CDI + 0.97%	6,603	150,000	156,603	
Banco da Amazônia	IPCA + 1.68% to 2.05%	387	135,256	135,643	IPCA + 1.68% to 2.05%	281	135,256	135,537	
IBM	CDI - 0.17%	17,142	-	17,142	CDI - 0.17%	20,042	16,886	36,928	
CELGPARG	6.80%	12,737	25,366	38,103	6.80%	11,977	37,966	49,943	
BOCOM	CDI + 1.05%	97	200,000	200,097		-	-	-	
Commercial Note	CDI + 0.65% to 1.40%	10,233	3,722,244	3,732,477	CDI + 1.40% to 1.65%	918,516	400,000	1,318,516	
Subtotal		1,198,274	17,722,853	18,921,127		2,308,731	14,171,385	16,480,116	
(-)Borrowing costs		(6,352)	(99,859)	(106,211)		(7,060)	(80,933)	(87,993)	
(-) Present value adjustment (a)		-	(534,710)	(534,710)		-	(557,145)	(557,145)	
Subtotal		(6,352)	(634,569)	(640,921)		(7,060)	(638,078)	(645,138)	
Total domestic currency		1,191,922	17,088,284	18,280,206		2,301,671	13,533,307	15,834,978	
Total		5,161,051	21,743,520	26,904,571		3,774,590	18,034,095	21,808,685	

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- (a) Loan agreement through funds from the Overall Reversal Reserve (RGR), between subsidiary Equatorial Piauí and CCEE, as manager of the RGR. Under the terms of ANEEL Ruling No. 748/2016, the RGR manager grants a loan to the debtor using funds from the RGR, required to ensure the appropriate remuneration provided for in article 11 of the Ministry of Mines and Energy (MME) Administrative Ruling No. 388/2016, for the purpose of creating condition to continue appropriately providing the service. The indirect subsidiary Equatorial Piauí recognized the adjustment to present value of R\$674,930, using March 31, 2019 as the reporting date, and the discount rate, a rate that reflected the risk and terms of the funding available to the subsidiary in the market. At December 31, 2024, the present value adjustment balance corresponds to R\$534,710 (R\$557,145 at December 31, 2023).

18.3 Guarantees

	Guarantees
Foreign currency (USD)	
Citibank S.A.	Collateral signature/Guarantee
Sumitomo Mitsui Banking Corporation	Collateral signature/Guarantee
Bank of America	Collateral signature/Guarantee
Bocom BBM	Collateral signature/Guarantee + Bank Letter of Guarantee
Scotiabank	Collateral signature/Guarantee
Santander	Collateral signature/Guarantee
Safra	Collateral signature/Guarantee
Local currency	
National Development Bank (BNDES)	Collateral signature/Guarantee + Escrow account + Receivables + Shares + Equipment + Concession rights + Credit rights
Banco do Brasil	Collateral signature/Guarantee + Escrow account + Receivables + Shares + Equipment + Concession rights
Banco do Nordeste	Collateral signature/Guarantee + Bank Letter of Guarantee + Escrow account + Real property + Shares + Equipment + Concession rights + Credit rights
Federal Savings and Loans Bank (CEF)	Collateral signature/Guarantee + Receivables + Escrow account
CCEE/RGR/ANEEL	Receivables
Santander	Collateral signature/Guarantee
Banco da Amazônia	Bank Letter of Guarantee
CELG de Participações S.A.	Receivables
IBM	Collateral signature/Guarantee
Commercial notes	Collateral signature/Guarantee

18.4 Debt amortization schedule

At December 31, 2024, the installments related to the principal of loans and financing had the following maturities:

Parent Company

Maturity	2024	
	Amount	%
Current	-	-
2026	3,297,488	100%
Funding cost (noncurrent)	(2,063)	-
Noncurrent	3,295,425	100%
Total	3,295,425	100%

Consolidated

Maturity	2024	
	Amount	%
Current	5,161,051	19%
2026	6,110,409	23%
2027	5,449,144	20%
2028	964,334	4%
2029	902,267	4%
From 2030 to 2048	8,927,594	33%
Subtotal	22,353,748	84%
Borrowing costs/present value adjustment (noncurrent)	(610,228)	(2%)
Noncurrent	21,743,520	81%
Total	26,904,571	100%

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18.5 Changes in loans and financing

Changes in loans and financing are as follows:

Parent Company

	Local currency		Total
	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2023	-	-	-
Inflows (Note 18.7)	-	5,600,000	5,600,000
Charges	57,213	165,031	222,244
Transfers	2,436,598	(2,436,598)	-
Principal amortization charges	(2,442,787)	-	(2,442,787)
Interest payments	(57,213)	-	(57,213)
Borrowing costs (a)	6,189	(33,008)	(26,819)
Balances at December 31, 2024	-	3,295,425	3,295,425

Consolidated

	Local currency		Foreign currency (USD)		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2023	2,301,671	13,533,307	1,472,919	4,500,788	21,808,685
Inflows (Note 18.7)	4,235	6,759,775	1,862,000	2,264,130	10,890,140
Charges	901,403	165,220	416,545	(132)	1,483,036
Monetary and foreign exchange differences	252,544	268,220	645,330	1,025,632	2,191,726
Transfers	3,371,076	(3,371,076)	3,134,130	(3,134,130)	-
Reclassifications (c)	(19,065)	(229,749)	-	-	(248,814)
Principal amortization charges	(4,647,657)	20	(3,181,768)	-	(7,829,405)
Interest payments	(1,014,608)	-	(380,385)	(20)	(1,395,013)
Borrowing costs (a)	17,156	(37,433)	358	(1,032)	(20,951)
Present value adjustment (b)	25,167	-	-	-	25,167
Balances at December 31, 2024	1,191,922	17,088,284	3,969,129	4,655,236	26,904,571

	Local currency		Foreign currency (USD)		Total
	Current liabilities	Noncurrent liabilities	Current liabilities	Noncurrent liabilities	
Balances at December 31, 2022	8,499,726	14,256,385	903,101	2,846,787	26,505,999
Inflows	931,000	2,180,012	1,116,750	2,544,210	6,771,972
Charges	1,246,446	(33,907)	219,006	132	1,431,677
Monetary and foreign exchange differences	148,744	257,543	(92,728)	(221,347)	92,212
Transfers	3,107,021	(3,107,021)	668,994	(668,994)	-
Principal amortization charges	(10,281,368)	-	(1,174,714)	-	(11,456,082)
Interest payments	(1,379,241)	-	(167,490)	-	(1,546,731)
Funding cost	3,789	(19,705)	-	-	(15,916)
Present value adjustment	25,554	-	-	-	25,554
Balances at December 31, 2023	2,301,671	13,533,307	1,472,919	4,500,788	21,808,685

- (a) This refers to changes in borrowing costs, with positive meaning amortization and negative meaning addition;
- (b) This refers to changes in adjustment to present of indirect subsidiaries Equatorial Piauí and Equatorial Goiás, with positive meaning amortization and negative meaning addition; and
- (c) Reclassification related to the sale of SPE 7; for more information, see Note 1.

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18.6 Inflows

Subsidiary	Institution	Inflow	Inflow date	Payment of interest	Amortization	Allocation of fund	Financial charges (p.a.)	Effective rate of derivatives (p.a.)
Sertao Solar Barreiras XVIII	Banco Safra	39,000	Jan-24	Bullet	Bullet	Working capital	USD + 7.40%	CDI + 1.70%
Sertao Solar Barreiras XVII	Banco Safra	33,000	Jan-24	Bullet	Bullet	Working capital	USD + 7.40%	CDI + 1.70%
Sertao Solar Barreiras XVI	Banco Safra	33,000	Jan-24	Bullet	Bullet	Working capital	USD + 7.40%	CDI + 1.70%
Sertao Solar Barreiras XV	Banco Safra	45,000	Jan-24	Bullet	Bullet	Working capital	USD + 7.40%	CDI + 1.70%
Ribeiro Goncalves Solar Holding	Banco Safra	150,000	Feb-24	Bullet	Bullet	Working capital	USD + 7.59%	CDI + 1.70%
Ribeiro Goncalves Solar Holding	Banco Santander	130,000	Mar-24	Bullet	Bullet	Working capital	USD + 7.70%	CDI + 1.58%
Equatorial Piauí	Bocom	200,000	Jun-24	Semiannual	Bullet	Working capital	CDI + 1.05%	N/A
Enova	Citibank	132,000	Jun-24	Bullet	Bullet	Working capital	USD + 7.1212%	CDI + 1.12%
Equatorial Serviços	Bocom	80,000	Jun-24	Semiannual	Annual	Working capital	USD + Sofr + 2.76%	CDI + 1.48%
Ribeiro Goncalves Solar Holding	Santander	150,000	Jun-24	Bullet	Bullet	Working capital	USD + 7.75%	CDI + 1.54%
Sertao Solar Barreiras XVI	BNB	95,500	Jun-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Sertao Solar Barreiras XVIII	BNB	102,000	Jun-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Sertao Solar Barreiras XVII	BNB	95,500	Jun-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Sertao Solar Barreiras XVI	BNB	15,000	Jun-24	Semiannual	Semiannual	Investment	IPCA + 11.00%	N/A
Sertao Solar Barreiras XVII	BNB	15,000	Jun-24	Semiannual	Semiannual	Investment	IPCA + 11.00%	N/A
Equatorial S.A. (a)	Commercial Note	5,600,000	Jul-24	Bullet	Bullet	Working capital	CDI + 0.65% a 1.30%	N/A
Equatorial Goiás	Bank of America	383,600	Jul-24	Semiannual	Bullet	Working capital	USD + 6.0824%	CDI + 1.20%
Sertao Solar Barreiras XVI	BNB	13,247	Jul-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Sertao Solar Barreiras XVII	BNB	11,027	Jul-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Sertao Solar Barreiras XVIII	BNB	16,973	Jul-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Ribeiro Goncalves Solar Holding	Safra	150,000	Aug-24	Bullet	Bullet	Working capital	USD + 7.80%	CDI + 1.70%
Ribeiro Goncalves Solar Holding	Santander	150,000	Sep-24	Bullet	Bullet	Working capital	USD + 7.00%	CDI + 1.41%
Ribeiro Goncalves Solar Holding	Safra	150,000	Oct-24	Bullet	Bullet	Working capital	USD + 7.40%	CDI + 1.70%
Ribeiro Goncalves Solar Holding	Santander	150,000	Oct-24	Bullet	Bullet	Working capital	USD + 6.83%	CDI + 1.41%
Echoenergia Participações	Citibank	100,000	Oct-24	Bullet	Bullet	Working capital	USD + Sofr + 0.88%	CDI + 0.53%
Equatorial Piauí	Bank of America	177,630	Oct-24	Annual	Bullet	Working capital	USD + 5.7294%	CDI + 1.15%
Equatorial Alagoas	Bank of America	100,000	Oct-24	Annual	Bullet	Working capital	USD + 5.7294%	CDI + 1.15%
SPE07	Banco do Brasil (FDA)	17,500	Oct-24	Semiannual	Semiannual	Investment	IPCA + 1.6190%	N/A
Sertao Solar Barreiras XVI	BNB	2,263	Nov-24	Monthly	Monthly	Investment	IPCA + 4.60%	N/A
Equatorial Maranhão	Scotiabank	420,000	Nov-24	Semiannual	Bullet	Working capital	USD + 5.8035%	CDI + 1.15%
Equatorial Piauí	Scotiabank	280,000	Nov-24	Semiannual	Bullet	Working capital	USD + 5.8035%	CDI + 1.15%
Ribeiro Goncalves Solar Holding	Santander	150,000	Nov-24	Bullet	Bullet	Working capital	USD + 6.59%	CDI + 1.41%
Equatorial Alagoas	Scotiabank	522,900	Nov-24	Bullet	Bullet	Working capital	USD + 5.7670%	CDI + 1.15%
CEEE-D	Banco Santander	400,000	Nov-24	Semiannual	Bullet	Working capital	CDI + 1.10%	N/A
Equatorial Goiás	Banco Santander	180,000	Nov-24	Semiannual	Bullet	Working capital	CDI + 1.10%	N/A
Equatorial Pará	Bank of America	300,000	Dec-24	Annual	Bullet	Working capital	USD + 6.0118%	CDI + 1.09%
Ribeiro Goncalves Solar Holding	Safra	150,000	Dec-24	Bullet	Bullet	Working capital	USD + 7.30%	CDI + 1.55%
Ribeiro Goncalves Solar Holding	Santander	150,000	Dec-24	Bullet	Bullet	Working capital	USD + 6.77%	CDI + 0.98%
TOTAL		10,890,140						

(a) The inflow of the Commercial Note took place in July 2024 at Equatorial Participações IV, which was merged by Equatorial S.A. in December 2024, according to Note 1.4.

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18.7 Loan and financing covenants

Loans and financing entered into by the Company and its subsidiaries have personal guarantees and/or receivables and/or pledge of shares and/or financial investments (escrow accounts), and nonfinancial and financial covenants. Failure to comply with such covenants during the calculation period may result in early maturity of contracts.

Below are the financial covenants of loan and financing agreements of the Company and its subsidiaries, with an annual computation period for the subsidiaries:

Equatorial S.A.					
Covenants - Loans	1st issue CN				
1 st Net debt/EBITDA: <= 4.5	3.3				
Equatorial Maranhão					
Covenants - Loans	Scotiabank				
1 st Net debt/EBITDA: <= 3.5	2.3				
2 nd Net debt/EBITDA: <= 4.5	2.3				
2 nd EBITDA/Net finance income (cost): >= 1.5	6.3				
Equatorial Pará					
Covenants - Loans	Scotiabank	BofA			
1 st Net debt/EBITDA: <= 4.5	1.4	1.4			
Equatorial Alagoas					
Covenants - Loans	Santander	NCE Santander	BofA	Citibank	Scotiabank
1 st Net debt/EBITDA: <= 4.5	2.7	2.7	2.7	2.7	2.7
Equatorial Piauí					
Covenants - Loans	Santander	Scotiabank	BofA		
1 st Net debt/EBITDA: <= 4.5	3.6	3.6	3.6		

The Company is a guarantor for the following loans and financing, in which covenants are calculated on a consolidated basis:

Equatorial Piauí					
Covenants - Loans	Scotiabank (a)				
1 st Net debt/EBITDA: <= 4.5	3.6				
CEEE-D					
Covenants - Loans	BofA (a)	Commercial note (a)	Citibank (a)	Santander	
1 st Net debt/EBITDA: <= 4.5	3.6	3.6	3.6	3.3	
CEA					
Covenants - Loans	Scotiabank (a)	Sumitomo Mitsui Banking Corporation	Citibank (a)		
1 st Net debt/EBITDA: <= 4.5	3.6	3.3	3.6		
Equatorial Goiás					
Covenants - Loans	BofA	Santander			
1 st Net debt/EBITDA: <= 4.5	3.3	3.3			

- (a) They do not consider in EBITDA the pro forma adjustment of equity pickup related to profit or loss of the last 12 months from the acquisition of the new subsidiary without control (as per Note 1.2 - Acquisition of significant interest in the Companhia de Saneamento Básico do Estado de São Paulo (SABESP) by the Equatorial Group), which will be gradually reflected in the Company's consolidation over the next 12 months.

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The indicators above faithfully follow the concepts of contractual net debt and contractual EBITDA, as agreed upon and recorded in the contract documents. This information is solely aimed at disclosing the indicators computed in conformity with the definitions hereunder.

In the year ended December 31, 2024, the Company and its subsidiaries continued to comply with all obligations set down in the contracts, except for the indirect subsidiary Serras Holding S.A. Since it expected to fail to meet the ICSD, this indirect subsidiary obtained authorization from BNDES for the temporary noncompliance with this ratio in 2024.

In addition to the indicators mentioned above, the Company has financial covenants with the National Development Bank (BNDES) whose verification is annual, with independent auditor's assurance, to be delivered by May 31 of the following year. In the period ended December 31, 2024, the Company remained in compliance with all obligations and within the limits established in the contracts.

19 Debentures

19.1 Changes in debentures

Changes in debentures for the year are as follows:

Parent Company

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2023	96,672	3,984,321	4,080,993
Charges	263,293	-	263,293
Amortization of principal (a)	(3,700,000)	-	(3,700,000)
Transfers	3,698,430	(3,698,430)	-
Payment of interest	(362,536)	-	(362,536)
Borrowing costs (b)	4,141	-	4,141
Balances at December 31, 2024	-	285,891	285,891

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2022	125,480	4,428,580	4,554,060
Inflows	1,578,983	-	1,578,983
Charges	631,418	-	631,418
Amortization of principal	(448,400)	-	(448,400)
Transfers	444,259	(444,259)	-
Payment of interest	(659,435)	-	(659,435)
Corporate restructuring	(1,579,848)	-	(1,579,848)
Borrowing costs (b)	4,215	-	4,215
Balances at December 31, 2023	96,672	3,984,321	4,080,993

- (a) On January 31, 2024, the Company settled the 5th issue of 5th series debentures in advance, totaling R\$2,000,000. On December 23, 2024, Equatorial S.A. settled the 5th issue of 1st series debentures in advance, totaling R\$1,700,000; and
- (b) This refers to changes in borrowing costs, with positive meaning amortization and negative meaning addition.

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At December 31, 2024, the Company has the following issues of debentures:

Issue	Characteristic s	Serie s	Guarantees	Issued amount	Nominal cost	Issue date	Maturity	2024		
								Current liabilities	Noncurrent liabilities	Total
5 ^a	(1)/(3)/(4)	2 ^a	N/A	300,000	CDI + 1.7% p.a.	Dec/21	Dec/28	-	285,891	285,891
								-	285,891	285,891

- (1) Public issue of junior debentures;
(3) Nonconvertible into shares;
(4) Unsecured debentures;

Consolidated

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2023	1,487,352	23,156,107	24,643,459
Inflows (Note 19.4)	-	13,987,672	13,987,672
Charges	2,513,968	69,683	2,583,651
Monetary variation	38,472	411,499	449,971
Amortization of principal	(9,812,128)	-	(9,812,128)
Reclassifications (b)	166,564	(355,110)	(188,546)
Transfers	9,293,781	(9,293,781)	-
Payment of interest	(2,588,083)	-	(2,588,083)
Borrowing costs (a)	119,423	(272,912)	(153,489)
Balances at December 31, 2024	1,219,349	27,703,158	28,922,507

	Current liabilities	Noncurrent liabilities	Total
Balances at December 31, 2022	1,406,261	13,271,265	14,677,526
Inflows	1,578,983	14,082,910	15,661,893
Charges	2,745,570	(89,428)	2,656,142
Monetary variation	104,917	132,691	237,608
Amortization of principal	(5,556,180)	-	(5,556,180)
Reclassifications (b)	(306,744)	(193,427)	(500,171)
Transfers	3,810,105	(3,810,105)	-
Payment of interest	(2,350,228)	-	(2,350,228)
Borrowing costs (a)	54,668	(237,799)	(183,131)
Balances at December 31, 2023	1,487,352	23,156,107	24,643,459

- (a) This refers to changes in borrowing costs, with positive meaning amortization and negative meaning addition; and
(b) Reclassification of the changes of SPE 07, following the sale and change of shareholding control, according to Note No. 1.3.

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At December 31, 2024, the Company's direct and indirect subsidiaries have the following issues of debentures:

Subsidiary	Issue	Characteristics	Series	Issued amount	Nominal cost	Issue date	Maturity	2024		
								Current liabilities	Noncurrent liabilities	Total
EQTL PA	6 th	(1)/(3)/(4)	Single	1,350,000	CDI + 1.40% p.a.	Jun/22	May/28	18,275	1,347,535	1,365,810
EQTL PA	7 th	(1)/(3)/(4)	Single	1,000,000	CDI + 0.95% p.a.	Aug/24	Aug/30	44,731	997,344	1,042,075
EQTL PA	8 th (b)	(1)/(3)/(4)/(5)	Single	1,475,000	CDI + 0.38% p.a.	Dec/24	Dec/36	(2,040)	1,425,397	1,423,357
EQTL MA	9 th	(1)/(3)/(4)	Single	300,000	CDI + 1.40% p.a.	Jun/22	May/28	4,052	299,429	303,481
EQTL MA	10 th	(1)/(3)/(4)/(5)	Single	300,000	IPCA + 6.30% p.a.	Dec/23	Dec/31	(319)	308,178	307,859
EQTL MA	11 th	(1)/(3)/(4)	Single	500,000	CDI + 0.95% p.a.	May/24	May/30	6,627	498,852	505,479
EQTL MA	12 th (b)	(1)/(3)/(4)/(5)	Single	550,000	CDI + 0.285% p.a.	Oct/24	Sep/36	8,461	536,150	544,611
EQTL PI	1 st	(1)/(3)/(4)	Single	400,000	CDI + 1.37% p.a.	Dec/18	Dec/26	3,214	400,000	403,214
EQTL PI	3 ^a (b)	(1)/(3)/(4)/(5)	Single	300,000	CDI + 0.41% p.a.	Oct/24	Sep/36	4,723	292,302	297,025
EQTL AL	1 st	(1)/(3)/(4)	1 st	200,000	CDI + 1.635% p.a.	Oct/22	Oct/27	5,121	200,000	205,121
EQTL AL	1 st (b)	(1)/(3)/(4)/(5)	2 ^a	100,000	CDI + 0.74% p.a.	Oct/22	Oct/34	1,096	107,545	108,641
Equatorial Transmissão	1 st (a)	(1)/(3)/(4)/(5)	Single	800,000	IPCA + 4.92% p.a.	Mar/21	Mar/36	95,550	898,587	994,137
Equatorial Transmissão	1 st (a)	(1)/(3)/(4)/(5)/(6)	Single	55,000	IPCA + 4.85% p.a.	Feb/19	Jan/33	8,859	57,673	66,532
Equatorial Transmissão 2	1 st (a)	(1)/(3)/(4)/(5)/(6)	Single	45,000	IPCA + 4.85% p.a.	Feb/19	Jan/33	7,679	47,815	55,494
Equatorial Transmissão 3	1 st (a)	(1)/(3)/(4)/(5)/(6)	1 st	45,000	IPCA + 4.80% p.a.	Feb/19	Jan/33	6,025	48,447	54,472
Equatorial Transmissão 3	1 st (a)	(1)/(3)/(4)/(5)/(6)	2 ^a	45,000	IPCA + 4.65% p.a.	Feb/19	Jan/34	7,235	42,708	49,943
Equatorial Transmissão 5	1 st (a)	(1)/(3)/(4)/(5)/(6)	Single	66,000	IPCA + 4.85% p.a.	May/19	Apr/39	2,464	83,926	86,390
Equatorial Transmissão 8	1 st (a)	(1)/(3)/(4)/(5)/(6)	1 st	102,000	IPCA + 4.85% p.a.	Apr/19	Apr/39	3,583	126,707	130,290
Equatorial Transmissão 8	1 st (a)	(1)/(3)/(4)/(5)/(6)	2 nd	87,000	IPCA + 4.85% p.a.	Apr/19	Apr/39	3,508	114,076	117,584
CEEE-D	1 st	(1)/(3)/(4)/(6)	1 st	1,200,000	CDI + 1.5% p.a.	Aug/21	Aug/26	325,942	295,225	621,167
CEEE-D	1 st (a)	(1)/(3)/(4)/(5)/(6)	2 ^a	300,000	IPCA + 5.4% p.a.	Aug/21	Sep/29	7,272	363,193	370,465
CEEE-D	2 nd (b)	(1)/(3)/(4)/(5)/(6)	1 st	250,000	CDI + 1.08% p.a.	Dec/22	Dec/29	753	274,533	275,286
CEEE-D	3 rd	(1)/(3)/(4)/(5)/(6)	Single	180,000	IPCA + 6.50% p.a.	Aug/23	Jul/30	5,704	185,714	191,418
CEEE-D	4 th	(1)/(3)/(4)/(6)	Single	1,000,000	CDI + 1.65% p.a.	Dec/23	Dec/29	6,120	997,491	1,003,611
CEEE-D	5 th (b)	(1)/(3)/(4)/(5)/(6)	Single	250,000	CDI + 0.29% p.a.	Jun/24	May/36	1,067	246,909	247,976
CEEE-D	6 th	(1)/(3)/(4)/(6)	Single	500,000	CDI + 1.05% p.a.	Aug/24	Aug/30	22,565	498,750	521,315
CEEE-D	7 th (b)	(1)/(3)/(4)/(5)/(6)	Single	420,000	CDI + 0.24% p.a.	Oct/24	Sep/36	6,461	409,399	415,860
CSA	1 st	(1)/(3)/(4)/(6)	1 st	1,003,000	CDI + 1.55% p.a.	Dec/21	Jun/27	127,729	251,760	379,489
CSA	2 nd	(1)/(3)/(4)/(5)/(6)/(7)	Single	955,000	IPCA + 6.79% p.a.	Nov/23	Oct/52	(222)	1,079,403	1,079,181
EQTL GO	3 rd	(1)/(3)/(4)/(5)/(6)	Single	1,000,000	IPCA + 7.1% p.a.	May/23	Apr/31	10,185	1,039,324	1,049,509
EQTL GO	4 th	(1)/(3)/(4)/(5)/(6)	2 nd	480,000	IPCA + 6.4407% p.a.	Oct/23	Oct/31	6,566	506,476	513,042
EQTL GO	4 th	(1)/(3)/(4)/(5)/(6)	3 rd	720,000	IPCA + 6.6789% p.a.	Oct/23	Oct/35	10,203	759,715	769,918
EQTL GO	4 th	(1)/(3)/(4)/(6)	1 st	1,852,910	CDI + 1.65% p.a.	Nov/23	Oct/29	39,181	1,821,020	1,860,201
EQTL GO	5 th	(1)/(3)/(4)/(6)	Single	2,005,522	CDI + 1.05% p.a.	Apr/24	Mar/30	63,291	2,000,516	2,063,807
EQTL GO	6 th (b)	(1)/(3)/(4)/(5)/(6)	1 ^a	950,000	CDI + 0.30% p.a.	Jun/24	May/36	4,021	939,386	943,407
EQTL GO	7 th	(1)/(3)/(4)/(6)	Single	1,000,000	CDI + 1.00% p.a.	Aug/24	Aug/30	44,812	996,865	1,041,677
EQTL GO	8 th	(1)/(3)/(4)/(6)	1 st	1,392,150	CDI + 1.00% p.a.	Oct/24	Sep/30	36,948	1,392,150	1,429,098
EQTL GO	8 th (b)	(1)/(3)/(4)/(5)/(6)	2 nd	800,000	CDI + 0.27% p.a.	Oct/24	Sep/36	12,021	787,692	799,713
EQTL GO	9 th	(1)/(3)/(4)/(6)	Single	1,000,000	CDI + 0.92% p.a.	Nov/24	Nov/31	10,044	999,636	1,009,680
CEA	1 st	(1)/(3)/(4)/(6)	Single	500,000	CDI + 1.80% p.a.	Dec/21	Jul/28	32,199	615,724	647,923
CEA	2 nd	(1)/(3)/(4)/(5)/(6)	Single	195,000	IPCA + 6.50% p.a.	Aug/23	Jul/30	5,299	202,876	208,175
CEA	3 rd	(1)/(3)/(4)/(6)	Single	200,000	CDI + 1.60% p.a.	Oct/23	Sep/26	5,992	199,869	205,861
CEA	4 th	(1)/(3)/(4)/(5)/(6)	Single	200,000	IPCA + 6.75% p.a.	Dec/23	Dec/33	(190)	203,761	203,571
CEA	5 th	(1)/(3)/(4)/(6)	Single	270,000	CDI + 1.20% p.a.	Jun/24	May/29	3,707	269,233	272,940
CEA	6 th	(1)/(3)/(4)/(6)	Single	275,000	CDI + 1.20% p.a.	Sep/24	Sep/29	9,625	274,145	283,770
CEA	7 th (b)	(1)/(3)/(4)/(5)/(6)	Single	250,000	CDI + 0.51% p.a.	Dec/24	Dec/36	454	240,779	241,233
Echoenergia Participações S.A. (a)	1 st (a)	(1)/(3)/(5)/(6)/(7)	Single	180,000	IPCA + 6.90% p.a.	Jun/20	Jun/30	30,787	189,014	219,801
Echoenergia Participações S.A. (a)	2 nd (a)	(1)/(3)/(4)/(5)	2 nd	140,000	IPCA + 4.75% p.a.	Jan/21	Jan/31	26,949	120,103	147,052
Ventos de São Clemente Holding S.A. (a)	1 st (a)	(1)/(3)/(5)/(6)/(7)	Single	180,000	IPCA + 8.00% p.a.	Apr/17	Oct/30	24,050	160,843	184,893
Ventos de São Clemente Holding S.A.	2 nd	(1)/(3)/(4)/(5)	Single	20,000	IPCA + 7.06% p.a.	Apr/20	Dec/29	2,871	14,284	17,155
Serras Holding S.A.	1 st	(1)/(3)/(5)/(6)/(7)	Single	40,000	IPCA + 7.64% p.a.	Jul/18	Jul/32	8,829	38,844	47,673
São Jorge Holding S.A.	1 st	(1)/(3)/(5)/(6)/(7)	Single	45,000	IPCA + 9.00% p.a.	May/17	Jul/28	10,043	49,925	59,968
Vila Piauí 1 Empreendimentos e Participações S.A. (a)	1 st (a)	(1)/(3)/(5)/(6)/(7)	Single	43,000	IPCA + 5.95% p.a.	Jul/20	Jun/35	2,814	31,810	34,624
Vila Piauí 2 Empreendimentos e Participações S.A. (a)	1 st (a)	(1)/(3)/(5)/(6)/(7)	Single	44,000	IPCA + 5.95% p.a.	Jul/20	Jun/35	3,403	32,806	36,209
Serra do Mel Holding S.A. (a)	1 st (a)	(1)/(3)/(5)/(6)/(7)	Single	142,000	IPCA + 5.29% p.a.	Mar/21	Dec/35	446	124,363	124,809
Barreiras Holding S.A.	1 st	(1)/(3)/(4)/(5)/(6)	1 st	950,000	IPCA + 6.8413% p.a.	Apr/24	Mar/44	72,976	900,592	973,568
Ribeiro Gonçalves Solar Holding	1 st	(1)/(3)/(5)/(6)/(7)	Single	100,000	IPCA + 7.545% p.a.	Sep/24	Nov/41	9,588	70,468	80,056
Subtotal								1,219,349	27,417,267	28,636,616
Debentures issued by the parent company – refer to information under “Parent Company”								-	285,891	285,891
Total – Consolidated								1,219,349	27,703,158	28,922,507

- (1) Public issue of junior debentures
- (2) Private issue of junior debentures
- (3) Nonconvertible into shares
- (4) Unsecured debentures
- (5) Tax exempt debentures
- (6) Personal guarantee; and
- (7) Security interest.

- (a) All the proceeds were invested in accordance with the indenture; and
- (b) The cost of the swap short position.

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According to article 2 of Law No. 12431, of June 24, 2011, as amended by Decree No. 8874, of October 11, 2016, and subsequently by Decree No. 11964, of March 26, 2024, the issuers of tax exempt debentures are required to invest all the funds raised in the issue of debentures to cover expenses already incurred and/or to be incurred in connection with the projects classified or filed with the Ministry of Mines and Energy (MME). The purpose of tax exempt debentures is to raise funds for infrastructure projects, and all the proceeds were used by the Company's subsidiaries for that purpose.

19.2 Guarantees

Subsidiary	Guarantees
Equatorial Transmissão 1	Collateral signature/Guarantee
Equatorial Transmissão 2	Collateral signature/Guarantee
Equatorial Transmissão 3	Collateral signature/Guarantee
Equatorial Transmissão 5	Collateral signature/Guarantee
Equatorial Transmissão 7	Collateral signature/Guarantee
Equatorial Transmissão 8	Collateral signature/Guarantee
CEEE-D	Collateral signature/Guarantee
CSA	Collateral signature/Guarantee + Receivables
Equatorial Goiás	Collateral signature/Guarantee
CEA	Collateral signature/Guarantee
Echoenergia Participações S.A.	Bank Letter of Guarantee
Ventos de São Clemente Holding S.A.	Collateral signature/Guarantee + Credit rights + Shares + Equipment
Serras Holding S.A.	Collateral signature/Guarantee + Credit rights + Shares + Equipment
São Jorge Holding S.A.	Collateral signature/Guarantee + Credit rights + Shares + Equipment
Vila Piauí 1 Empreendimentos e Participações S.A.	Bank Letter of Guarantee + Credit rights + Shares + Equipment
Vila Piauí 2 Empreendimentos e Participações S.A.	Bank Letter of Guarantee + Credit rights + Shares + Equipment
Serra do Mel Holding S.A.	Bank Letter of Guarantee + Credit rights + Shares + Equipment
Barreiras Holding S.A.	Collateral signature/Guarantee
Ribeiro Goncalves Solar Holding	Collateral signature/Guarantee + Credit rights + Shares + Equipment

19.3 Debt amortization schedule

Parent Company

Maturity	2024	
	Amount	%
Current	-	-
2026	147,650	52%
2027	150,000	52%
Subtotal	297,650	104%
Borrowing costs/present value adjustment (noncurrent)	(11,759)	-4%
Noncurrent	285,891	100%
Total	285,891	100%

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Consolidated

Maturity	2024	
	Amount	%
Current	1,219,349	4%
2026	1,864,204	6%
2027	2,767,934	10%
2028	4,702,890	16%
2029	5,033,847	17%
Up to 2048	13,738,780	48%
Subtotal	28,107,655	97%
Borrowing costs/present value adjustment (noncurrent)	(404,497)	-1%
Noncurrent	27,703,158	96%
Total	28,922,507	100%

19.4 Inflows

Company	Issue	Inflow	Inflow date	Payment of interest	Amortization	Allocation of fund	Financial charge (p.a.)	Effective rate of derivatives (p.a.)
Equatorial Goiás	5 th issue of debentures – single series	2,005,522	Apr/24	Semiannual	Annually after grace period	Working capital	CDI + 1.05%	N/A
Echoenergia	1 st issue of debentures – 1 st series	950,000	Apr/24	Semiannual	Semiannually after grace period	Investment	IPCA + 6.8413%	N/A
Equatorial Maranhão	11 th issue of debentures – single series	500,000	May/24	Semiannual	Annually after grace period	Working capital	CDI + 0.95%	N/A
CEA	5 th issue of debentures – single series	270,000	Jun/24	Semiannual	Annually after grace period	Working capital	CDI + 1.20%	N/A
Equatorial Goiás	6 th issue of debentures - 1 st series	950,000	Jun/24	Semiannual	Annually after grace period	Investment	IPCA + 6.4895%	CDI + 0.30%
CEEE-D	5 th issue of debentures - single series	250,000	Jun/24	Semiannual	Annually after grace period	Investment	IPCA + 6.5596%	CDI + 0.29%
Equatorial Pará	7 th issue of debentures - single series	1,000,000	Aug/24	Semiannual	Annually after grace period	Working capital	CDI + 0.95%	N/A
CEEE-D	6 th issue of debentures - single series	500,000	Aug/24	Semiannual	Annually after grace period	Working capital	CDI + 1.05%	N/A
Equatorial Goiás	7 th issue of debentures - single series	1,000,000	Aug/24	Semiannual	Annually after grace period	Working capital	CDI + 1.00%	N/A
CEA	6 th issue of debentures - single series	275,000	Sep/24	Semiannual	Annually after grace period	Working capital	CDI + 1.20%	N/A
Echoenergia	1 st issue of debentures - single series	100,000	Sep/24	Semiannual	Semiannual	Investment	IPCA + 7.545%	N/A
Equatorial Maranhão	12 th issue of debentures - single series	550,000	Oct/24	Semiannual	Annually after grace period	Investment	IPCA + 6.6493%	CDI + 0.285%
Equatorial Piauí	3 rd issue of debentures - single series	300,000	Oct/24	Semiannual	Annually after grace period	Investment	IPCA + 6.8091%	CDI + 0.41%
CEEE-D	7 th issue of debentures - single series	420,000	Oct/24	Semiannual	Annually after grace period	Investment	IPCA + 6.6493%	CDI + 0.24%
Equatorial Goiás	8 th issue of debentures - 1 st series	1,392,150	Oct/24	Semiannual	Annually after grace period	Working capital	CDI + 1.00%	N/A
Equatorial Goiás	8 th issue of debentures – 2 nd series	800,000	Oct/24	Semiannual	Annually after grace period	Investment	IPCA + 6.6493%	CDI + 0.27%
Equatorial Goiás	9 th issue of debentures - single series	1,000,000	Nov/24	Semiannual	Bullet	Working capital	CDI + 0.92%	N/A
Equatorial Pará	8 th issue of debentures - single series	1,475,000	Dec/24	Semiannual	Annually after grace period	Investment	IPCA + 7.7477%	CDI + 0.38%
CEA	7 th issue of debentures - single series	250,000	Dec/24	Semiannual	Annually after grace period	Investment	IPCA + 7.9091%	CDI + 0.51%
Total		13,987,672						

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19.5 Debenture covenants

The debentures entered into by the Company and its subsidiaries have security interest, personal guarantee, and non-financial and financial covenants. Failure to comply with such covenants during the calculation period may result in early maturity of contracts. The financial covenants with annual calculation period are the following:

Equatorial S.A.

Debenture covenants

1st Net debt/EBITDA: <=4.5

5th debentures

3.3

Equatorial Pará

Debenture covenants

1st Net debt/EBITDA: <= 4.5

6th debentures

1.4

7th debentures

1.4

8th debentures

1.4

Equatorial Maranhão

Debenture covenants

1st Net debt/EBITDA: <=4.5

9th debentures

2.3

10th debentures

2.3

11th debentures

2.3

12th debentures

2.3

Equatorial Piauí

Debenture covenants

1st Net debt/EBITDA: <= 4.5

1st debentures

3.6

3rd debentures

3.6

Equatorial Alagoas

Debenture covenants

1st Net debt/EBITDA: <= 4.5

1st debentures

2.7

Equatorial Transmissão

Debenture covenants

1st Net debt/EBITDA: <=5.0

1st debentures

3.7

SPEs

Debenture covenants

Net debt/EBITDA Company: <=4.5

SPE 01

3.8

SPE 02

3.4

SPE 03

3.1

SPE 05

3.5

SPE 08

3.2

The Company is a guarantor for the following issues, whose covenants are calculated on a consolidated basis:

Debenture covenants	CEEE-D (1 st debentures) (a)	CEEE-D (2 nd , 3 rd , 4 th , 5 th , 6 th and 7 th debentures)	CEA (1 st , 2 nd , 3 rd , 4 th , 5 th , 6 th and 7 th debentures)	EQTL-GO (3 rd , 4 th , 5 th , 6 th , 7 th , 8 th and 9 th debentures)	CSA (1 st and 2 nd debentures)
1 st Net debt/EBITDA: <=4.5	3.6	3.3	3.3	3.3	3.3

- (a) They do not consider in EBITDA the pro forma adjustment of equity pickup related to profit or loss of the last 12 months from the acquisition of the new subsidiary without control (as per Note 1.2 - Acquisition of significant interest in the Companhia de Saneamento Básico do Estado de São Paulo (SABESP) by the Equatorial Group), which will be gradually reflected in the Company's consolidation over the next 12 months.

As at December 31, 2024, the Company and its subsidiaries remained within the limits stipulated in the contracts, with the exception of indirect subsidiary Serras Holding S.A. This indirect subsidiary obtained authorization for exemption from compliance with this ratio in 2024 for the 1st issue of debentures of Serras Holding S.A.

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20 Taxes and contributions payable (Consolidated)

	2024	2023
Current		
ICMS	535,349	512,781
ICMS financing (a)	123,172	114,201
PIS and COFINS	232,664	265,246
Social charges and other	81,231	56,949
Other	204,325	144,028
Total current	1,176,741	1,093,205
Noncurrent		
ICMS	88,395	79,287
ICMS financing (a)	2,633,104	2,547,968
Other	296,208	285,917
Total noncurrent	3,017,707	2,913,172
Total taxes and contributions payable	4,194,448	4,006,377

- (a) Balances related to subsidiaries Equatorial Pará and CEEE-D amounting to R\$28,376 and R\$2,727,900, respectively, as of December 30, 2024, totaling R\$2,756,276 (Equatorial Pará amounting to R\$31,547, Equatorial Alagoas amounting to R\$1,767, CEEE-D amounting to R\$2,628,089, and Equatorial Goiás amounting to R\$766, respectively, totaling R\$2,662,169, as of December 31, 2023).

It should be mentioned that the ICMS financing balance relating subsidiary CEEE-D is in accordance with the Assumption of Debt Payment Obligation Agreement and Other Covenants, executed on December 7, 2020, under which CEEE-D assigned and transferred to its former parent company, CEEE-Par, the assumption of the ICMS tax debt obligation, in the amount of R\$2,778,735. This transaction took place through the capitalization by CEEE-Par, in CEEE-D, of the credits arising from this obligation, which, as a result of the assumption of the payment obligation, will be considered fully settled in the amount previously considered.

Of the remaining balance, R\$50,996 refer to ordinary installment payments, and R\$2,676,904 refer to the installment payment made with the Rio Grande do Sul State Finance Department ("SEFAZ/RS"), pursuant to Decree No. 55577/2020 ("REFAZ Energia Elétrica" Program), whose payment was divided into 180 monthly installments restated by reference to the SELIC rate. As provided for in item IV of article 4, there is the possibility of a 60% reduction in interest and fine conditional on the total or partial settlement of the debt. Possible discounts are shown in the table below:

	Installment payments without discounts	Discounts	Installment payments with discounts
Principal	1,455,847	-	1,455,847
Fine	387,512	(232,507)	155,005
Interest	833,545	(500,127)	333,418
Total	2,676,904	(732,634)	1,944,270

ICMS installment payment schedule

	2024	
	Amount	%
Current	123,172	4%
2026	110,664	4%
2027	122,373	4%
2028	110,640	4%
From 2029 to 2035	2,289,427	83%
Noncurrent	2,633,104	96%
Total ICMS financing	2,756,276	100%

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21 Income and social contribution taxes - current and deferred

21.1 Breakdown of deferred income and social contribution taxes (Consolidated)

	2024	2023
Income tax loss	2,027,238	1,543,222
Social contribution tax loss	685,729	495,335
Temporary differences:		
Provision for contingencies	465,141	495,350
Losses / Reversal of allowance for expected credit losses	95,330	219,635
Provision for profit sharing	34,108	25,648
Revenue / Construction revenue – CPC 47/IFRS 15	(1,568,552)	(1,536,917)
Leases - CPC 06 (R2)/IFRS 16	8,878	8,943
Intangible assets - concession - acquisition of Equatorial Pará	24,700	24,501
Debt contingencies and charges - EQTL PA, AL and PI acquisition	54,305	56,550
SWAP	(70,367)	111,022
Provision for actuarial appraisal report	173,885	179,185
Reversible CIP	67,913	67,913
Financial asset adjustment - New Replacement Value (“VNR”)	(1,078,173)	(889,534)
Present value adjustment	(211,621)	(220,040)
Revaluation of concession assets	(13,048)	(38,569)
Accelerated depreciation	(471,935)	(508,742)
Stock options	(27,849)	(75,135)
Provision for inventory losses	(3,068)	(3,252)
Trading agreements	47,509	220
IRPJ/CSLL - other	-	(926)
Other temporary differences	132,975	134,199
Deferred taxes, net	373,098	88,608
Deferred assets, net	3,179,400	2,729,099
Deferred liabilities, net	(2,806,302)	(2,640,491)

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21.2 Changes in deferred taxes

	2023	Recorded in P&L	Other comprehensive income	Write-offs (a)	Reclassifications (b)	2024	Deferred tax assets	Deferred tax liabilities
Income tax loss	1,543,222	590,215	-	(94,755)	(11,444)	2,027,238	2,027,238	-
Social contribution tax loss	495,335	224,162	-	(33,744)	(24)	685,729	685,729	-
Provision for contingencies	495,350	(30,209)	-	-	-	465,141	465,141	-
Losses / Reversal of allowance for expected credit losses	219,635	(124,305)	-	-	-	95,330	128,974	(33,644)
Provision for impairment - FUNAC	359,201	6,830	-	-	-	366,031	366,031	-
Provision for profit sharing	25,648	8,378	-	-	82	34,108	34,108	-
Revenue / Construction revenue – CPC 47/IFRS 15	(1,536,917)	(221,795)	-	-	190,160	(1,568,552)	4,011	(1,572,563)
Leases - CPC 06 (R2)/IFRS 16	8,943	(65)	-	-	-	8,878	8,878	-
Debt contingencies and charges - EQTL PA, AL and PI acquisition	56,550	(2,245)	-	-	-	54,305	54,305	-
SWAP	111,022	(340,975)	159,586	-	-	(70,367)	98,256	(168,623)
Provision for inventory losses	(3,252)	184	-	-	-	(3,068)	-	(3,068)
Provision for actuarial appraisal report	179,185	697	(5,997)	-	-	173,885	173,885	-
Financial asset adjustment - New Replacement Value ("VNR")	(889,534)	(188,639)	-	-	-	(1,078,173)	-	(1,078,173)
Reverse merger of Enel Investimentos S.A.	(359,932)	47,289	-	-	-	(312,643)	-	(312,643)
Accelerated depreciation	(508,742)	36,807	-	-	-	(471,935)	-	(471,935)
Present value adjustment (PVA)	(220,040)	8,419	-	-	-	(211,621)	19,538	(231,159)
Intangible assets - concession - acquisition of EQTL Pará	24,501	199	-	-	-	24,700	24,700	-
Trading agreements	220	47,289	-	-	-	47,509	156,492	(108,983)
Stock options	(75,135)	47,286	-	-	-	(27,849)	-	(27,849)
Reimbursable CIP	67,913	-	-	-	-	67,913	67,913	-
Revaluation of concession assets	(38,569)	25,521	-	-	-	(13,048)	-	(13,048)
Other temporary differences	134,004	(54,570)	-	-	153	79,587	96,059	(16,472)
Deferred taxes, net	88,608	80,473	153,589	(128,499)	178,927	373,098	4,411,258	(4,038,160)
Deferred assets, net	2,729,099							3,179,400
Deferred liabilities, net	(2,640,491)							(2,806,302)

	2022	Recorded in P&L	Other comprehensive income	Write-offs (a)	Reclassifications (b)	2023	Deferred tax assets	Deferred tax liabilities
Income tax loss	1,492,767	75,815	-	(25,360)	-	1,543,222	1,543,222	-
Social contribution tax loss	487,535	16,929	-	(9,129)	-	495,335	495,335	-
Provision for contingencies	363,843	131,507	-	-	-	495,350	495,350	-
Losses / Reversal of allowance for expected credit losses	441,036	(221,401)	-	-	-	219,635	273,237	(53,602)
Provision for profit sharing	25,077	560	-	-	11	25,648	25,648	-
Revenue / Construction revenue – CPC 47/IFRS 15	(1,528,286)	(149,086)	-	-	140,455	(1,536,917)	2,732	(1,539,649)
Leases - CPC 06 (R2)/IFRS 16	1,932	7,011	-	-	-	8,943	8,943	-
Intangible assets - concession - acquisition of Equatorial Pará	48,768	(24,267)	-	-	-	24,501	24,501	-
Debt contingencies and charges - EQTL PA, AL and PI acquisition	58,943	(2,393)	-	-	-	56,550	56,550	-
SWAP	10,184	83,818	17,020	-	-	111,022	111,112	(90)
Provision for actuarial appraisal report	77,202	8,493	93,490	-	-	179,185	179,185	-
Reversible CIP	72,318	(4,405)	-	-	-	67,913	67,913	-
Financial asset adjustment - New Replacement Value ("VNR")	(687,818)	(201,716)	-	-	-	(889,534)	-	(889,534)
Present value adjustment	(216,970)	(3,070)	-	-	-	(220,040)	19,565	(239,605)
Revaluation of concession assets	(57,579)	19,010	-	-	-	(38,569)	-	(38,569)
Accelerated depreciation	(546,593)	37,851	-	-	-	(508,742)	-	(508,742)
Stock options	(199,006)	123,871	-	-	-	(75,135)	-	(75,135)
Provision for inventory losses	-	(3,252)	-	-	-	(3,252)	-	(3,252)
Reverse merger of Enel Investimentos S.A.	(359,932)	-	-	-	-	(359,932)	-	(359,932)
Other temporary differences	300,462	194,577	-	-	(1,614)	493,425	520,679	(27,254)
Deferred taxes, net	(216,117)	89,852	110,510	(34,489)	138,852	88,608	3,823,972	(3,735,364)
Deferred assets, net	2,277,811					2,729,099		
Deferred liabilities, net	(2,493,928)					(2,640,491)		

- (a) Indirect subsidiary Equatorial Goiás wrote off the deferred income and social contribution tax losses referring to the partial settlement of income and social contribution taxes (IRPJ and CSLL) financing resulting from the Zero Litigation Program of the Brazilian Internal Revenue Service, under which this company managed to settle tax debts (at the administrative level) by using tax loss carryforwards; and
- (b) Reclassification related to the changes in SPE 7. For more information, see Note 1.3.

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21.3 Expectation of recovery – Deferred tax assets

Based on technical feasibility studies and considering the projection of future taxable profit, the subsidiaries' management estimates that deferred tax credits will be realized as follows:

Expected realization	2025	2026	2027	2028	After 2028	Total
Equatorial Maranhão	92,290	-	-	-	-	92,290
Equatorial Pará	154,096	-	-	-	-	154,096
Equatorial Piauí	21,105	47,449	60,497	72,453	482,954	684,458
Equatorial Alagoas	43,860	47,115	56,564	53,291	348,110	548,940
Equatorial Serviços	259	-	-	-	-	259
SPEs 01 to 06 and 08	27,245	25,091	8,794	-	-	61,130
Equatorial Goiás	-	78,128	573,890	827,086	1,155,483	2,634,587
Gross assets of subsidiaries	338,855	197,783	699,745	952,830	1,986,547	4,175,760
PPA - Equatorial Pará, Alagoas, Piauí and Echo Participações	12,840	12,840	12,840	12,840	105,132	235,498
Total	351,695	210,623	712,585	965,670	2,091,679	4,411,258

21.4 Reconciliation of income and social contribution tax expenses

At December 31, 2024 and 2023, the reconciliation between the expense calculated using the tax rates and the corporate income tax (IRPJ) and social contribution tax on net profit (CSLL) expense charged to profit or loss is as follows:

Parent Company	2024		2023	
	IRPJ	CSLL	IRPJ	CSLL
Accounting profit before IRPJ and CSLL	2,755,921	2,755,921	1,951,722	1,951,722
Tax rate	25%	9%	25%	9%
At tax rate	(688,980)	(248,033)	(487,931)	(175,655)
Adjustments that affected the calculation of income taxes				
Effect of IR/CSLL on equity pickup	755,573	272,006	687,672	507,510
Other permanent additions (reversals)	(5,849)	(664)	(10,294)	(3,128)
Interest on equity	(106,258)	(38,253)	-	-
IRPJ/CSLL installment payment (prior years)	(66)	(24)	-	-
Additions (reversals) - unrecognized tax assets	86,537	29,765	(280,529)	(361,516)
Current/Deferred IRPJ and CSLL in profit or loss	40,957	14,797	(91,082)	(32,789)
Current IRPJ and CSLL in profit or loss for the year	(66)	(24)	-	-
Deferred IRPJ and CSLL in profit or loss for the year	41,023	14,821	(91,082)	(32,789)
Effective rate with deferred tax assets	1%	1%	(5%)	(2%)

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Consolidated	2024		2023	
	IRPJ	CSLL	IRPJ	CSLL
Accounting profit before IRPJ and CSLL	3,895,665	3,895,665	3,034,789	3,034,789
Tax rate	25%	9%	25%	9%
At tax rate	(973,916)	(350,610)	(758,697)	(273,131)
Adjustments that affected the calculation of income taxes				
Reversal of provision	1,373	494	12,732	4,583
Research and development and energy efficiency (R&D)	4,260	1,533	253	91
Restatement of taxes paid in error	80,292	28,904	24,459	8,805
Other permanent additions (reversals)	(153,932)	(59,694)	(87,444)	(26,714)
Workers' Meal Program (PAT)	7,077	-	6,878	-
Incentive – extended maternity leave	449	-	430	-
(+) IRPJ - government grants	960,470	-	957,177	-
IRPJ/CSLL installment payment (prior years)	342,954	126,164	(201,991)	(93,981)
Additions (reversals) - unrecognized tax assets	29,969	10,789	274,186	143,470
Effect of IR/CSLL on equity pickup	(65,633)	(23,628)	-	-
Difference in gross revenue base	(69,591)	(25,584)	(110,134)	(39,477)
Current/Deferred IRPJ and CSLL in profit or loss (a)	163,772	(291,632)	117,849	(276,354)
Current IRPJ and CSLL in profit or loss for the year	60,381	(268,714)	39,898	(288,255)
Deferred IRPJ and CSLL in profit or loss for the year	103,391	(22,918)	77,951	11,901
Effective rate with deferred tax assets	4%	-7%	4%	-9%

- (a) Equatorial S.A. and its distribution subsidiaries joined the self-assessment incentive program established by Law No. 14740, of November 29, 2023. This program offers special conditions for the settlement of pending tax items, allowing companies to settle their debts in installments and with tax benefits. The companies elected to use credits from income and social contribution tax losses to reduce 50% of the self-assessed debt related to PIS/COFINS, as established by the Law, and carried out the related write-offs of deferred taxes.

21.5 Breakdown of deferred PIS and COFINS

	2024	2023
Liabilities		
Deferred PIS on implementation revenue (a)	175,870	253,175
Deferred COFINS on implementation revenue (a)	790,159	892,329
Reclassifications (b)	(106,943)	-
Other deferred taxes	-	1,031
Total deferred PIS and COFINS	859,086	1,146,535
Current liabilities	39,899	49,625
Noncurrent liabilities	819,187	1,096,910

- (a) Deferred PIS and COFINS relate to 9.25% of revenues from contract assets. This deferred obligation will be settled as the transmission subsidiaries SPEs 01 to 06 and 08 receive the consideration determined in the concession arrangement; and
- (b) Reclassification of the changes of SPE 07, following the sale and change of shareholding control, according to Note No. 1.3.

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21.6 Unrecognized deferred taxes

The Company did not recognize deferred taxes on income and social contribution tax losses as it is in the affirmation phase of the turnaround period and, consequently, awaiting the confirmation of the projections prepared by management in relation to the expectation of future taxable profits. As of December 31, 2024, the indirect subsidiaries Equatorial Goiás, CSA and CEEE-D presented an unrealized balance of R\$4,196,438 (R\$3,888,714 as of December 31, 2023) under deferred taxes on temporary differences and income and social contribution tax losses.

	2024		2023	
	Amount	Tax effect	Amount	Tax effect
Income tax loss carryforward	12,063,985	3,015,996	10,718,769	2,679,693
Social contribution tax loss	12,062,788	1,085,651	10,711,098	963,999
Temporary differences	278,798	94,791	720,655	245,022
Total deferred taxes	24,405,571	4,196,438	22,150,522	3,888,714

Income and social contribution tax losses may be carried indefinitely, however, the use of tax loss carryforward is limited to 30% of annual profits.

22 Dividends payable (Individual)

Pursuant to the Company's articles of association, shareholders are entitled to mandatory minimum dividend of 25% on net income, adjusted in accordance with the legislation in force and deducted of the allocation amounts established by the General Meeting.

Dividends were calculated as follows:

	2024	2023
Net income for the year	2,811,675	2,075,593
(-) Legal reserve	(140,584)	(103,780)
Adjusted net income	2,671,091	1,971,813
Mandatory minimum dividends (25%)	667,773	492,953
(-) Recognition of unrealized income reserve	-	(49,234)
Dividend distribution base	667,773	443,719
Dividends proposed		
Interest on equity – gross amount	322,164	-
Dividends	345,609	443,719
	667,773	443,719
(+) Realization of unrealized income reserve – minimum dividends	25,338	-
Mandatory minimum dividends for the year	693,111	443,719
(+) Realization of unrealized income reserve – additional minimum dividends	293,816	63,595
(+) Additional dividends proposed	558	8,885
(=) Total dividends	987,485	516,199
% on adjusted income	37%	26%

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The Board of Directors approved the declaration of dividends at the meeting held on March 26, 2025, subject to approval at the General Shareholders' Meeting.
Changes in dividends payable are as follows:

Balance at December 31, 2022	<u>381,207</u>
Additional dividends (0.01 cents per share)	3,968
Payment of dividends (0.35 cents per share)	(385,133)
Dividends proposed for 2023 (0.44 cents per share)	443,719
Dividends – unrealized income reserve for 2023 (0.44 cents per share)	<u>63,595</u>
Balance at December 31, 2023 (0.44 cents per share)	507,356
Additional dividends for 2023 approved in 2024 (0.01 cents per share)	8,885
Payment of dividends (0.44 cents per share)	(516,194)
Mandatory minimum dividends for 2024 (0.70 cents per share)	667,773
Withholding income tax (IOE)	(25,338)
Dividends – unrealized income reserve for 2024 – additional mandatory minimum dividends (0.70 cents per share)	25,338
Dividends – unrealized income reserve for 2024 (0.70 cents per share)	<u>293,816</u>
Balance at December 31, 2024 (0.70 cents per share)	961,636

23 Amounts payable under the in-court reorganization plan – Equatorial Pará

On December 1, 2014, the Belém 13th Civil Court Judge decreed, based on Articles 61 and 63 of Law No.11102/05, after a decision by the Court Administrator and the Public Prosecutor, the end of the in-court reorganization plan of subsidiary Equatorial Pará. This decision ends the phase in which compliance with the plan is monitored by the court and removes the legal restrictions for the reorganization. The reorganization plan negotiated with and approved by the creditors during the proceeding remains fully valid and enforceable, which means that the special conditions for the debts that have been agreed remain in force. These obligations only end upon their fulfillment in full.

The decision to end the in-court reorganization plan is producing effects normally, but has not yet become final and unappealable because it has been subject to two appeals filed by the creditors Petróleo Brasileiro S.A. and Pine S.A. In November 2017, Equatorial Pará entered into an agreement with Banco Pine, which culminated in the withdrawal of the appeal filed by the bank against the decision to end the in-court reorganization plan. The other appeal addresses exclusively the payment of interest and adjustments in fulfilling the obligations under the plan.

By virtue of the matter addressed in this appeal, subsidiary Equatorial Pará estimates that the chances of success are remote, which is supported by the legal opinion of the law firm in charge of the proceeding. The subsidiary estimates that this matter will be assessed within 24 to 36 months, when then the end of the in-court reorganization will be final and unappealable.

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23.1 Breakdown of debt

	2024	2023
Current		
Other concessionaires	5,695	5,695
Financial creditors (a)	27,751	30,560
Related parties	70,121	29,254
Total current	103,567	65,509
Noncurrent		
Other concessionaires	83,853	83,853
Financial creditors (a)	335,871	344,819
Related parties	640,349	640,349
(-) Present value adjustment – related parties	(112,862)	(124,437)
(-) Present value adjustment (b)	(52,292)	(58,580)
Total noncurrent	894,919	886,004
Total	998,486	951,513

- (a) Group of creditors that include: (i) public or private financial institutions; and (ii) holders of credits arising from financial or banking transactions, including, but not limited to, bonds and credits arising from derivative transactions, with or without binding receivables; and
- (b) As at December 31, 2024, the balance consists of: R\$37,545 in loans and financing, R\$14,747 from other concessionaires (R\$42,320 in loans and financing and R\$16,260 from other concessionaires as at December 31, 2023).

23.2 Payment schedule

The schedule of long-term installment payment under the in-court reorganization plan is as follows:

Maturity	2024	
	Amount	%
Current	103,567	10%
2026	26,321	3%
2027	61,707	6%
2028	58,733	6%
2029	50,740	5%
Up to 2034	862,572	86%
Subtotal	1,060,073	106%
(-) Present value adjustment (noncurrent)	(165,154)	-16%
Noncurrent	894,919	90%
Total	998,486	100%

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23.3 Changes in payables under the in-court reorganization plan

	2023	Interest and charges	Monetary and foreign exchange differences	Amortization	Interest paid	Present value adjustment	2024
Other concessionaires	73,288	5,042	-	-	(5,042)	1,513	74,801
Related parties - Note 10	545,166	40,866	-	-	-	11,576	597,608
Financial creditors	333,059	10,494	17,372	(28,514)	(11,109)	4,775	326,077
Total	951,513	56,402	17,372	(28,514)	(16,151)	17,864	998,486

	2022	Interest and charges	Monetary and foreign exchange differences	Amortization	Interest paid	Present value adjustment	2023
Other concessionaires	71,775	5,029	-	-	(5,028)	1,512	73,288
Related parties - Note 10	513,942	38,685	-	-	(19,037)	11,576	545,166
Financial creditors	363,855	12,713	(9,098)	(26,321)	(12,876)	4,786	333,059
Total	949,572	56,427	(9,098)	(26,321)	(36,941)	17,874	951,513

24 Provision for contingencies and restricted deposits (Consolidated)

The Company's subsidiaries are parties (as defendants) to legal and administrative proceedings filed with courts and government agencies, arising in the ordinary course of their businesses, and involving tax, labor and civil matters and other matters. Management analyzed the legal proceedings and recognized a provision in an amount deemed sufficient to cover probable losses estimated for the ongoing cases, as described below:

	2024		2023	
	Provision	Judicial deposits	Provision	Judicial deposits
Civil (a)	2,362,711	225,108	2,528,840	194,488
Tax (b)	179,250	212,585	137,384	134,928
Labor (c)	2,680,259	410,220	2,770,168	396,187
Regulatory (d)	41,851	2,027	320,371	1,888
Environmental (e)	36,944	-	33,554	-
Total	5,301,015	849,940	5,790,317	727,491
Current	609,143	13,636	648,839	11,386
Noncurrent	4,691,872	836,304	5,141,478	716,105

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Changes in proceedings for the year

	2023	Additions (1)	Use (2)	Reversal of provision (3)	Restatement (4)	Reclassification (5)	2024
Civil	2,528,840	250,754	(268,711)	(242,339)	94,167	-	2,362,711
Tax	137,384	37,807	(270)	(19)	4,348	-	179,250
Labor	2,770,168	204,537	(292,857)	(155,996)	154,407	-	2,680,259
Regulatory	320,371	77,176	(155,122)	(145,539)	7,424	(62,459)	41,851
Environmental	33,554	200	(9)	-	3,199	-	36,944
Total	5,790,317	570,474	(716,969)	(543,893)	263,545	(62,459)	5,301,015

	2022	Additions (1)	Use (2)	Reversal of provision (3)	Restatement (4)	2023
Civil	2,617,636	160,979	(222,323)	(175,205)	147,753	2,528,840
Tax	293,062	26	(2)	(152,476)	(3,226)	137,384
Labor	2,755,936	249,425	(242,103)	(121,966)	128,876	2,770,168
Regulatory	241,258	95,438	(33,349)	(13,344)	30,368	320,371
Environmental	31,020	52	-	(35)	2,517	33,554
Total	5,938,912	505,920	(497,777)	(463,026)	306,288	5,790,317

(1) Contingencies for which provisions were recognized during the year;

(2) Effective expenditures (payments) with legal contingencies;

(3) Reversals for the year; and

(4) Monthly monetary adjustments at the National Consumer Price Index (INPC) plus SELIC; and

(5) This refers to the indirect subsidiary CEEE-D regarding the reclassification of fines imposed by AGERGS, for which a provision was recorded in 2023, plus monetary restatement, to Other Accounts Payable - delinquency notices. These fines are under discussion at the administrative level, not subject to legal proceedings.

Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of internal legal advisors.

In the year ended December 31, 2024, provisions were reviewed, adjusted and segregated by term, considering the changes in circumstances, such as the applicable statute of limitations, tax audit conclusions, or additional exposures that may be identified based on new matters or court decisions.

In addition, the Company and its subsidiaries are parties to ongoing lawsuits for which the likelihood of loss was assessed as possible, thus not requiring provision. Total referred to proceedings are as follows:

	2024	2023
Civil	4,222,158	4,443,683
Tax	703,309	639,005
Labor	1,151,300	1,070,571
Regulatory	11	32
Environmental	-	930
Total	6,076,778	6,154,221

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a) Civil

The Company's subsidiaries are defendants in 61,534 civil proceedings as at December 31, 2024 (63,731 proceedings as at December 31, 2023), which mostly refer to claims for property damages and pain and suffering, as well as reimbursement of amounts paid by consumers.

The most significant civil proceedings involve indemnity claims for consequential damages and loss of profits as a result of forced redemption of debentures convertible into shares, Government default, undue collections, accidents in the distribution grid, failure to supply, death by electrical discharge, or damages arising from the termination of contracts with suppliers.

Civil contingencies (probable likelihood of loss)	2024	2023
Indue collection (a)	717,725	505,959
Debentures (b)	303,058	286,898
Breach of contract (c)	347,448	307,179
Failure to supply	154,319	243,928
Regulatory	100,048	193,162
Death by electrical discharge	88,316	89,154
Challenged fraud	50,658	50,495
Service failure	29,446	176,087
Other	571,693	675,978
Total	2,362,711	2,528,840

Significant proceedings whose likelihood of loss is considered probable include:

- The main proceeding refers to the indirect subsidiary Equatorial Goiás, the subject matter of which is the enforcement of debt instruments proposed against the subsidiary, aimed at receiving R\$28,869, for which a provision totaling R\$145,798 was recorded (R\$134,101 at December 31, 2023). This proceeding is currently suspended until a final and unappealable decision is issued;
- Proceeding that involves an indemnity claim filed by Banco Dimensão against CEEE-D, seeking indemnity for consequential damages and loss of profits as a result of the forced redemption of convertible debentures. This proceeding was accepted and CEEE-D filed a motion to set aside judgment, and is now following the procedural steps; and
- The main proceeding refers to indirect subsidiary Equatorial Goiás, the subject matter of which is lower tariff charges collected from users (emergency capacity charges), amounting to R\$46,643 (R\$43,318 at December 31, 2023). Currently, an appeal is pending review against a ruling that sentenced the Company to pay the amount of R\$2,187. In December 2024, the appeal was judged and the case is currently awaiting judgment on the motions for clarification.

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In addition to the proceedings covered by provisions, there are other civil contingencies whose likelihood of loss as at December 31, 2024 was assessed as possible by management, based on the assessment of the Legal Departments of the Company's subsidiaries, supported by the updates provided by their external legal advisors, in the amount of R\$4,222,158 (R\$4,443,683 as at December 31, 2023) for which no provisions were recognized.

Civil contingencies (possible likelihood of loss)	2024	2023
Association of Municipalities in Goiás State – agreement (a)	2,261,459	1,686,566
Breach of contract (b)	595,472	638,177
Failure to supply	431,237	312,635
Regulatory	119,221	119,221
Fire	72,249	65,329
Debentures	69,267	63,645
Undue collection	40,261	251,217
Service failure	39,203	181,271
Other	593,789	1,125,622
Total	4,222,158	4,443,683

Significant proceedings whose likelihood of loss is considered possible include:

- This refers to indirect subsidiary Equatorial Goiás, the subject matter of which is the return of ICMS amounts that were used to pay the electricity bills of the municipal government by means of an agreement entered into between Associação Goiana de Municípios, Equatorial Goiás, State of Goiás, and Banco do Estado de Goiás, which was annulled by the Brazilian Federal Supreme Court, based on the fact that the municipalities did not participate in the preparation of the agreement amendment, amounting to R\$460,830 (R\$460,830 at December 31, 2023). This proceeding is currently in the evidentiary phase; and
- The main proceeding refers to indirect subsidiary Equatorial Pará, No. 0031306-39.2012.4.01.3900, the subject matter of which is a public civil action filed by the Federal Public Prosecutor's Office against Equatorial Pará, ANEEL and Rede Energia seeking annulment of Ruling No. 3371/2012 and consequent compensation to consumers in the amount of R\$88,000 (R\$88,000 at December 31, 2023).

b) Tax

The Company's subsidiaries are defendants in 1,386 tax proceedings as at December 31, 2024 (1,654 proceedings as at December 31, 2023), totaling the amount of R\$179,250 (R\$137,384 as at December 31, 2023).

Tax contingencies (probable likelihood of loss)	2024	2023
PIS/COFINS (a)	108,107	73,583
ICMS	45,486	43,115
ISS	572	532
Other	25,085	20,154
Total	179,250	137,384

Significant proceedings whose likelihood of loss is considered probable include:

- The main proceeding refers to indirect subsidiary Equatorial Maranhão involving PIS and COFINS on finance income, in the amount of R\$84,355. A favorable court decision was handed down annulling the effects of Decree No. 8426/2015 that reintroduced the PIS and COFINS rates on finance income. Despite this decision, the amounts of these taxes were deposited in court. Considering that the Federal Supreme Court declared the constitutionality of the increase in these tax rates, under the general repercussion system (Topic 939), the amounts may be converted into income, except for the amounts that the subsidiary deposited in excess, which have already been recognized by the Federal Government, and is in the recovery phase.

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In addition to the aforementioned proceedings covered by provisions, there are other tax contingencies whose likelihood of loss was assessed as possible by management, based on the assessment of the Legal Departments of the Company's subsidiaries, supported by the updates provided by their external legal advisors, in the amount of R\$703,309 (R\$639,005 as at December 31, 2023) for which no provisions were recognized.

Tax contingencies (possible likelihood of loss)	2024	2023
ICMS (a)	563,215	407,422
ISS	42,167	20,792
Collection of Public Lighting Contribution and Contribution to Fund the Public Lighting Service (CIP/COSIP)	37,903	25,512
PIS/COFINS	25,855	94,200
Other	34,169	91,079
Total	703,309	639,005

Significant proceedings whose likelihood of loss is considered possible include:

- (a) The main proceeding refers to the direct subsidiary Equatorial Alagoas involving tax deficiency notices for alleged failure to pay ICMS on electricity supply, during a certain period, or suits that question ICMS levied on electricity bills. Most of the claims originated when the Company was under state management and, given the likelihood of possible loss, no provisions were recorded.

c) Labor

As at December 31, 2024, the Company's subsidiaries are parties to 14,185 lawsuits (14,023 lawsuits as at December 31, 2023), amounting to R\$2,680,259 (R\$2,770,168 as at December 31, 2023), filed by former employees against the Company's subsidiaries, whose claims range from overtime, joint liability, hazardous duty pay, equal pay and/or pay adjustment, among other issues, as well as lawsuits filed by former employees of outsourced companies (subsidiary liability), claiming mostly severance pay.

Labor contingencies (probable likelihood of loss)	2024	2023
Overtime (a)	705,574	704,590
Joint liability	47,232	47,095
Pay disparity	142,235	133,044
Subsidiary liability	902,603	884,282
Meal allowance	1,246	114,369
Severance pay	13,070	16,169
Notice	73,774	77,730
Workplace accident	39,106	41,752
Former employee of quasi-governmental entity	18,033	22,664
Working hours	102,026	106,599
Additional pay for exhausting work	29,329	27,773
Bonus	15,834	15,954
FGTS	14,240	15,747
Implementation of the position, career and salary plan	14,804	16,219
Additional pay for hazardous work	19,721	22,109
Pain and suffering	16,535	17,981
Role creep	7,953	7,676
Voluntary termination	4,636	5,361
Occupational disease	3,672	3,783
Civil service entrance examination	1,810	3,043
Job reinstatement	1,360	1,977
Emergency Service Plan ("PAE") exemptions	226,637	220,511
Other	278,829	263,740
Total	2,680,259	2,770,168

Significant proceedings whose likelihood of loss is considered probable include:

- (a) The main proceedings refer to indirect subsidiaries CEEE-D and Equatorial Goiás filed by former employees, whose claims range from overtime, joint liability, hazardous duty pay, equal pay and/or pay adjustment, among other issues, as well as lawsuits filed by former employees of outsourced companies (subsidiary liability), claiming mostly severance pay.

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In addition to the proceedings covered by provisions, there are other labor contingencies whose likelihood of loss was assessed as possible by management, based on the assessment of the Legal Departments of the Company's subsidiaries, supported by the updates provided by their external legal advisors, in the amount of R\$1,151,300 (R\$1,070,571 as at December 31, 2023) for which no provisions were recognized.

Labor contingencies (possible likelihood of loss)	2024	2023
Pay disparity (a)	454,314	564,721
Subsidiary liability	192,368	113,512
Overtime	50,434	88,101
Severance program	38,197	37,096
Notice	37,971	36,675
Bonus	27,671	26,890
Workplace accident	26,116	26,696
Joint liability	10,286	8,566
Pain and suffering	10,582	5,913
Other	303,361	162,401
Total	1,151,300	1,070,571

Significant proceedings whose likelihood of loss is considered possible include:

- (a) The main proceeding involves the indirect subsidiary Equatorial Goiás that claims deviation from the electricians' agreed role to the role of electrotechnician for 513 terminated employees.

d) Regulatory

As at December 31, 2024, the Company's subsidiaries are defendants in 322 regulatory proceedings (480 proceedings as at December 31, 2023) that amount to probable regulatory applicable penalties of R\$41,851 (R\$320,371 as at December 31, 2023), mainly relating to notices of inspection and notices of deficiency issued by ANEEL, as well as system boundary measurement penalty in CCEE.

Regulatory contingencies (probable likelihood of loss)	2024	2023
Impact of pay disparity	15,600	21,017
Fine on computation of Equivalent Length of Outage per Customer (DEC) and Equivalent Frequency of Outage per Customer (FEC)	9,247	71,045
Purchase and sale of electricity	8,653	17,985
Service failure	3,806	51,626
Technical inspection	-	58,211
Deficiency notice	-	50,164
Other	4,545	50,323
Total	41,851	320,371

As at December 31, 2024, the Company's subsidiaries are parties to regulatory proceedings, whose likelihood of loss was assessed as possible by management, in the amount of R\$11 (R\$32 as at December 31, 2023), based on the assessment of the legal department, for which no provisions were recognized.

Regulatory contingencies (possible likelihood of loss)	2024	2023
Energy Development Account (CDE)	11	32

e) Environmental

As of December 31, 2024, the Company subsidiaries are defendants in 104 environmental proceedings (110 as of December 31, 2023). The amount of R\$36,944 (R\$33,354 as of December 31, 2023) corresponds to a Public Civil Action filed by the State Public Prosecutor's Office requiring that CEEE-D carry out environmental decontamination of the properties known as Horto Florestal Renner and Fábrica de Postes Barreto, both located in the municipality of Triunfo-RS.

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As at December 31, 2024, the Company's subsidiaries are not parties to environmental proceedings for which the likelihood of loss is assessed as possible by management (R\$930 as at December 31, 2023).

25 PIS/COFINS to be refunded to consumers

In March 2017, the Federal Supreme Court of Brazil (STF) published favorable final decisions on the appeal filed, under general repercussion, for subsidiaries Equatorial Maranhão in October 2018, Equatorial Pará in February 2018, Equatorial Piauí in October 2018, Equatorial Alagoas and CEA in July 2019, and CEEE-D and Equatorial Goiás in March 2021. In May 2021, the STF judged the motion for clarification in relation to the decision handed down on appeal to the Supreme Court No. 574.705/PR, partially granting the following: (i) limit the effects of exclusion of ICMS from the PIS and COFINS tax bases, which should take place after March 15, 2017, except for lawsuits and administrative requests filed by (including) March 15, 2017; and (ii) the ICMS to be excluded from the PIS and COFINS tax bases is the one disclosed in the invoices, and not the amount effectively paid.

As of 2018, the Company's direct and indirect distribution subsidiaries recorded balance receivable referring to PIS/COFINS to be recovered, and balance payable related to refund to consumers, as well as deductions from gross revenue, referring to PIS/COFINS and finance income, on which PIS/COFINS was also levied. Accordingly, the Company's direct and indirect subsidiaries' assets have credits with the Brazilian IRS since the lawsuit was lodged. The liabilities were recorded considering that the subsidiaries fully transfer to consumers the impacts of taxes levied on electricity bills.

The balances receivable are being offset via E-Requests for Federal Tax Recovery, Refund or Offset (PERDCOMP) and, as of 2021, the balances payable are amortized via CVA, in compliance with Technical Note No. 9/2021 – FF/SGT/SRM/SMA/ANEEL, according to the changes presented in Note 8 – Receivables (payables) relating to A Component and other financial items. The amounts, which must be amortized, are determined upon approval of the tariff adjustment and review processes, which occur each cycle (refer to Note 4.1.3 – Annual Tariff Adjustment (RTA) and Periodic Tariff Review (RTP), and these balances are classified and the changes take place in current liabilities.

In the period ended December 31, 2024, the following changes were made:

- Equatorial Maranhão recognized additional assets of R\$41,369;
- Equatorial Pará recognized additional assets of R\$99,907;
- Equatorial Piauí recorded additional assets of R\$496 and amortization of liabilities via CVA of R\$49,296;
- Equatorial Alagoas recorded additional liabilities of R\$1,655, with effect on P&L of R\$159, and additional assets of R\$1,734, arising from credit review. Furthermore, amortization of liabilities via CVA was recognized in the amount of R\$25;
- CEEE-D supplemented this entry, referring to adjustment of the SELIC rate, and recorded: (i) additional assets and liabilities in the amount of R\$37,968; (ii) additional liabilities in the amount of R\$32,948; (iii) offset of tax debts of R\$152,667 related to federal taxes, PIS, COFINS, and federal withholding taxes through PER/DCOMP; (iv) reimbursement for overcharges to consumers via tariff adjustment of R\$70,930; and (v) amortization of the liability related to reimbursement to consumers of R\$349,220;

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- CEA had the credits authorized by the IRS, and the balance classified in current assets in the amount of R\$6 was realized through the offset of federal taxes. Furthermore, amortization of liabilities via CVA was recognized in the amount of R\$3,226; and
- Equatorial Goiás supplemented this entry, referring to adjustment of the SELIC rate, and recorded: (i) additional assets and liabilities amounting to R\$204,835; (ii) offset of tax debits amounting to R\$549,924 against income and social contribution taxes, PIS, COFINS and federal withholding taxes through PER/DCOMP; and (iii) amortization of liabilities relating to reimbursement to consumers amounting to R\$775,883.

At December 31, 2024 and 2023, the balances are as follows:

	2024						
	Equatorial Maranhão	Equatorial Pará	Equatorial Piauí	Equatorial Alagoas	CEEE-D	Equatorial Goiás	Total
Assets (a)							
Current (Note 9)	41,369	99,907	496	27,909	189,207	602,118	961,006
Noncurrent (Note 9)	-	-	-	-	248,037	1,542,600	1,790,637
PIS and COFINS recoverable	41,369	99,907	496	27,909	437,244	2,144,718	2,751,643
Liabilities							
Current		9,654				204,611	214,265
Noncurrent	-	-	-	156,802	230,478	1,537,807	1,925,087
PIS/COFINS to be refunded to consumers	-	9,654	-	156,802	230,478	1,742,418	2,139,352
		</					

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(a) Expected realization of PIS and COFINS recoverable

	2024	
	Amount	%
Current	961,006	35%
2026	791,325	29%
2027	660,948	24%
2028	338,364	12%
Noncurrent	1,790,637	65%
Total	2,751,643	100%

Additionally, in the year ended December 31, 2024, the subsidiaries carried out a financial adjustment referring to the SELIC rate, in the amount of R\$249,031 (R\$40,732 at December 31, 2023), subject to PIS/COFINS in the amount of R\$11,580 (R\$1,882 at December 31, 2023), as follows:

	2024			2023		
	CEEE-D	Equatorial Goiás	Total	CEEE-D	Equatorial Goiás	Total
Finance income (costs)						
PIS/COFINS on finance income	37,968	211,063	249,031	4,617	35,855	40,472
(-) PIS/COFINS on finance income	(1,766)	(9,814)	(11,580)	(215)	(1,667)	(1,882)
Net effect on profit or loss before income and social contribution taxes	36,202	201,249	237,451	4,402	34,188	38,590

26 Equity

26.1 Capital social

As at December 31, 2024, capital amounts to R\$12,466,882 (R\$9,308,724 as at December 31, 2023), the authorized capital is 1,500,000,000 book-entry, registered common shares without par value, and the key shareholders are as follows:

Shareholders	Common shares	%
Opportunity	126,397,320	10.1%
GIC	58,445,504	4.7%
Squadra Investimentos	57,650,288	4.6%
Canada Pension Plan	57,556,847	4.6%
BlackRock	57,299,125	4.6%
Other noncontrolling shareholders	891,909,633	71.4%
	1,249,258,717	100%

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The capital increase for the year ended December 31, 2024 was R\$3,158,158, as described below:

- On March 1, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$387 was approved through the issue of 16,650 new book-entry, registered common shares without par value, fully subscribed by the participants of the Fifth Stock Option Plan of the Company.
- On May 31, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$73,864 was approved through the issue of 4,067,396 new book-entry, registered common shares without par value, fully subscribed by the participants of the Fifth Stock Option Plan of the Company.
- On July 18, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$516,198 was validated, through the private subscription of 17,498,261 new book-entry, registered common shares without par value, approved at the Board of Directors' meeting held on April 25, 2024;
- On August 29, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$45,437 was approved through the issue of 2,461,717 new book-entry, registered common shares without par value, fully subscribed by the participants of the Fifth Stock Option Plan of the Company.
- On October 15, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$2,500,000 was validated, through the private subscription of 76,923,077 new book-entry, registered common shares without par value, fully subscribed by the participants of the Fifth Stock Option Plan of the Company, approved at the Board of Directors' Meeting held on August 14, 2024.
- On November 29, 2024, according to the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$22,272 was approved, through the issue of 1,183,419 new book-entry, registered common shares without par value, fully subscribed by the participants of the Fifth Stock Option Plan of the Company.

26.2 Capital reserves

This reserve comprises the options granted recognized through the Brazilian Securities and Exchange Commission (CVM) Resolution No. 562, of December 17, 2008, which approved CPC 10 (R1)/IFRS 2 - Share-based Payment, as well as through the change in the parent company's relative interest in a subsidiary that does not result in loss of control, as determined by CPC 36 - Consolidated Financial Statements. As at December 31, 2024, the balance of this reserve was R\$2,124,228 (R\$2,095,380 as at December 31, 2023).

26.3 Income reserves

	2024	2023
Legal reserve (26.3.1)	313,061	172,477
Investment and expansion reserve (26.3.2)	10,302,561	8,299,801
Unrealized income reserve (26.3.3)	1,009,810	1,328,964
Additional dividends reserve	558	8,885
Total income reserves	11,625,990	9,810,127

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26.3.1 Legal reserve

Recognized at 5% of net income before the equity interest and reversal of interest on equity, as determined by the corporation law and limited to 20% of capital. As at December 31, 2024, the balance of this reserve was R\$313,061 (R\$172,477 as at December 31, 2023).

The amount of the tax benefit for the year must be fully allocated to the tax incentive reserve, under penalty of being considered an allocation other than the one provided for in Decree Law No. 1598/77, as amended by Law No. 12973/13 (which revoked articles of Law No. 11941/09). Accordingly, this amount reduces the legal reserve calculation base.

26.3.2 Investment and expansion reserve

The purpose of this statutory reserve, provided for in article 27, paragraph 2, items IV and V of the Articles of Incorporation, which is based on article 194 of the Corporation Law, is to record the portion of net income for the year earmarked for the Company's investments and expansion, such as acquisition of equity interest in other companies, consortia and enterprises operating in the electricity, sanitation and renewable energy industries. As at December 31, 2024, the balance of this reserve was R\$10,302,561 (R\$8,299,801 as at December 31, 2023).

26.3.3 Unrealized income reserve

This reserve is recognized through the allocation of a portion of income for the year deriving, for example, from the first-time adoption of CPC 47/IFRS 15 – Revenue from Contracts with Customers. The purpose of this reserve it is to not distribute dividends on the portion of income not yet financially realized by the Company. As at December 31, 2024, the balance of this reserve was R\$1,009,810 (R\$1,328,964 as at December 31, 2023).

The share of profit absorbed on unrealized profit or loss of subsidiaries will be realized to the extent realized by the subsidiaries and as the dividends are distributed to the parent company. The subsidiaries' mandatory minimum dividends range from 1% to 25% of net income for the year. As explained above, the realization of revenues arising from the application of CPC 47/IFRS 15 - Revenue from Contracts with Customers at the transmission companies (subsidiaries) vary according to the concession term and may reach 35 years.

The unrealized income reserves comprise dividends that will be distributed to the Company's shareholders when realized and will be added to the mandatory minimum dividends for the year, as provided for by the Brazilian Corporation Law (6404/76).

26.4 Equity adjustment

As at December 31, 2024, equity adjustments amounted to R\$45,066 (R\$120,988 at December 31, 2023) and comprised mainly the impacts of post-employment benefits and derivative financial instruments.

The amounts recorded under equity adjustments will be reclassified to profit or loss for the year in total or in part, upon disposal of the assets/liabilities to which such adjustments refer.

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26.5 Treasury shares

Treasury shares comprise the cost of Company shares held by the Company. On May 15, 2024, the Company approved a Share Buyback Program primarily to meet the Long-term Incentive Plan (Share Matching Plan). The operation was approved and limited to 5.0% of the total free float. For reference purposes, at the time, common shares issued by the Company, with maximum duration of 18 months from May 15, 2024 to November 14, 2025, totaled 57,021,094. As at December 31, 2024, the Company held common treasury shares in the amount of R\$58,348 (R\$0 as at December 31, 2023).

	Thousands of shares	R\$
At January 1, 2024	-	-
Buyback of own shares	2,445	72,565
Treasury shares sold	(483)	(15,026)
Gains (losses) on disposal of shares	-	809
At December 31, 2024	1,962	58,348

26.6 Earnings per share

As required by CPC 41 and IAS 33 (Earnings per Share), the table below reconciles net income for the year with the amounts used to calculate basic and diluted earnings per share.

	2024	2023
Numerator		
Net income for the year	2,811,675	2,075,593
Denominator		
1. Weighted average number of shares in the calculation of basic EPS	1,247,297	1,147,108
2. Weighted average number of shares in the calculation of diluted EPS	1,247,297	1,155,965
Basic earnings per thousand shares for the year - R\$	2.25421	1.80941
Diluted earnings per thousand shares for the year - R\$	2.25421	1.79555
	2024	2023
(i) Dilution factor		
3. Number of shares - Stock Options (5 th Plan)	4,887	21,625
4. Dilution (a)	-	8,857
Weighted average number of shares in the calculation of diluted EPS	1,247,297	1,155,965

(a) The effect in 2024 was of antidilution and, as such, were not considered in the calculation.

26.7 Stock option plans

The Company has implemented Stock Option Plans for employees of Equatorial Group (the “Group”) that represent the right to buy shares issued by the Company, which recognizes the transaction with a corresponding increase in capital and the issue of new shares to reflect the exercise of stock options granted to the beneficiaries.

According to item 8 of CPC 10 (R1), goods or services received or acquired in a share-based payment transaction that do not qualify for recognition as assets must be recognized as expenses for the year.

The plans are managed by the Company’s Board of Directors, through the People, Governance and Sustainability Committee, within the limits established in the Guidelines for the Preparation and Structuring of each Plan and in the applicable legislation, and are composed as follows:

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26.7.1 Fifth stock option plan

The beneficiaries of the Plan may exercise their Options within up to six (6) years from the date the Options were granted. The options become exercisable over four (4) years i.e., 25% each year.

Information on the options granted in the year ended December 31, 2024 is shown below:

2nd Grant (Consolidated)	
Vesting Date	Exercisable options
12/14/2024	80,800
3rd Grant (Consolidated)	
Vesting Date	Exercisable options
08/05/2025	668,200
4th Grant (Consolidated)	
Vesting Date	Exercisable options
04/02/2026	325,250
04/02/2027	325,250
	650,500
5th Grant (Consolidated)	
Vesting Date	Exercisable options
07/26/2025	47,500
07/26/2026	47,500
	95,000
6th Grant (Consolidated)	
Vesting Date	Exercisable options
04/02/2025	331,667
04/02/2026	331,667
04/02/2027	331,667
	995,000
7th Grant (Consolidated)	
Vesting Date	Exercisable options
08/02/2024	125,000
08/02/2024	125,000
08/02/2024	125,000
	375,000
8th Grant (Consolidated)	
Vesting Date	Exercisable options
11/08/2024	505,667
11/08/2025	505,667
11/08/2026	505,667
11/08/2027	505,667
	2,022,668

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The information used in assessing the fair values on the grant date of the Plan is as follows:

2nd Grant	2024
Fair value on grant date	6.83
Grant date: 14/12/2020	
Number of shares granted	205,000
Share price on grant date	22.50
Weighted fair value in vesting period	20.71
Expected volatility (weighted average)	29.05%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	6.01%
3rd Grant	2024
Fair value on grant date	9.34
Grant date: 08/14/2021	
Number of shares granted	1,303,200
Share price on grant date	24.23
Weighted fair value in vesting period	24.78
Expected volatility (weighted average)	30.30%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	10.36%
4th Grant	2024
Fair value on grant date	11.71
Grant date: 03/11/2022	
Number of shares granted	931,800
Share price on grant date	25.34
Weighted fair value in vesting period	23.59
Expected volatility (weighted average)	30.89%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	12.26%
5th Grant	2024
Fair value on grant date	10.33
Grant date: 07/26/2022	
Number of shares granted	265,000
Share price on grant date	23.48
Weighted fair value in vesting period	23.58
Expected volatility (weighted average)	30.58%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	13.11%
6th Grant	2024
Fair value on grant date	12.15
Grant date: 04/03/2023	
Number of shares granted	1,050,000
Share price on grant date	26.88
Weighted fair value in vesting period	26.38
Expected volatility (weighted average)	31.53%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	12.16%

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7th Grant	2024
Fair value on grant date	15.24
Grant date: 08/02/2023	
Number of shares granted	425,000
Share price on grant date	33.05
Weighted fair value in vesting period	30.79
Expected volatility (weighted average)	31.34%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	11.25%
8th Grant	2024
Fair value on grant date	5.38
Grant date: 11/09/2023	
Number of shares granted	2,022,668
Share price on grant date	33.35
Weighted fair value in vesting period	32.15
Expected volatility (weighted average)	30.02%
Option's lifetime (expected weighted average lifetime in years)	4.25
Risk-free interest rate (average based on government securities)	4.53%

a. Expected volatility calculation

For calculating volatility, the shares' historical volatility for each lot's average exercise period was used.

Company and its subsidiaries:

	Number of options	Weighted average of the exercise price	Number of options	Weighted average of the exercise price
	2024	2024	2023	2023
In options				
Existing at January 1	21,625,168	-	18,127,500	-
Granted in the period/year	-	-	3,497,668	-
Closed in the period/year	(16,738,000)	-	-	-
Existing at period/year end – 1 st Grant	-	-	15,392,500	18.62
Existing at period/year end – 2 nd Grant	80,800	19.55	235,000	19.83
Existing at period/year end – 3 rd Grant	668,200	23.63	1,303,200	23.89
Existing at period/year end – 4 th Grant	650,500	23.00	931,800	23.28
Existing at period/year end – 5 th Grant	95,000	22.98	265,000	23.27
Existing at period/year end – 6 th Grant	995,000	26.04	1,050,000	26.38
Existing at period/year end – 7 th Grant	375,000	30.45	425,000	30.79
Existing at period/year end – 8 th Grant	2,022,668	32.15	2,022,668	32.15
Existing at period/year end	4,887,168	-	21,625,168	-

The expenditure recognized in the Company and its subsidiaries, matched against equity, in the year ended December 31, 2024 was R\$23,317 (R\$15,296 at December 31, 2023) and refers to the fair value recognized during the vesting period, which is measured at each reporting date.

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26.7.2 Phantom share plan – 2019 Contract

On December 12, 2019, the Group created a cash-settled share-based payment program (the “Program”). The Program is aimed at: (a) aligning the interests of Company shareholders to the interests of the Program beneficiaries; (b) retaining the beneficiaries; and (c) focusing on the Company’s long-term valuation and growth potential.

The Program grants the beneficiaries selected by the Company’s Board of Directors the right to phantom shares, through cumulative compliance with the following conditions: (i) 50% (fifty per cent) of the phantom shares granted, the beneficiary must remain continuously employed as an employee, officer or director of the Group during the vesting period, which ends on May 1, 2025; (ii) 50% (fifty per cent) of the phantom shares granted, the beneficiary must remain continuously employed as an employee, officer or director of the Company or entity under the Company’s control during the vesting period, which ends on May 1, 2026; and (iii) compliance with the Company’s performance goals.

The funds to be delivered by the Company and its subsidiaries to the Program participants will come from the Companies’ and its subsidiaries’ cash.

a. Data and assumptions used in the pricing model, including shares’ weighted average price, strike price, expected volatility, option’s lifetime, expected dividends and risk-free interest rate

The strike price of the phantom shares granted under the terms of the Plan will be determined by the Plan’s Management Committee, based on the average quotation of Equatorial S.A. shares on B3, weighted by the trade volume in the 60 trading sessions prior to each vesting period, i.e., immediately prior to May 1, 2025 and May 1, 2026.

b. Program expense calculation

Share price was calculated based on the price of 60 trading sessions prior to the end of the year ended December 31, 2024, weighted by traded volume.

Based on the calculation of the performance metrics defined, the Company and its subsidiaries Equatorial Maranhão, Equatorial Pará, Equatorial Alagoas and Equatorial Serviços were entitled to referred to program. The number of shares for Equatorial S.A., in case the performance metrics are achieved, is as follows:

Company and its subsidiaries

	Number of shares	Weighted fair value of price in the year	Number of shares	Weighted fair value of price in the year
	2024	2024	2023	2023
In shares				
Existing at January 1	2,242,000	33.35	2,082,500	24.77
Granted in the year	-	-	650,000	-
Grants canceled in the year	(50,000)	-	(490,000)	-
Existing at year end	2,192,000	31.15	2,242,000	33.35

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For the "Phantom shares" plan in the Company and its subsidiaries, regarding the year ended December 31, 2024, an expense of R\$1,699 was recognized, matched against Other accounts payable (R\$37,208 at December 31, 2023), referring to the fair value recognized during the vesting period, which is assessed at each reporting date.

The numbers above may vary depending on *performance* and be multiplied by a percentage between 90 and 110%.

In the year ended December 31, 2024, 50.000 granted shares existing at December 31, 2023 were canceled.

It should be noted that this plan is classified as a cash-settled financial liability. The phantom share plan is linked to the effective percentage of the number of shares that the beneficiaries will be entitled to receive under the plan, which depends on the IRR (Internal Rate of Return) obtained in the project to which its performance goals are linked.

26.7.3 Phantom share plan – 2023 Contract

On December 9, 2023, the Group created a cash-settled share-based payment program (the "Program"). The Program is aimed at: (a) aligning the interests of Company shareholders to the interests of the Program beneficiaries; (b) retaining the beneficiaries; and (c) focusing on the Company's long-term valuation and growth potential.

The Program grants the beneficiaries selected by the Board of Directors of Equatorial S.A. and its subsidiaries the right to phantom shares, through cumulative compliance with the following conditions: (i) 25% (twenty-five percent) will be paid within 30 (thirty) days from the end date of the 1st Vesting Period; (ii) 25% (twenty-five percent) will be paid within 30 (thirty) days from the end date of the 2nd Vesting Period, provided that the Beneficiary meets the Service Condition in the 2nd Vesting Period; (iii) 25% (twenty-five percent) will be paid within 30 (thirty) days from the end date of the 3rd Vesting Period, provided that the Beneficiary meets the Service Condition in the 3rd Vesting Period; and (iv) 25% (twenty-five percent) will be paid within 30 (thirty) days from the end date of the 4th Vesting Period, provided that the Beneficiary meets the Service Condition in the 4th Vesting Period. The Company must calculate the additional amount to which the Beneficiary is entitled at the end of each Vesting Period, corresponding to the value of the Accumulated Earnings up to that point in relation to the number of Vested Phantom Shares to which the Beneficiary is entitled, after verifying the Performance Goals against the Target Quantity, as stated above.

a. Data and assumptions used in the pricing model, including shares' weighted average price, strike price, expected volatility, option's lifetime, expected dividends and risk-free interest rate

The strike price of the phantom shares granted under the terms of the Plan will be determined by the Plan's Management Committee, based on the average quotation of Equatorial S.A. shares on B3, weighted by the trade volume in the 60 trading sessions prior to each vesting period, i.e., immediately prior to: (i) until the 1st (first) anniversary of the Grant Date ("1st Vesting Period"); (ii) until the 2nd (second) anniversary of the Grant Date ("2nd Vesting Period"); (iii) until the 3rd (third) anniversary of the Grant Date ("3rd Vesting Period"); and (iv) until the 4th (fourth) anniversary of the Grant Date ("4th Vesting Period").

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Program expense calculation

Share price was calculated based on the price of 60 trading sessions prior to the end of the year ended December 31, 2024, weighted by traded volume.

Based on the partial calculation of the *performance* metrics defined, the Company was entitled to referred to program. The number of shares for Equatorial S.A., in case the performance metrics were achieved, would be as follows:

	Number of shares	Weighted fair value of price in the year	Number of shares	Weighted fair value of price in the year
	2024	2024	2023	2023
In shares				
Existing at January 1	1,688,363	33.28	-	-
Granted in the year	-	-	1,688,363	-
Grants canceled in the year	(36,240)	-	-	-
Existing at year end	1,652,123	32.19	1,688,363	33.28

For the "Phantom shares" plan in the Company and its subsidiaries, regarding the year ended December 31, 2024, an expense of R\$605 was recognized, matched against Other accounts payable (R\$14,646 at December 31, 2023), referring to the fair value recognized during the vesting period, which is assessed at each reporting date.

It should be noted that this option plan is classified as a cash-settled financial liability.

The numbers above may vary based on performance and be multiplied by a percentage between 0% (zero percent) and 150% (one hundred and fifty percent) of the Target Number.

26.7.4 Matching share plan

At the Annual and Special General Meeting held on April 30, 2024, the creation of a new long-term incentive plan for the Company, in the form of a Matching share plan ("Plan"), was approved. On May 15, 2024, the Board of Directors approved the 1st Matching share program ("1st Matching share program"). The purpose of the 1st Matching share program is for selected participants to invest their own resources in the acquisition and maintenance of company shares for a minimum vesting period of 4 (four) years, as established in the program. By investing in the acquisition of company shares and assuming the risk of remaining invested in the Company during the vesting period, the aim of granting Matching Shares is to align the long-term interests of the participants with those of the Company's shareholders, thereby encouraging decision-making that seeks sustainable value generation.

The criteria for determining the number of Matching Shares to which participants will be entitled are as follows: (i) if the participant invests up to fifty percent (50%) of their resources for acquisition of shares, half (0.5) of a share will be granted for every share acquired, or (ii) if the participant invests more than fifty percent (50%) of their resources for acquisition of shares, one (1) new share will be granted for each share acquired.

The right to receive the Matching Shares will depend on the full and uninterrupted ownership of the Company Shares by the Participants ("Investment Condition"), and that they remain continuously employed as an employee, officer or director of the Company and/or its controlled entities ("Service Condition"), during the vesting period.

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The Matching Shares will be delivered to the participants in four equal tranches, with 25% on each anniversary of the grant date, and within up to 60 (sixty) days from each of the vesting period dates.

Furthermore, on May 15, 2024, the Company's Board of Directors approved a Share Buyback Program, with a term until November 14, 2025, with the primary objective of supporting the Matching shares plan or for holding in treasury for subsequent disposal.

Information on Options granted are as follows:

1st Grant (Parent Company)	
Vesting Date	Exercisable options
05/15/2025	43,074
05/15/2026	43,074
05/15/2027	43,074
05/15/2028	43,074
	172,296
1st Grant (Consolidated)	
Vesting Date	Exercisable options
05/15/2025	120,172
05/15/2026	120,172
05/15/2027	120,172
05/15/2028	120,172
	480,688

The information used in assessing the fair values on the grant date of the Program is as follows:

1st Grant (Parent Company)	
	2024
Fair value on grant date	31.12
Grant date: 05/15/2024	
Number of shares granted	172,296
Weighted fair value in vesting period	31.12
1st Grant (Consolidated)	
	2024
Fair value on grant date	31.12
Grant date: 05/15/2024	
Number of shares granted	482,849
Weighted fair value in vesting period	31.12

The expenditure recognized in the Company and its subsidiaries, matched against equity, in the year ended December 31, 2024 was R\$4,721 (R\$0 at December 31, 2023) and refers to the fair value recognized during the period, which is measured at each reporting date.

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27 Net operating revenue (Consolidated)

The reconciliation of gross revenue and net operating revenue is as follows:

	2024	2023
Distribution		
Distribution revenue (a)	38,390,745	34,643,658
Finance income WACC	1,555,013	1,138,093
Amounts receivable/refundable relating to A Component and other financial items (b)	1,433,564	1,207,206
Grant CDE – other	2,197,639	1,498,760
Subtotal - Electricity services	43,576,961	38,487,717
Electricity supply	653,661	511,046
Revenue from availability – use of grid (c)	2,905,118	2,505,930
Construction revenue	8,377,887	7,991,313
Financial asset adjustment	603,328	618,930
Other revenues	1,277,602	1,454,625
Subtotal	13,817,596	13,081,844
Subtotal - Distribution	57,394,557	51,569,561
Sanitation		
Water and sewage services	95,871	84,149
Construction revenue	155,580	73,035
Other revenues	6,646	2,623
Subtotal - Sanitation	258,097	159,807
Transmission		
Revenue from construction and infrastructure improvement (d)	8,806	97,878
Operation and maintenance revenue	116,506	138,513
Other revenues	879	3,478
Subtotal	126,191	239,869
Remuneration of concession assets (j)	1,450,842	1,622,211
Deferred PIS/COFINS (f) (g)	179,556	(97,610)
Subtotal - Transmission	1,756,589	1,764,470
Generation		
Revenue from sale of power (h)	1,239,423	1,067,589
Other revenues	18,845	396
Subtotal - Generation	1,258,268	1,067,985
Other		
Sales revenue (i)	733,937	221,111
Other revenues	104,106	82,673
Subtotal - other	838,043	303,784
Gross operating revenue	61,505,554	54,865,607
Deductions from revenue		
ICMS on sale of electricity (e)	(7,790,990)	(6,355,412)
PIS and COFINS	(3,939,934)	(3,450,413)
Deferred PIS and COFINS – Transmission companies	590	(9,030)
Consumer charges	(387,272)	(365,158)
Service Tax (ISS)	(14,926)	(13,806)
Energy Development Account (CDE)	(3,678,719)	(3,441,127)
Penalties due to electricity supply interruption (DIC/FIC) and other	(315,707)	(250,194)
Other	(11,921)	4,610
Deductions from operating revenue	(16,138,879)	(13,880,530)
Net operating revenue	45,366,675	40,985,077

- (a) The variation is mainly due to the increase in the number of consumers and, consequently, in the distribution of energy injected in the year, and the tariff increases that occurred;

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- (b) The variation in regulatory assets and liabilities is mainly due to: (i) decrease in the recognition of tariff of funds received as transfer from the Covid Account in relation to the prior year; (ii) forecast of energy costs and charges granted by ANEEL in the adjustment lower than the costs effectively paid, generating revenue from the set-up of A Component, different from the prior year; (iii) variation in amortized financial items of indirect subsidiaries Equatorial Alagoas, Equatorial Goiás, and CEA, whose amortization balance in the prior year generated higher revenue when compared to the current year; (iv) variation between revenue from exceeding demand and excess reactive power belonging to the distribution companies; and (v) variation of the effect of the CVA of the Tariff Flag billed resulting from the flags that occurred from July/24, which did not take place in 2023;
- (c) The electric power distributors recognize revenue based on the availability of the electricity distribution grid infrastructure, which is calculated according to the distribution system use tariff (TUSD) defined by ANEEL, based on the Ruling No. 1000/2021 and specific legislation, in a manner that consumers may migrate to the free environment, provided that the defined requirements are met. In this regard, the difference is mainly due to: i) expense with the CCEE settlement (System service charge) in 2024, which was higher than in 2023, generating higher revenue in CVA; ii) amortization of the sector-related financial liability of the Covid Account resources regulated by Ruling No. 885/2020; and iii) consolidation of the balance of the distribution company Equatorial Goiás in December 2022. The combination of these events was responsible for the difference in amounts receivable/refundable of A Component and other financial items;
- (d) See explanation of construction cost in Note 28 – Service costs and operating expenses;
- (e) Variation related to the reinstatement of ICMS rates in the states of Maranhão, Pará, Piauí and Alagoas, through State Laws No. 11867/2022, No. 9755/2022, No. 269/2022, No. 8779/2022, No. 9755/2022, which had been reduced in June 2022 through State Law No. 11792/2022. The reinstated rates were applied from March 2023;
- (f) (h) Total deferred PIS and COFINS on revenue, for the purposes of ICPC 01, is R\$179,556 for the period ended December 31, 2024 (R\$97,610 as of December 31, 2023);
- (g) The variation refers to reassessment of deferred PIS and COFINS amortization estimates, the effect of which resulted in an impact of R\$236,870 in 2024;
- (h) The variation is related to the solar parks that began operating in 2024. Until 2023, only the trading company sold energy. In 2024, in addition to the trading company, the Ribeiro and Barreiras Cluster began operating;
- (i) The variation results from the increase in trading transactions of the indirect subsidiary Equatorial Renováveis, and also to the impact related to deliveries to retail customers; and
- (j) The variation is primarily related to the disposal of SPE 7, according to Note 1.3 Disposal of subsidiary. The results of remuneration of the concession assets of SPE 7 were consolidated until November 30, 2024.

27.1 Margin of performance obligations (Consolidated)

	2024			2023		
	SPEs (a)	INTESA (b)	Total	SPEs	INTESA	Total
Infrastructure construction and improvement						
Revenue (net of deferred PIS and COFINS)	7,252	-	7,252	88,825	-	88,825
Cost	(5,415)	-	(5,415)	(65,097)	-	(65,097)
Margin (R\$)	1,837	-	1,837	23,728	-	23,728
Perceived margin (%) (*)	25.33%	-	-	26.71%	-	-
Budgeted margin at contract inception (%)	34.01%	-	-	34.01%	45.91%	-
Operation and maintenance						
Net	99,439	7,999	107,438	133,629	4,884	138,513
Cost	(68,453)	(9,702)	(78,155)	(82,828)	(11,352)	(94,180)
Margin (R\$)	30,986	(1,703)	29,283	50,801	(6,468)	44,333
Perceived margin (%) (**)	31.16%	(21.29%)	-	38.02%	(132.44%)	-
Budgeted margin at contract inception (%)	29.50%	-	-	35.24%	45.91%	-

(a) This also comprises the balance from January to November 2024 of SPE 07, as explained in Note 1.3 Disposal of subsidiary; and

(b) Balance of INTESA from January to March 2024.

(*) The perceived margin of the revenue from implementation and improvement of infrastructure considers the effect of costs effectively incurred, increased by the variation in the construction margin calculated for the project, identified throughout the construction.

(**) The perceived margin of operation and maintenance revenue considers the effect of costs effectively incurred, increased by the variation in the operation margin calculated for the project, identified throughout the operation.

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28 Service costs and operating expenses (Consolidated)

	2024						Total
	Service costs - electric power	O&M costs	Total costs	Selling expenses	General and administrative expenses	Allowance for expected credit losses	
Personnel	(474,553)	(23,558)	(498,111)	(211,301)	(534,854)	-	(1,244,266)
Materials	(136,606)	(647)	(137,253)	(64,320)	(23,167)	-	(224,740)
Third-party services	(1,199,237)	(44,084)	(1,243,321)	(945,374)	(665,878)	-	(2,854,573)
Electricity purchased for resale (a)	(19,563,903)	-	(19,563,903)	-	-	-	(19,563,903)
Construction cost – Distribution (b)	(8,377,887)	-	(8,377,887)	-	-	-	(8,377,887)
Construction cost – Transmission (c)	(5,415)	-	(5,415)	-	-	-	(5,415)
Construction cost – Sanitation	(155,580)	-	(155,580)	-	-	-	(155,580)
Allowance for expected credit losses – Note 7.2	-	-	-	-	-	(594,680)	(594,680)
Provision for impairment - FUNAC	-	-	-	-	(39,231)	(51,138)	(90,369)
Provision for contingencies	-	-	-	-	(4,482)	-	(4,482)
Depreciation/amortization	(1,918,628)	-	(1,918,628)	-	(838,562)	-	(2,757,190)
Grant CCC	(75,627)	-	(75,627)	-	-	-	(75,627)
Other	(333,824)	(164)	(333,988)	(37,110)	(68,379)	15,296	(424,181)
Total	(32,241,260)	(68,453)	(32,309,713)	(1,258,105)	(2,174,553)	(630,522)	(36,372,893)

	2023						Total
	Service costs - electric power	O&M costs	Total costs	Selling expenses	General and administrative expenses	Allowance for expected credit losses	
Personnel	(347,881)	(22,813)	(370,694)	(206,147)	(709,100)	-	(1,285,941)
Materials	(115,586)	(2,850)	(118,436)	(42,687)	(22,113)	-	(183,236)
Third-party services	(1,219,761)	(65,621)	(1,285,382)	(688,232)	(619,357)	-	(2,592,971)
Electricity purchased for resale (a)	(17,012,953)	-	(17,012,953)	-	-	-	(17,012,953)
Construction cost – Distribution (b)	(7,991,313)	-	(7,991,313)	-	-	-	(7,991,313)
Construction cost – Transmission (c)	(65,097)	-	(65,097)	-	-	-	(65,097)
Construction cost – Sanitation	(73,035)	-	(73,035)	-	-	-	(73,035)
Allowance for expected credit losses – Note 7.2	-	-	-	-	-	(705,747)	(705,747)
Provision for impairment - FUNAC	-	-	-	-	(223,626)	72,783	(150,843)
Provision for contingencies	-	-	-	-	(42,091)	-	(42,091)
Depreciation/amortization	(1,677,607)	-	(1,677,607)	-	(769,200)	-	(2,446,807)
Grant CCC	(3,336)	-	(3,336)	-	-	-	(3,336)
Other	(244,222)	(470)	(244,692)	(45,283)	106,642	(9,558)	(192,891)
Total	(28,750,791)	(91,754)	(28,842,545)	(982,349)	(2,278,845)	(642,522)	(32,746,261)

- (a) For the breakdown of costs of electricity purchased for resale, see Note 29;
- (b) This cost was strongly impacted by the tariff review process, which recorded a higher volume of capitalization in the incremental period. The investments were relevant, thus ensuring the completion of works and recognition in the remuneration base of the Company's subsidiaries; and
- (c) Construction costs are all the costs incurred by the Company's transmission subsidiaries for implementation of the infrastructure. The decrease compared to the previous year is due to completion of the reinforcement/improvement works of SPE 8.

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28.1 Other operating expenses, net (Consolidated)

	2024	2023
Other operating income		
Gains on disposal and decommissioning of assets and rights	22,965	31,363
Reversal of (provision for) inventory losses (a)	217,763	140,441
Reversal of receivables written off as bad debt	-	67,222
Gain on disposal of subsidiary (e)	252,188	-
Other operating income	80,394	9,090
Total other operating income	573,310	248,116
Other operating expenses		
Losses due to decommissioning of assets and rights (b)	(478,762)	(522,219)
Indemnification for damages to third parties	(23,142)	(20,343)
Provision for inventory losses (c)	(103,345)	(245,311)
Receivables written off as bad debt (d)	(272,550)	-
Other operating expenses (f)	(317,591)	(51,650)
Total other operating expenses	(1,195,390)	(839,523)
Total other operating expenses, net	(622,080)	(591,407)

- (a) In the year ended December 31, 2024, a periodic evaluation of inventories/works took place, primarily in the indirect subsidiary CEEE-D, to identify the existence of low-turnover materials, and a provision for loss was recognized to evidence the actual potential of the inventories in generating cash. The provision amount refers mostly to obsolete, slow-moving, and/or damaged items. For the materials for which there was no expectation of economic benefit, the distribution company capitalized the works, including the reversal of the items;
- (b) The amount of R\$478,762 refers to losses due to decommissioning of assets and rights in the subsidiaries, of which R\$66,766 at Equatorial Pará, R\$193,932 at Equatorial Goiás, R\$49,412 at Equatorial Maranhão, R\$64,862 at CEEE-D, R\$21,542 at Equatorial Piauí, R\$27,750 at Equatorial Alagoas, R\$5,683 at CEA, R\$48,637 at Echo, and a gain of R\$178 at Equatoria Telecom;
- (c) The variations occurred mainly due to recognition of provisions in the subsidiaries Equatorial Goiás, of R\$88,997, and CEEE-D, of R\$108,875, resulting from losses in costs of materials;
- (d) In 2024, notes overdue for more than 5 years were written off in the distribution subsidiaries;
- (e) This refers to recognition of gain from disposal of the indirect subsidiary SPE 07, according to Note 1.3 Disposal of subsidiary - Equatorial Transmissora SPE 7; and
- (f) The variation mainly refers to provisions related to the Delinquency Notices issued by the Regulatory Agency - AGR, concerning inspections of events that occurred at the substations of the indirect subsidiaries Equatorial Goiás and CEEE-D.

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29 Electricity purchased for resale (Consolidated)

	2024		2023	
	GWh (*)	R\$	GWh (*)	R\$
Electricity from auctions (a)	41,582	(9,735,801)	38,259	(8,425,210)
Electronuclear contracts	1,673	(538,620)	1,631	(571,658)
Contracts – guaranteed power output quotas	7,951	(1,927,666)	8,763	(1,516,745)
System Service Charge (ESS)/Reserve energy (b)	-	(1,219,068)	-	(1,222,579)
Bilateral energy	260	(103,795)	260	(110,483)
Short-term energy - CCEE (c)	-	(798,486)	-	(861,384)
Alternative energy sources incentive program – PROINFA	918	(481,455)	868	(512,520)
(-) Portion to offset – noncumulative PIS/COFINS credits	-	1,795,164	-	1,664,585
Itaipu	3,866	(995,851)	3,734	(978,638)
Distributed generation (d)	-	(1,311,491)	-	(567,097)
Subtotal	56,250	(15,317,069)	53,515	(13,101,729)
Charges on use of the transmission and distribution system (e)	-	(4,246,834)	-	(3,911,224)
Total	56,250	(19,563,903)	53,515	(17,012,953)

(*) unaudited

- (a) This comprises the costs of contracts (CCEAR - Electric Power Purchase Agreements in the Regulated Market, MCSD - Surplus and Deficit Offset Mechanisms) arising from new contracts with an increase by 8.69% in volume contracted, plus a variation of 6.3% in the average price;
- (b) The decrease in expenses associated with ESS compared to the previous year is due to a reduction in the activation of thermal plants outside the order of merit in the last quarter of 2024;
- (c) Short-term energy varied by R\$62,898, due to the decrease in expenses from the effect of contracts by availability and of contracts of guaranteed power output quotas in relation to the same period in 2023; and
- (d) The amounts refer to the impact of accounting for distributed generation costs, which are determined by the energy (kWh) generated by GD consumers, valued at the PMIX (Average Purchase Price of Energy).
This impact is recognized against other accounts payable; and
- (e) These include costs with charges for the use and connection of the transmission system, whose tariffs are adjusted by the Annual Permitted Revenue (RAP) resolution. For 2024, the tariffs applied were approved through Approval Resolution No. 3217 of July 04, 2023, effective from July 2023 to June 2024, and Approval Resolution No. 3349 of July 16, 2024, effective from July 2024 to June 2025, which are related to the Basic and Connection Grid, as well as to the increase in MUST (Transmission System Usage Amount).

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30 Finance income (costs)

		Parent Company		Consolidated	
		2024	2023	2024	2023
Finance income					
Yield	(a)	141,062	240,729	1,193,096	1,210,334
PIS/COFINS on finance income		(18,297)	(20,198)	(117,460)	(114,391)
Amounts receivable/refundable – A Component		-	-	255,214	276,447
Derivative financial instrument transactions	(b)	103,146	119,914	1,741,908	330,403
Interest income from electricity sold	(c)	-	-	483,484	415,185
Finance income – present value adjustment		-	-	78,050	106,532
Monetary and exchange differences of debts	(e)	-	-	178,222	762,079
PIS/COFINS to be refunded to consumers (Note 25)		-	-	5,020	44,794
Intercompany loan		-	1,800	-	-
Income from guarantee	(f)	228,337	172,292	-	-
Arrears interest on ECL		-	-	13,672	-
Other finance income		23,413	4,614	570,149	364,142
Total finance income		477,661	519,151	4,401,355	3,395,525
Finance costs					
Debt charges	(d)	(495,867)	(662,549)	(4,342,899)	(4,223,510)
Derivative financial instrument transactions	(b)	(242,223)	(484,240)	(568,121)	(1,440,456)
Amounts receivable/refundable – A Component		-	-	(358,285)	(356,503)
Monetary and exchange differences of debts	(e)	-	-	(2,525,182)	(982,318)
Finance costs – present value adjustment		-	-	(101,276)	(89,257)
Restatement of energy efficiency program and contingencies		-	-	(229,878)	(169,881)
Discounts granted		-	-	(119,349)	(93,398)
PIS/COFINS to be refunded to consumers (Note 25)		-	-	-	(4,322)
Arrears interest on ECL		-	-	(4,641)	(15,264)
Impairment - Special credits - FUNAC		-	-	19,143	-
Distributed generation charges		-	-	(14,701)	-
Other finance costs (g)		(84,566)	(96,770)	(896,964)	(633,236)
Total finance costs		(822,656)	(1,243,559)	(9,142,153)	(8,008,145)
Finance income (costs), net		(344,995)	(724,408)	(4,740,798)	(4,612,620)

- (a) In the Parent Company, the decrease in finance income is due to the variation in the Interbank Deposit Certificate (CDI), which recorded an accumulated rate of 13.04% in 2023 and 10.88% in 2024.
- (b) This refers to contracted swap, classified as a cash flow hedge, which exchanges dollar + spread for CDI + spread. The main variation refers to the exchange rate of these transactions. In 2024, the exchange rate differences resulted in income due to a 27.9% increase in the dollar rate, from R\$4.84 as of December 31, 2023 to R\$6.19 as of December 31, 2024. In the year ended December 31, 2023, the main effect refers to exchange rate differences, which resulted in expenses due to a 7.21% fall in the dollar rate, from R\$5.21 as of December 31, 2022 to R\$4.84 as of December 31, 2023. In the Parent Company, the main impact was due to the result of the purchase options regarding equity interest in Equatorial Energia Distribuição S.A.;
- (c) In 2024, significant amounts of interest and fines we recognized, as a result of the strengthening of collection actions and renegotiation of overdue debts by consumers of the distribution subsidiaries, which occurred in a lower volume in 2023, resulting in the decrease observed in the balances for the year;
- (d) In the Consolidated statements, the increase in charges was a result of the rise in the group's debt balance compared to 2023. Conversely, there was a decrease in the CDI, the most relevant index for the group's debt, from 13.04% to 10.88% in 2024. In the Parent Company, the decrease in charges is due to the early settlements of the 3rd issue of debentures and of the 5th and 1st series of the 5th issue of debentures.
- (e) In the net balance of the debt's monetary and foreign exchange differences, the increase in expenses refers mostly to exchange rate differences arising from appreciation of the dollar against the real, with an increase of 27.9%, and to the rise in the IPCA, which ended 2024 at 4.83%;
- (f) On September 16, 2022, a Private Instrument of Return on Guarantees (guarantee/surety) was entered into between the subsidiaries (Promisees) and the Company (Promisor), with the purpose of providing a return on the guarantees given in the form of guarantee/surety for contracts. The provision of the guarantee has a return equivalent to 1% (one percent) per annum, on a *pro rata* basis, on the outstanding balance of the guaranteed contract or security (Note 10 - Related parties); and
- (g) The variation is mainly due to the fines associated with the installment plan for the self-assessment of PIS/COFINS, IRPJ, and CSLL of the indirect subsidiary Equatorial Goiás.

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31 Post-employment benefits (Consolidated)

31.1 Characteristics of the retirement plan

The distribution subsidiaries are sponsors of pension benefit plans administered by Fundação Equatorial de Previdência Complementar (EQTPREV) and Fundação Família Previdência, private nonprofit legal entities, as well as health and dental plans offered to current and former employees, as described below:

31.1.1 Equatorial DC plan

Equatorial DC Plan is a defined contribution plan for the scheduled benefits and a defined benefit plan for the risk benefits, administered by Fundação Equatorial de Previdência Complementar (EQTPREV) and sponsored by the subsidiaries Equatorial Pará, Equatorial Maranhão, Equatorial Piauí, Equatorial Alagoas, CEEE-D, and Equatorial Goiás.

In accordance with the plan regulations, employees are offered the following benefits:

- Retirement: regular and invalidity; and
- Pension for death of active participant and pensioner member.

31.1.2 Defined contribution plan – Equatorial Alagoas

The DC Plan is a defined contribution plan for the scheduled benefits and a defined benefit plan for the risk benefits, administered by EQTPREV and sponsored by the subsidiary Equatorial Alagoas. The risk benefits are:

- Disability benefit; and
- Death benefit of an active participant.

31.1.3 Defined benefit (DB-type) plans

Equatorial's DB Plan is a defined benefit plan with post-employment commitment with active participants and with pensioner members, currently closed to new participants. The Plan is administered by EQTPREV and sponsored by the subsidiaries Equatorial Pará, Equatorial Maranhão, Equatorial Piauí, Equatorial Alagoas, and Equatorial Goiás.

In accordance with the plan regulations, the benefits offered are the following:

- Survivors pension;
- Annual allowance;
- Retirement: due to disability, age, length of contribution, length of service, proportional length of service, and special retirement;
- Sick leave allowance and Funeral allowance.

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31.1.4 Variable contribution plan

The VC Plan of Equatorial is a variable contribution plan with commitment in the post-employment period of participants, administered by EQTPREV and sponsored by the subsidiaries Equatorial Piauí and Goiás, and offered to employees and respective dependents.

In accordance with the plan regulations, employees are offered the following benefits:

- Retirement: regular, scheduled, and due to disability;
- Annual allowance;
- Survivors pension; and
- Sick leave allowance and Funeral allowance.

31.1.5 Celpa OP Plan

The Celpa OP Plan is a variable contribution plan with post-employment commitment with inactive participants (retirees and pensioners) for the defined benefit plans (lifetime monthly income retirement and its reversals into pension). The Plan is administered by Fundação Equatorial de Previdência Complementar (EQTPREV), sponsored by the subsidiary Equatorial Pará, and operated inseparably with the R Plan.

In accordance with the plan regulations, the benefits offered are the following:

- Monthly income with reversal into pension

Depending on the modality selected upon application, the benefit amount is equivalent to:

- Lifetime monthly income of the variable contribution type; or
- Monthly financial income of the defined contribution type;
- Benefit for disability or death; and
- Contributions: regularly from participants, regularly from pensioner members, regularly from sponsors, and occasionally from participants or sponsors.

31.1.6 Celpa R Plan

Celpa R is a defined benefit plan with a post-employment commitment to the payment of disability retirement and pensions. In addition, the plan does not require contribution, offering only risk benefits. The Plan is administered by Fundação Equatorial de Previdência Complementar (EQTPREV), sponsored by the subsidiary Equatorial Pará, and operated inseparably with the Celpa OP Plan.

In accordance with the plan regulations, the benefits offered are the following:

- Supplementary sick leave allowance and disability retirement
- Survivors pension
- Annual allowance

Because the plan does not require contribution, it is 100% funded by the normal contribution made by the sponsor, whose percentage is determined in the plan cost planning.

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31.1.7 Resolution No. 10/1989

Subsidiary Equatorial Pará has an actuarial deficit arising from an agreement entered into between the company and its former employees and pensioners. The agreement was approved by Resolution No. 10, of August 4, 1989 by the company management, and became effective on June 11, 1996.

With the Resolution in force, former employees and pensioners are entitled to social security benefits, which form the actuarial deficit. Equatorial recorded provision for the full actuarial deficit.

31.1.8 FGTS

The Unemployment Compensation Fund (FGTS) aims to protect workers who are dismissed without just cause through an account linked to their employment contract.

The employer makes monthly deposits corresponding to 8% of the gross compensation (including overtime and additional payments) into bank accounts in the name of each employee. The account balance is adjusted at an interest rate of 3% p.a., plus inflation.

In the event of termination without just cause, the employer is required to pay an additional 40% of the accumulated FGTS balance.

31.1.9 Single Plan

The Single Plan is a defined benefit plan with post-employment commitment with active participants and with pensioner members, administered by Fundação Família Previdência and sponsored by the subsidiary CEEE-D, offered to employees and respective dependents.

In accordance with the plan regulations, employees are offered the following benefits:

- Retirement: due to length of service, length of contribution, disability and age;
- Survivors pension;
- Sick leave allowance and prisoner's family grant.

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31.1.10 CEEEPREV plan

The CEEEPREV Plan is a defined contribution plan, except with regard to Settled Benefits, Guarantee of the Reference Benefit, Disability Retirement Benefits, and Sick Leave Benefits, as well as the Death Benefit/Portion of Death Pension of the Participant (non-pensioner member) not granted based on the resources previously accumulated in the Participant's Individual Account (CIP) and in the Sponsor's Identified Account (CPI), which are defined benefits. The plan is administered by Fundação Família Previdência and sponsored by the subsidiary CEEE-D, offered to its employees and their respective dependents.

In accordance with the plan regulations, employees are offered the following benefits:

- Retirement: regular, early, and due to disability;
- Survivors pension;
- Sick leave allowance and prisoner's family grant;
- Annual allowance.

31.1.11 Health and dental plans

a) Unimed Nacional

Subsidiary Equatorial Pará offers its employees and former employees (retirees and terminated employees) a health plan administered by Central Nacional Unimed – Cooperativa Central (CNU), covering outpatient care and inpatient care with obstetrics, with national coverage. It is offered to employees of Equatorial Pará and their dependents, except for officers and managers.

b) UNIODONTO

Subsidiary Equatorial Pará offers a dental plan administered by Uniodonto Belém to employees and former employees (retirees and terminated employees), as well as to their dependents.

c) Bradesco Saúde

Subsidiary Equatorial Maranhão offers a health plan to its employees administered by Bradesco Saúde. This plan is offered to Equatorial Maranhão employees and their dependents.

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d) Odontoprev

Subsidiary Equatorial Maranhão offers a dental plan to its employees and their dependents, administered by Odontoprev S/A.

e) CELGSAÚDE

Subsidiary Equatorial Goiás offers a health plan (CELGSAÚDE) to its employees administered by VIVACOM Planos de Saúde. This plan is offered to Equatorial Goiás employees and their dependents.

f) UNIMED (Qualicorp)

Subsidiary Equatorial Alagoas offers its employees and former employees a health plan administered by Qualicorp Administradora de Benefícios S/A.

g) ODONTOPREV (Qualicorp)

Subsidiary Equatorial Alagoas offers a dental plan to its employees, former employees, and their dependents, administered by Qualicorp Administradora de Benefícios S/A.

h) Assistência Médica Humana

Subsidiary Equatorial Piauí offers its employees a health plan administered by Humana Assistência Médica Ltda. This plan is offered to Equatorial Piauí employees and their dependents.

i) Unipart

Subsidiary CEEE-D offers its employees a health plan administered by Unimed Porto Alegre. This plan is offered to Equatorial Rio Grande do Sul employees and their dependents.

j) Odonto Master I

Subsidiary CEEE-D offers a dental plan to its employees and their dependents, administered by Uniodonto Porto Alegre Cooperativa Odontológica LTDA.

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31.2 Calculation of net actuarial liabilities (assets) (Distribution subsidiaries of the Company)

The reconciliation of assets and liabilities shows surplus of deficit of funds to cover the post-employment benefit, which must be presented in the statement of financial position of the Company's subsidiaries. Below is the statement of profit or loss as at December 31, 2024 and 2023 (actuarial liabilities or assets) and the projection of expenses to be recognized in profit or loss for 2025.

2024												
	EQTL DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single Plan	CEEEPREV	FGTS	TOTAL	
Deficit/(surplus) computed												
Actuarial obligations computed by the actuarial valuation	1,307	903,618	434,383	361,910	9,944	1,780	15,400	1,030,019	1,690,417	29,940	4,478,718	
Fair value of plan assets	(39,374)	(1,195,173)	(484,981)	(60,842)	(6,138)	(3,526)	-	(848,511)	(1,106,647)	-	(3,745,192)	
Deficit/(surplus) computed	(38,067)	(291,555)	(50,598)	301,068	3,806	(1,746)	15,400	181,508	583,770	29,940	733,526	
Ceiling effect of additional assets and liabilities												
Asset ceiling effect	23,208	287,311	71,022	-	1,364	619	-	-	-	-	383,524	
Ceiling effect of additional assets and liabilities	23,208	287,311	71,022	-	1,364	619	-	-	-	-	383,524	
Net liabilities/(assets) resulting from CPC 33(R1)												
Net liabilities/(assets) computed	(14,859)	(4,244)	20,424	301,068	5,170	(1,127)	15,400	181,508	583,770	29,940	1,117,050	
									Noncurrent assets		(20,224)	
									Current liabilities		84,897	
									Noncurrent liabilities		1,052,377	
									Total		1,117,050	
2023												
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single Plan	CEEEPREV	FGTS	TOTAL
Deficit/(surplus) computed												
Actuarial obligations computed by the actuarial valuation	1,109	847	1,005,389	459,278	367,805	10,870	1,926	17,183	1,185,936	1,950,608	22,710	5,023,661
Fair value of plan assets	(21,814)	(8,406)	(1,304,769)	(476,056)	(60,645)	(5,971)	(4,749)	-	(920,600)	(1,184,963)	-	(3,987,973)
Deficit/(surplus) computed	(20,705)	(7,559)	(299,380)	(16,778)	307,160	4,899	(2,823)	17,183	265,336	765,645	22,710	1,035,688
Ceiling effect of additional assets and liabilities												
Asset ceiling effect	8,946	7,559	281,396	39,560	-	373	1,810	-	-	-	-	339,644
Ceiling effect of additional assets and liabilities	8,946	7,559	281,396	39,560	-	373	1,810	-	-	-	-	339,644
Net liabilities/(assets) resulting from CPC 33(R1)												
Net liabilities/(assets) computed	(11,759)	-	(17,984)	22,782	307,160	5,272	(1,013)	17,183	265,336	765,645	22,710	1,375,332
										Noncurrent assets		(30,756)
										Current liabilities		86,125
										Noncurrent liabilities		1,319,963
										Total		1,375,333

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31.3 Actuarial valuation result (Distribution subsidiaries of the Company)

Actuarial valuations computed the following plan commitments:

	2024											
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single Plan	CEEEPREV	FGTS	TOTAL
P&L for 2024												
Current service cost, net	134	75	30	(44)	4,537	8	-	-	(522)	388	1,615	6,221
Past service cost	-	-	-	-	407	-	-	-	-	-	-	407
Interest expenses on actuarial obligations	82	73	92,521	42,685	35,137	1,020	177	1,571	108,776	182,986	2,042	467,070
Expected return on plan assets	(2,034)	(788)	(121,450)	(44,495)	-5,912	(574)	(449)	-	(84,188)	(110,440)	-	(370,330)
Interest on ceiling effect of additional assets and liabilities	828	715	27,191	3,868	-	36	174	-	-	-	-	32,812
Total expense (income) recognized in P&L for the year	(990)	75	(1,708)	2,014	34,169	490	(98)	1,571	24,066	72,934	3,657	136,180
Other comprehensive income (OCI) for the year												
(Gains)/losses on plan assets	(6,139)	158	133,579	(12,003)	5,715	615	1,471	-	56,868	77,795	-	258,059
(Gains)/losses on actuarial obligations	(174)	(232)	(96,843)	(16,867)	-28,098	(1,193)	(123)	(1,381)	(129,959)	(286,154)	10,828	(550,196)
(Gains)/losses on ceiling effect on additional assets and liabilities	4,538	(1)	(21,279)	27,594	-	955	(1,364)	-	-	-	-	10,443
(Gains)/losses recognized in OCI	(1,775)	(75)	15,457	(1,276)	(22,383)	377	(16)	(1,381)	(73,091)	(208,359)	10,828	(281,694)
												2023
P&L for 2023												
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single Plan	CEEEPREV	FGTS	TOTAL
Current service cost, net	261	107	36	(4)	2,530	9	-	-	(909)	44	1,276	3,350
Past service cost	-	-	-	-	454	-	-	-	-	-	-	454
Interest expenses on actuarial obligations	214	97	106,028	45,414	27,072	1,081	200	1,870	129,422	206,507	2,122	520,027
Expected return on plan assets	(2,283)	(875)	(153,344)	(47,100)	-	(605)	(530)	-	(104,824)	(133,153)	-	(442,714)
Interest on ceiling effect of additional assets and liabilities	743	778	45,183	4,690	-	98	226	-	-	-	-	51,718
Total expense (income) recognized in P&L for the year	(1,065)	107	(2,097)	3,000	30,056	583	(104)	1,870	23,689	73,398	3,398	132,835
Other comprehensive income (OCI) for the year												
(Gains)/losses on plan assets	250	7	94,526	7,535	(60,645)	(176)	165	-	10,937	20,776	-	73,375
(Gains)/losses on actuarial obligations	(1,474)	(262)	51,223	(5,018)	103,528	1,001	127	677	35,603	88,320	4,447	278,172
(Gains)/losses on ceiling effect on additional assets and liabilities	1,815	148	(143,886)	(9,375)	-	(548)	(322)	-	-	-	-	(152,168)
(Gains)/losses recognized in OCI	591	(107)	1,863	(6,858)	42,883	277	(30)	677	46,540	109,096	4,447	199,379

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31.4 Plan assets

31.4.1 Plan assets include (Distribution subsidiaries of the Company):

2024										
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Single Plan	CEEEPREV	TOTAL
Government securities	878,609	56,586	1,105,170	368,127	50,078	4,385	8,462	826,365	1,460,199	4,757,981
Investment funds	1,343,064	179,480	241,102	363,051	19,745	1,612	1,275	831,882	1,289,473	4,270,684
Other	555,252	22,635	75,278	37,819	16,343	6,427	355	268,339	480,878	1,463,326
Total assets	2,776,925	258,701	1,421,550	768,997	86,166	12,424	10,092	1,926,586	3,230,550	10,491,991
2023										
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Single Plan	CEEEPREV	TOTAL
Government securities	749,388	55,729	1,276,941	318,727	42,210	3,759	8,185	1,167,824	1,990,204	5,612,967
Investment funds	1,378,788	186,789	124,764	449,899	14,625	2,066	2,045	504,233	842,640	3,505,849
Other	423,840	20,979	89,341	39,517	26,009	6,103	362	370,096	578,646	1,554,893
Total assets	2,552,016	263,497	1,491,046	808,143	82,844	11,928	10,592	2,042,153	3,411,490	10,673,709

Plan assets comprise financial assets quoted in active markets, therefore classified as Level 1 and Level 2 in the fair value hierarchy. The expected overall return rate of plan assets is determined based on market expectations at this date, applicable to the period in which the obligations must be settled.

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31.5 Defined benefit obligation (Distribution subsidiaries of the Company)

(a) Actuarial assumptions

Equatorial Maranhão							
2024							
	DC	DB1	Health plan		DC	DB1	Health plan
Inflation rate	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%
Discount rate	12.97%	12.31%	12.49%		9.41%	9.78%	9.90%
Future salary increases	4.96%	4.96%	N/A		3.93%	3.93%	N/A
Future pension increases	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%
General mortality	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%		AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%

Equatorial Pará													
2024						2023							
	DC	DB	CELPA R	CELPA OP	Resolution No. 10/1989	Health plans		DC	DB	CELPA R	CELPA OP	Resolution No. 10/1989	Health plans
Inflation rate	4.96%	4.96%	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
Discount rate	12.97%	12.16%	12.03%	12.04%	12.78%	12.29%		9.41%	9.66%	9.71%	9.63%	9.72%	9.72%
Future salary increases	4.96%	4.96%	4.96%	N/A	4.96%	4.96%		3.93%	3.93%	3.93%	N/A	3.93%	3.93%
Future pension increases	4.96%	4.96%	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
General mortality	AT-2000 Segregated by gender Decreased by 10%	AT-2000 Segregated by gender Decreased by 10%	BR-EMSsb 2015 Segregated by gender	BR-EMSsb 2015 Segregated by gender	AT-2000 Segregated by gender Decreased by 10%	AT-2000 Segregated by gender Decreased by 10%		AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	BR-EMSsb 2015 M/F	BR-EMSsb 2015 M/F	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%

Equatorial Piauí									
2024				2023					
	DB	VC	Health plan	DC		DB	VC	Health plan	DC
Inflation rate	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%
Discount rate	12.45%	12.49%	12.49%	12.97%		9.59%	9.71%	9.59%	9.41%
Future salary increases	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%
Future pension increases	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%
General mortality	AT 2000 Decreased by 10%	AT 2000 Decreased by 10%	AT 2000 Decreased by 10%	AT 2000 Decreased by 10%		AT 2000 Decreased by 10%	AT 2000 Decreased by 10%	AT 2000 Decreased by 10%	AT 2000 Decreased by 10%

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Equatorial Alagoas											
2024					2023						
	DB	DC	Health and dental plan	EQTL CD		DB	DC	Health and dental plan	EQTL CD		
Inflation rate	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%		
Discount rate	12.37%	12.78%	12.58%	12.97%		9.66%	9.46%	9.86%	9.41%		
Future salary increases	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%		
Future pension increases	4.96%	N/A	4.96%	4.96%		3.93%	N/A	3.93%	3.93%		
General mortality	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%		AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 M/F Decreased by 10%		
CEEE-D											
2024					2023						
	DC	CEEEPREV	Single plan	Health plan		DC	CEEEPREV	Single plan	Health plan		
Inflation rate	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%		
Discount rate	7.63%	7.41%	7.57%	7.17%		5.27%	5.65%	5.60%	5.57%		
Future salary increases	4.96%	4.96%	4.96%	0.0496		3.93%	3.93%	3.93%	N/A		
Future pension increases	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%		
General mortality	AT-2000 Segregated by gender Decreased by 10%	BR-EMSsb v.2015 Segregated by gender	AT-2000 Segregated by gender	BR-EMSsb 2021 Segregated by gender Decreased by 10%		AT-2000 M/F Decreased by 10%	BR-EMSsb-2021 M/F Decreased by 10%	AT-2000 M/F	BR-EMSsb-2021 M/F Decreased by 10%		
Equatorial Goiás											
2024					2023						
	DB	VC	Health plan	DC	FGTS		DB	VC	Health plan	DC	FGTS
Inflation rate	4.96%	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%	3.93%
Discount rate	12.02%	12.11%	12.29%	12.97%	13.10%		9.80%	9.78%	9.75%	9.41%	9.55%
Future salary increases	4.96%	4.96%	N/A	4.96%	4.96%		3.93%	3.93%	N/A	3.93%	3.93%
Future pension increases	4.96%	4.96%	4.96%	4.96%	4.96%		3.93%	3.93%	3.93%	3.93%	3.93%
General mortality	AT-2000 Basic by gender	AT-2000 male, Decreased by 10%	AT-2000 male, Decreased by 10%	AT-2000 Segregated by gender Decreased by 10%	AT-2000 Segregated by gender Decreased by 10%		AT-2000 Basic by gender	AT-2000 male, Decreased by 10%	AT-2000 male, Decreased by 10%	AT-2000 M/F Decreased by 10%	AT-2000 male, Decreased by 10%

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(b) Sensitivity analysis

At the reporting date, reasonably possible changes in each significant actuarial assumption, holding other assumptions constant, would have had the following impact on defined benefit obligations:

Assumption	2024												
	Sensitivity analysis	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single plan	CEEEPREV	FGTS	TOTAL
Discount rate	Increase of 0.5%	(25)	(14)	(31,415)	(15,207)	(24,955)	(479)	(66)	(459)	(33,896)	(62,759)	(567)	(169,842)
	Decrease of 0.5%	29	15	33,612	16,285	28,972	524	71,647	487	36,156	67,415	594	255,736
Life expectation	Increase of 1 year	(65)	(13)	22,832	11,281	27,872	101	37,426	454	27,500	32,406	25	159,819
	Decrease of 1 year	72	14	(23,177)	(11,373)	(27,110)	(106)	(38,824)	(456)	(27,763)	(33,319)	(27)	(162,069)
HCCTR	Increase of 0.5%	-	-	-	-	28,760	-	-	-	-	-	-	28,760
	Decrease of 0.5%	-	-	-	-	(24,918)	-	-	-	-	-	-	(24,918)
Salary growth rate	Increase of 0.5%	-	-	-	-	-	-	-	-	-	332	-	332

Assumption	2023												
	Sensitivity analysis	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single plan	CEEEPREV	FGTS	TOTAL
Discount rate	Increase of 0.5%	(26)	(18)	(39,834)	(19,191)	(28,968)	(582)	(80)	(549)	(45,002)	(84,498)	(950)	(219,698)
	Decrease of 0.5%	29	19	41,819	17,365	34,687	642	86	584	48,398	91,669	1,026	236,324
Life expectation	Increase of 1 year	(55)	(14)	26,643	10,526	32,841	125	43	582	34,723	39,293	86	144,793
	Decrease of 1 year	61	16	(6,650)	(14,217)	(31,738)	(130)	(45)	(581)	(34,651)	(40,077)	(92)	(128,104)
HCCTR	Increase of 0.5%	-	-	-	-	34,246	-	-	-	-	-	-	34,246
	Decrease of 0.5%	-	-	-	-	(28,799)	-	-	-	-	-	-	(28,799)
Salary growth rate	Increase of 0.5%	-	-	-	-	-	-	-	-	-	628	-	628

Although the analyses do not take into account the full distribution of cash flows expected from the plans, such analyses provided an approximate sensitivity of the assumption presented. The variations are immaterial when the sensitivity analysis of the discount rate for the DC plan and Equatorial DC plan is considered.

The valuation method for this sensitivity analysis as at December 31, 2024 has not changed from the method used in the previous year.

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31.6 Cash flow (Distribution subsidiaries of the Company)

	2024											
	EQTL DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single plan	CEEEPREV	FGTS	TOTAL	
1 Cash flow for the year												
Employer's contributions	23,241	9	3,096	17,143	968	-	-	34,801	46,450	7,256	132,964	
Participant's contributions	1	9	135	-	-	-	-	30,995	451	-	31,591	
Benefits paid using plan assets	-	97,486	50,804	17,143	761	200	-	165,206	157,862	-	489,462	
Benefits paid directly by the company	-	-	-	-	-	-	1,972	-	-	7,256	9,228	
2 Cash flow estimated for the following year												
Employer's contributions	22,765	11	3,516	18,472	930	-	-	34,801	46,707	7,971	135,173	
Participant's contributions	-	11	112	-	-	-	-	34,633	751	-	35,507	
Benefits paid using plan assets	60,540	100,111	49,264	18,472	787	186	-	185,490	178,714	-	593,564	
Benefits paid directly by the company	-	-	-	-	-	-	2,085	-	-	7,971	10,056	
	2023											
	EQTL DC	DC	EQTL DB	EQTL CV	Health and dental plans	CELPA R	CELPA OP	Resolution No. 10/1989	Single plan	CEEEPREV	FGTS	TOTAL
1 Cash flow for the year												
Employer's contributions	345	-	9	2,239	14,717	513	-	-	26,416	51,026	8,601	103,866
Participant's contributions	-	-	9	267	-	-	-	-	30,453	616	-	31,345
Benefits paid using plan assets	78	-	97,589	39,904	14,717	760	167	-	159,165	153,515	-	465,895
Benefits paid directly by the company	-	-	-	-	-	-	-	2,006	-	-	8,601	10,607
2 Cash flow estimated for the following year												
Employer's contributions	414	-	11	3,422	16,654	627	-	-	26,416	51,318	2,724	101,586
Participant's contributions	-	-	11	164	-	-	-	-	33,739	966	-	34,880
Benefits paid using plan assets	458	151	97,142	46,815	16,654	751	177	-	177,146	171,582	-	510,876
Benefits paid directly by the company	-	-	-	-	-	-	-	2,087	-	-	2,724	4,811

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32 Financial instruments

32.1 General considerations

The Company and its subsidiaries analyzed the following financial instruments: cash and cash equivalents, short-term investments, trade accounts receivable, amounts receivable (refundable) of A component and other financial items, CCC subrogation, financial assets of the concession, contract assets, trade accounts payable, loans and financing, debentures, amounts payable under in-court reorganization plan, derivatives and lease liabilities, and made the required adjustments in their accounting records, if necessary.

These instruments are managed through operational strategies and internal controls in order to ensure liquidity, profitability and security. The control policy consists of permanent monitoring of contractual conditions vis-à-vis current market conditions.

Management uses financial instruments to maximize cash and cash equivalents, maintain the liquidity of its assets, hedge against fluctuations in interest rates or foreign exchange rates, and comply with the financial ratios determined in its financing agreements (covenants) – see Notes 18.8 – Loan and financing covenants and 19.5 – Debenture covenants.

32.2 Derivatives policy

The Company and its subsidiaries use derivatives (swap) to hedge against fluctuations in macroeconomic indices and against fluctuations in foreign exchange rates. These transactions are not for speculative purposes. As at December 31, 2024 and 2023, the Company, through its subsidiaries, had derivative financial instrument transactions.

32.3 Category and fair value of financial instruments

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries were determined using available market information and appropriate valuation techniques.

However, considerable judgment was required in interpreting market data to reach the most adequate estimated realizable value. Accordingly, the estimates presented below do not necessarily reflect the realizable values in the current market. The use of different market methodologies could have a material impact on estimated realizable values.

The Company and its subsidiaries recognize transfers between levels of the fair value hierarchy at the end of the individual and consolidated reporting periods in which the changes have occurred. For the year ended December 31, 2024, the fair value hierarchy and calculation methods did not change as compared with the year ended December 31, 2023, as described below.

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(a) Fair value measurement

Certain accounting policies and disclosures of the Company and its subsidiaries require the measurement of fair value of financial and nonfinancial assets and liabilities. In measuring the fair value of an asset or a liability, the Company and its subsidiaries use observable market inputs as much as possible.

The quantitative disclosures of the fair value hierarchy for assets and liabilities as of December 31, 2024 and 2023 are identified as follows:

Parent Company			2024		2023	
Assets	Level	Financial instrument category	Carrying amount	Market value	Carrying amount	Market value
Cash and cash equivalents – bank deposits	-	Amortized cost	543	543	489	489
Cash and cash equivalents (investment fund)	1	Fair value through profit or loss	7,254	7,254	1,388,573	1,388,573
Financial investments	2	Fair value through profit or loss	253,576	253,576	1,971,316	1,971,316
Derivative financial instruments – stock option (a)	3	Fair value through profit or loss	81,909	81,909	220,986	220,986
Total assets			343,382	343,282	3,581,364	3,581,364
Liabilities			2024		2023	
Liabilities	Level	Financial instrument category	Carrying amount	Market value	Carrying amount	Market value
Trade accounts payable	-	Amortized cost	4,751	4,751	3,796	3,796
Loans and financing	2	Amortized cost	3,295,425	3,493,297	-	-
Debentures	2	Amortized cost	285,891	303,469	4,080,993	4,125,732
Total liabilities			3,586,067	3,801,517	4,084,789	4,129,528
Consolidated			2024		2023	
Assets	Level	Financial instrument category	Carrying amount	Market value	Carrying amount	Market value
Cash and cash equivalents	-	Amortized cost	303,949	303,949	271,827	271,827
Cash and cash equivalents (investment fund)	2	Fair value through profit or loss	3,002,415	3,002,415	4,340,421	4,340,421
Financial investments	2	Fair value through profit or loss	10,434,120	10,434,120	8,182,659	8,182,659
Trade accounts receivable	-	Amortized cost	9,451,684	9,451,684	9,272,671	9,272,671
Receivables of A component and other financial items	-	Amortized cost	264,381	264,381	114,210	114,210
CCC subrogation – amounts invested	-	Amortized cost	349,930	349,930	20,444	20,444
Derivative financial instruments	2	Fair value through profit or loss	776,141	776,141	7,607	7,607
Derivative financial instruments – stock option (a)	3	Fair value through profit or loss	81,909	81,909	220,986	220,986
Concession financial assets – Distribution companies	2	Fair value through profit or loss	15,865,088	15,865,088	13,025,072	13,025,072
Future commitments	2	Fair value through profit or loss	155,990	155,990	48,887	48,887
Total assets			40,685,607	40,603,698	35,504,784	35,504,784
Liabilities			2024		2023	
Liabilities	Level	Financial instrument category	Carrying amount	Market value	Carrying amount	Market value
Trade accounts payable	-	Amortized cost	4,701,533	4,701,533	5,003,821	5,003,821
Trade accounts payable – reverse factoring (agreement)	-	Amortized cost	321,822	321,822	369,172	369,172
Loans and financing	2	Amortized cost	26,904,571	7,773,567	21,808,685	22,548,232
Debentures	2	Amortized cost	28,922,507	28,387,383	24,643,459	26,698,173
Payables under in-court reorganization plan	-	Amortized cost	998,486	1,321,193	951,513	1,285,977
Amounts refundable of A component and other financial items	-	Amortized cost	1,719,177	1,719,177	1,452,266	1,452,266
Derivative financial instruments	2	Fair value through profit or loss	156,765	156,765	546,610	546,610
Lease liabilities	-	Amortized cost	103,855	116,300	104,310	112,535
Reimbursable CIP (b)	3	Fair value through profit or loss	22,424	22,424	24,990	24,990
Future commitments	2	Fair value through profit or loss	158,716	158,716	36,431	36,431
Total liabilities			64,009,856	64,678,880	54,941,257	58,078,207

- (a) On November 5, 2019, the Board of Directors approved the investment agreement between Equatorial S.A. and Itaú Unibanco S.A. (“Itaú”), with the intermediation and consent of the subsidiary Equatorial Energia Distribuição S.A. (“Equatorial Distribuição”). The agreement regulates the general terms and conditions of the investment made by Itaú in Equatorial Distribuição through the subscription and payment of preferred shares.
- (b) Amount reimbursable to Eletrobras as payment for Reimbursable CIP corresponding to 50% (fifty percent) of the contribution of each asset to the net return on assets, as defined in the Tariff Regulation Procedures (PRORET) of ANEEL, disregarding any investments on construction in progress (CIP) recognized after the valuation report date. Consequently, Equatorial Piauí recognized a provision of R\$9,406 (R\$10,502 at December 31, 2023) and Equatorial Alagoas recorded a provision of R\$13,018 (R\$14,488 at December 31, 2023). After ANEEL approves the result of the tariff review, the buyer undertakes to hire a technical consultant to determine the amount to be reimbursed to Eletrobras.

- **Cash and cash equivalents** - classified at amortized cost and recorded at their original amounts.

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- **Short-term investments (cash equivalents)** - classified at fair value through profit or loss. Level 1 of the fair value hierarchy;
- **Financial investments** - classified at fair value through profit or loss. These are substantially invested in funds. Factors that are significant for fair value valuation are publicly observable, such as the CDI. Level 2 of the fair value hierarchy;
- **Trade accounts receivable** – arise directly from the operations of the Company and its subsidiaries, are classified at amortized cost, and are recorded at their original amounts, subject to a loss allowance and adjustment to present value, where applicable;
- **Amounts receivable (refundable) of A component and other financial items** – arise from unmanageable costs to be transferred in full to consumers or to be borne by the Granting Authority. Classified at amortized cost;
- **CCC subrogation** – amounts invested: classified at amortized cost and accounted for at their amortized amounts; their purpose is to finance the grant related to the interconnection of isolated municipalities to Brazil's National Interconnected System (SIN);
- **Concession financial asset** – classified at fair value through profit or loss, these financial assets represent the unconditional right to receive a certain amount at the end of the concession term. The factors that are material for the valuation at fair value are publicly observable in an active market, such as the IPCA and the depreciation rate defined by ANEEL's resolution. It is classified in level 2 of the fair value hierarchy;
- **Trade accounts payable** – arise directly from the operations of the Company and its subsidiaries and are classified as liabilities at amortized cost;
- **Trade accounts payable – reverse factoring** – arise from transactions between the Company's subsidiaries and suppliers of materials and services, and are classified as liabilities at amortized cost;
- **Loans and financing** – their purpose is to raise funds to finance the investment programs of the Company and its subsidiaries and to manage any short-term cash needs. They are classified as liabilities at amortized cost and are accounted for at their amortized amounts. Level 2 of the fair value hierarchy.
- **Debentures** – classified as liabilities at amortized cost and accounted for at their amortized amounts. For purposes of disclosure, the market value of debentures was calculated based on market rates, as disclosed by B3 and ANBIMA. Level 2 of the fair value hierarchy;
- **Amounts payable under the in-court reorganization plan** – arising from the in-court reorganization plan of the indirect subsidiary Equatorial Pará that are classified as liabilities at amortized cost;
- **Lease liabilities** – obligations arising from rent and lease contracts that fall within the scope of CPC 06 (R2). The balances are discounted to present value through discounted cash flow for the term of each contract and are classified as liabilities at amortized cost;

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- **Derivative financial instruments** – classified at fair value through profit or loss and through other comprehensive income, and their purpose is to hedge against fluctuations in interest rate and foreign exchange rates. For swap transactions, the market value was determined using available market inputs. Level 2 of the fair value hierarchy;
- **Derivative financial instruments – stock options** - classified at fair value through other comprehensive income, based on the value sensitivity, in addition to use of information from the Company itself (for further information on measurement, see Note 33.4.1 – Derivative financial instruments – Parent Company). Level 3 of the fair value hierarchy; and
- **Reimbursable CIP** – classified in level 2 of the fair value hierarchy at fair value through other comprehensive income, considering that the sensitivity of fair value is in the construction in progress included in the base of net return on assets, depending on the valuation made by specialists and on the full or partial approval by Eletrobras. Amount reimbursable to Eletrobras as payment for Reimbursable CIP corresponding to 50% (fifty percent) of the contribution of each asset to the net return on assets, as defined in the Tariff Regulation Procedures (PRORET) of ANEEL, disregarding any investments on construction in progress (CIP) recognized after the valuation report date. Level 3 of the fair value hierarchy.

32.4 Derivative financial instruments

The risk management policy of the Company and its subsidiaries provides for hedging 100% of their foreign currency exposure in loans and financing, and entering into cash flow swaps in which the short position is the domestic currency indexed to CDI and the long position is the foreign currency and contract costs; such contracts are designated as cash flow hedge.

The Company and its subsidiaries determine the existence of an economic relationship between the hedging instrument and the hedged item based on the currency, amount and timing of the respective cash flows, and assess whether changes in cash flows of the hedged item can be offset by changes in cash flows of the hedging derivative. The method used is the critical terms match approach – prospective method. The effectiveness test is performed only once on initial recognition, by verifying whether all the terms of the derivative are in line with the terms of the hedged item as regards terms, amortization, notional amounts, and interest payment, ensuring the cash flow effectiveness at 100%.

Specific valuation techniques used for derivative financial instruments: market prices of financial institutions. The fair value of interest rate swaps is calculated at the present value of estimated future cash flows based on yield curves adopted by the market.

Given that the accounting standards that address the matter require the swap to be accounted for at market value, even if the hedge is perfect from a cash point of view, the results may vary.

The Company and its subsidiaries use derivatives to hedge against fluctuations in macroeconomic indices and against fluctuations in foreign exchange rates. These transactions are not for speculative purposes. The indirect subsidiary Echoenergia has firm commitments with suppliers relating to the purchase of property, plant and equipment items that are pegged to the US dollar, and thus subject to hedge accounting. In order to hedge cash against foreign currency fluctuations, the Group has entered into derivative transactions through foreign exchange contracts. In the year ended December 31, 2024, the Forward Contracts – Foreign Exchange Contracts did not generate net cash inflows.

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Parent Company (Purchase options)

The Company has the right to repurchase all the preferred shares (Classes A, B and C) of Equatorial Distribuição and such right may be exercised between (a) March 31, 2025 and March 31, 2030 for classes A and B, and (b) March 31, 2025 and March 31, 2028 for class C. The purchase price, if the options are exercised, will be: (i) Class A: R\$1,000,000 adjusted at 100% of the CDI from November 11, 2019 to the date of exercise of the option, less dividends received by the noncontrolling shareholder adjusted at 100% of the CDI from the payment date until the date the option is exercised; (ii) Class B: R\$2,103,000 adjusted at 101% of the CDI from March 23, 2023 to the date of exercise of the option, less dividends received by the noncontrolling shareholder adjusted at 101% of the CDI from the payment date until the date the option is exercised, considering an additional contribution of R\$300,000 on December 22, 2023; and (iii) Class C: R\$1,000,000 adjusted at 105% of the CDI from December 22, 2023. The noncontrolling shareholder does not have the option to sell the shares, and the Company controls whether or not to exercise this right.

The fair value measurement of this instrument is based on unobservable inputs since the purchase price, if incurred by the Company, is calculated based on the amount of the noncontrolling shareholders' contribution plus the difference at 100% of the DI rate (class A preferred), 101% of the DI rate (class B preferred), or 105% of the DI rate (class C preferred), less dividends distributed to the noncontrolling shareholders.

The disproportionality of dividends relative to the equity interest would lead the Company to exercise the option even in scenarios of decreased share prices, i.e., in situations in which the Company would incur loss if the call were exercised. This effect is not typically identified in calculating a call option.

The Company's derivative instruments effective as at December 31, 2024 and 2023 are summarized as follows:

Objective of market risk hedging	Index	Fair value	
		2024	2023
Stock options			
Itaú Unibanco	100% to 105% of CDI	81,909	220,986
Noncurrent assets		81,909	220,986

a) Fair value measurement

On November 5, 2019, the Board of Directors approved the investment agreement between Equatorial S.A. and Itaú Unibanco S.A. ("Itaú"), with the intermediation and consent of the subsidiary Equatorial Energia Distribuição S.A. ("Equatorial Distribuição"). The agreement regulates the general terms and conditions of the investment made by Itaú in Equatorial Distribuição through the subscription and payment of preferred shares. On March 21, 2023, the Board of Directors approved an investment agreement between the Company and Itaú, which regulates the general terms and conditions of a new investment by Itaú in Equatorial Distribuição S.A. through the subscription and payment of class B preferred shares of Equatorial Distribuição S.A.

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On December 21, 2023, the Company's Board of Directors approved a new investment agreement between the Company and Itaú Unibanco S.A. ("Itaú"), which establishes the terms and conditions for the investment to be made by Itaú in Equatorial Distribuição S.A. through the subscription and payment of class C preferred shares and additional class B preferred shares of Equatorial Distribuição S.A.

After closing the new transaction, Itaú Unibanco S.A. became the holder of all preferred shares (Classes A, B and C) representing 25.79% of the total capital of Equatorial Distribuição, and Equatorial S.A. became the holder of all common shares representing 74.21% of the capital of Equatorial Distribuição.

It should be noted that the rights and obligations of Equatorial S.A. and Itaú Unibanco S.A., as shareholders of Equatorial Distribuição, were established in an investment agreement and a shareholders' agreement entered into between the parties.

As at December 31, 2024, the favorable fair value of stock options (embedded derivative) was R\$81,909 (R\$220,986 as at December 31, 2023), recognized as a Level 3 financial instrument, as follows:

Valuation technique	Fair value - stock options in 2024	Significant unobservable inputs	Sensitivity of inputs at fair value
Discounted cash flow method	81,909	Dividends (*)	+10% (increase in fair value by R\$379,676) -10% (decrease in fair value by R\$379,676)

(*) Projection of dividends receivable in connection with the preferred shares of subsidiary Equatorial Distribuição S.A. until March 31, 2030.

32.4.1 Consolidated

As at December 31, 2024 and 2023, the Company's direct and indirect subsidiaries have the following derivative financial instruments:

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Subsidiaries	Financial institution	Inflow	Maturity	Contracted amount (USD)	Contracted amount (R\$)	Amortization	Type	Interest	Index	2024	2023
										Total	Total
Equatorial Maranhão	Scotiabank	02/19/2021	02/19/2025	US\$ 66,500	R\$350,000	Annual	Exchange	Semiannual	US\$ + 1.48% p.a. / CDI + 1.65% p.a.	18,797	(60,553)
Equatorial Maranhão	Citibank	11/17/2023	05/09/2025	US\$ 80,000	R\$389,600	Bullet	Exchange	Semiannual	US\$ + Sofr + 0.79% p.a./CDI + 1.29% p.a.	101,781	(7,455)
Equatorial Maranhão	XP	10/04/2024	09/15/2036	-	R\$550,000	Annual	Interest	Semiannual	IPCA + 6.6493% p.a./CDI +0.285% p.a.	(47,240)	-
Equatorial Maranhão	Scotiabank	11/13/2024	11/12/2027	US\$ 73,684	R\$420,000	Bullet	Exchange	Semiannual	USD + 5.8035% p.a./CDI +1.15% p.a.	22,552	-
Equatorial Pará	Scotiabank	11/25/2022	11/25/2025	US\$ 186,237	R\$1,000,000	Bullet	Exchange	Semiannual	US\$ + 5.67% p.a./CDI + 1.35% p.a.	130,711	(120,850)
Equatorial Pará	Scotiabank	11/25/2022	11/25/2025	US\$ 13,763	R\$73,900	Bullet	Exchange	Semiannual	US\$ + 5.67% p.a./CDI + 1.35% p.a.	9,659	(8,931)
Equatorial Pará	Bank of America	12/10/2024	12/10/2027	US\$ 50,000	R\$300,000	Bullet	Exchange	Annual	USD + 6.0118% p.a./CDI +1.09% p.a.	1,611	-
Equatorial Pará	BTG	12/20/2024	12/15/2036	-	R\$1,475,000	Annual	Interest	Semiannual	IPCA + 7.7477% p.a./CDI + 0.38% p.a.	(31,906)	-
Equatorial Piauí	Scotiabank	10/10/2020	10/16/2023	US\$ 35,778	R\$200,000	Bullet	Exchange	Semiannual	US\$ + 1.68% p.a./CDI + 1.58%	-	-
Equatorial Piauí	Scotiabank	04/26/2021	04/26/2026	US\$ 53,571	R\$300,000	Annual	Exchange	Semiannual	US\$ + 2.27% p.a. / CDI + 1.77%	12,316	(68,373)
Equatorial Piauí	Santander	12/07/2022	11/16/2026	US\$ 28,184	R\$146,000	Bullet	Exchange	Quarterly	US\$ + 6.24% p.a./CDI + 1.62% p.a.	24,870	(10,917)
Equatorial Piauí	Bank of America	10/27/2023	10/25/2024	US\$ 50,000	R\$250,000	Bullet	Exchange	Bullet	US\$ + 7.5059% p.a./CDI + 1.25% p.a.	-	(9,318)
Equatorial Piauí	Bank of America	12/27/2023	01/27/2025	US\$ 70,000	R\$342,300	Bullet	Exchange	Bullet	US\$ + 7.0235% p.a./CDI + 1.38% p.a.	78,946	(4,276)
Equatorial Piauí	XP	10/04/2024	09/15/2036	-	R\$300,000	Annual	Interest	Semiannual	IPCA + 6.8091% p.a./CDI + 0.41% p.a.	(25,354)	-
Equatorial Piauí	Bank of America	10/23/2024	10/25/2027	R\$31,000	R\$177,630	Annual	Exchange	Bullet	USD + 5.7294% p.a./CDI + 1.15% p.a.	6,957	-
Equatorial Piauí	Scotiabank	11/13/2024	11/12/2027	R\$49,123	R\$280,000	Bullet	Exchange	Semiannual	USD + 5.8035% p.a./CDI + 1.15% p.a.	15,035	-
CEEE-D	Banco Sumitomo	08/13/2021	08/13/2024	US\$ 47,938	R\$250,000	Bullet	Exchange	Semiannual	US\$ + 2.19% p.a. / CDI + 1.45% p.a.	-	(36,090)
CEEE-D	Itaú	12/23/2022	12/15/2029	-	R\$250,000	Bullet	Interest	Semiannual	IPCA + 7.1498% p.a./CDI + 1.08% p.a.	7,242	23,757
CEEE-D	Citibank	06/30/2023	01/27/2027	US\$ 120,000	R\$583,800	Semiannual	Exchange	Semiannual	US\$ + Sofr + 1.09% p.a./CDI + 1.85% p.a.	141,670	(36,426)
CEEE-D	Bank of America	07/06/2023	01/29/2027	US\$ 48,000	R\$233,760	Bullet	Exchange	Annual	US\$ + 6.7882% p.a./CDI + 1.8475% p.a.	55,256	(9,068)
CEEE-D	XP	06/19/2024	05/15/2036	-	R\$250,000	Annual	Interest	Semiannual	IPCA + 6.5596% p.a. / CDI + 0.29% p.a.	(24,062)	-
CEEE-D	BTG	10/04/2024	09/15/2036	-	R\$420,000	Annual	Interest	Semiannual	IPCA + 6.6493% p.a./CDI +0.24% p.a.	(35,450)	-
Telecom	Bocom	12/28/2021	12/28/2026	US\$ 3,495	R\$20,000	Semiannual	Exchange	Semiannual	US\$ + Libor + 2.07% p.a. / CDI + 1.71% p.a.	1,183	(3,088)
Telecom	Citibank	07/12/2022	01/07/2024	US\$ 3,781	R\$20,000	Bullet	Exchange	Semiannual	US\$ + 4.40% p.a. / CDI + 0.95% p.a.	-	(2,786)
CEA	Scotiabank	12/29/2021	12/29/2026	US\$ 43,867	R\$250,000	Annual	Exchange	Semiannual	US\$ + 2.52% p.a. / CDI + 1.85% p.a.	1,706	(75,190)
CEA	Sumitomo Mitsui	02/07/2022	02/07/2025	US\$ 47,081	R\$250,000	Bullet	Exchange	Semiannual	US\$ + 3.05% p.a./CDI + 1.48% p.a.	31,397	(42,982)
CEA	Citibank	02/06/2023	02/06/2026	US\$ 36,000	R\$179,280	Bullet	Exchange	Semiannual	US\$ + Sofr + 0.84% p.a./CDI + 1.38% p.a.	37,863	(11,937)
CEA	Citibank	02/06/2023	02/06/2026	US\$ 24,240	R\$120,720	Bullet	Exchange	Semiannual	US\$ + Sofr + 0.84% p.a./CDI + 1.38% p.a.	25,496	(8,037)
CEA	ABC	12/20/2024	12/15/2036	-	R\$250,000	Annual	Interest	Semiannual	IPCA + 7.9091% p.a./CDI + 0.51% p.a.	(4,371)	-
Equatorial Alagoas	Santander	10/26/2022	10/05/2026	US\$ 52,318	R\$276,500	Bullet	Exchange	Quarterly	US\$ + 6.45% p.a./CDI + 1.62% p.a.	40,490	(26,962)
Equatorial Alagoas	1 st Debentures	10/28/2022	10/15/2034	-	R\$100,000	Annual	Interest	Semiannual	IPCA + 6.3618% p.a./CDI + 0.74% p.a.	(1,624)	7,912
Equatorial Alagoas	Bank of America	09/06/2023	09/05/2025	US\$ 40,486	R\$200,000	Bullet	Exchange	Annual	US\$ + 6.9529% p.a./CDI + 1.50% p.a.	47,509	(7,844)
Equatorial Alagoas	Citibank	11/07/2023	05/06/2025	US\$ 50,000	R\$244,750	Bullet	Exchange	Semiannual	US\$ + Sofr + 0.77% p.a./CDI + 1.29% p.a.	62,493	(6,111)
Equatorial Alagoas	Bank of America	10/23/2024	10/25/2027	US\$ 17,452	R\$100,000	Annual	Exchange	Bullet	USD + 5.7294% p.a./CDI + 1.15% p.a.	3,917	-
Equatorial Alagoas	Scotiabank	11/29/2024	11/29/2027	US\$ 90,000	R\$522,900	Bullet	Exchange	Bullet	USD + 6.7670% p.a./CDI +1.15% p.a.	17,511	-
Equatorial Transmissão	Bocom	06/29/2023	03/28/2024	US\$ 41,327	R\$200,000	Bullet	Exchange	Semiannual	US\$ + 7.97% p.a./CDI + 1.45% p.a.	-	864
Echoenergia	XP	11/24/2022	01/10/2024	US\$ 14,999	R\$84,952	-	Exchange	-	-	-	(12,247)
Echoenergia	BTG	12/27/2022	01/10/2024	US\$ 1,166	R\$6,356	-	Exchange	-	-	-	(705)
Echoenergia	Safra	07/28/2023	01/24/2024	US\$ 31,771	R\$150,000	Bullet	Exchange	Bullet	US\$ + 7.70% / CDI + 1.70% p.a.	-	6,742
Echoenergia	Safra	09/01/2023	02/28/2024	US\$ 30,864	R\$150,000	Bullet	Exchange	Bullet	US\$ + 7.62% / CDI + 1.75% p.a.	-	(1,348)
Echoenergia	Santander	12/27/2023	03/27/2024	US\$ 26,196	R\$130,000	Bullet	Exchange	Bullet	US\$ + 7.63% / CDI + 1.58% p.a.	-	(5,846)
Echoenergia	Safra	08/26/2024	10/22/2024	US\$ 27,143	R\$150,000	Bullet	Exchange	Bullet	US\$ + 7.62% / CDI + 1.75% p.a.	6,326	-
Echoenergia	Santander	09/27/2024	10/22/2024	US\$ 27,534	R\$150,000	Bullet	Exchange	Bullet	US\$ + 7.00% / CDI + 1.41% p.a.	7,799	-
Enova	Citibank	06/18/2024	12/18/2024	US\$ 24,566	R\$132,000	Bullet	Exchange	Bullet	USD + 7.1212% p.a./CDI +1.12% p.a.	-	(938)
Equatorial Serviços	Bocom	06/17/2024	06/17/2027	US\$ 14,799	R\$80,000	Bullet	Exchange	Bullet	USD + Sofr + 2.76% p.a./CDI +1.48% p.a.	10,850	-
Equatorial Goiás	XP	06/13/2024	05/15/2036	-	R\$950,000	Annual	Interest	Semiannual	IPCA + 6.4895% p.a./CDI + 0.30% p.a.	(97,179)	-
Equatorial Goiás	Bank of America	07/22/2024	07/22/2027	US\$ 70,000	R\$383,600	Bullet	Exchange	Semiannual	USD + 6.0824% p.a./CDI +1.20% p.a.	34,102	-
Equatorial Goiás	BTG	10/08/2024	09/15/2036	-	R\$800,000	Annual	Exchange	Semiannual	IPCA + 6.6493% p.a./CDI +0.27% p.a.	(69,483)	-
Subtotal (Subsidiaries)										619,376	(539,003)
Subtotal (Parent Company - Note 32.4.1)										81,909	220,986
Total (Parent Company and Subsidiaries)										701,285	(318,017)
Current assets										368,191	7,607
Noncurrent assets										489,859	220,986
Current liabilities										(865)	(104,914)
Noncurrent liabilities										(155,900)	(441,696)
Total net effect										701,285	(318,017)

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(In thousands of reais)

As at December 31, 2024, the Company's direct and indirect subsidiaries have the following derivative financial instruments:

Subsidiaries	Currency risk	Line item in the statement of financial position in which the hedging instrument is included	Nominal value	2024		2023		2024	2023
				Assets	Liabilities	Assets	Liabilities	Changes in value of the hedging instrument recognized in OCI (a)	
Equatorial Maranhão	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	1,709,600	120,044	(24,154)	-	(68,008)	(49,476)	11,639
Equatorial Pará	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	2,848,900	110,126	(51)	-	(129,781)	(37,706)	(8,367)
Equatorial Piauí	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	1,545,930	112,770	-	-	(92,884)	(36,815)	14,061
CEEE-D	Swap contract - Hedge for loans in foreign and local currencies	Derivative financial instruments	1,737,560	144,656	-	-	(57,827)	(89,138)	14,108
Telecom	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	20,000	1,183	-	-	(5,874)	(347)	264
CEA	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	1,050,000	92,091	-	-	(138,146)	5,609	7,700
ENOVA	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	-	-	-	-	(938)	-	(1,150)
Equatorial Alagoas	Swap contract - Hedge for loans in foreign currency and local currencies	Derivative financial instruments	1,444,150	170,296	-	-	(33,005)	(38,214)	478
Echoenergia Crescimento	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	450,000	14,125	-	6,743	(7,194)	4,835	(266)
Echoenergia Crescimento	Forward contract XP	Derivative financial instruments	-	-	-	-	(12,953)	14,600	2,762
Echoenergia Crescimento	Forward contract BTG	Derivative financial instruments	-	-	-	-	-	705	-
Equatorial Transmissão	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	-	-	-	864	-	(786)	786
Equatorial Serviços	Swap contract - Hedge for loans in foreign currency	Derivative financial instruments	80,000	10,850	-	-	-	(678)	-
Equatorial Goiás	Swap contract - Hedge for loans in local currency	Derivative financial instruments	2,133,600	-	(132,560)	-	-	(174,076)	-
Total:			13,019,740	776,141	(156,765)	7,607	(546,610)	(401,487)	42,015

(a) In addition to the balance of R\$401,487, the amount of R\$1,898 must be totaled, corresponding to the effect of the Swap of the associate SABESP.

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(In thousands of reais)

32.5 Financial risk management

The Company's board of directors has the overall responsibility for the establishment and supervision of the risk management structure. The risks are identified by the various functions in their areas of expertise. Management defines the treatment and those charged with monitoring each risk identified, for prevention and control purposes.

The Company's risk management policies are established to identify and analyze the risks to which the Company is exposed, to define risk limits and appropriate controls, and to monitor risks and compliance with these limits. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and in the Company's activities. Through training and management rules and procedures, the Company seeks to maintain a disciplined and controlled environment in which all employees are aware of their duties and obligations.

The Audit Committee of parent company Equatorial S.A. oversees the way the Company's management monitors compliance with the risk management procedures, and reviews the adequacy of the risk management structure in relation to the risks to which the Company is exposed. The Audit Committee is assisted by the internal audit team in performing its duties. The internal audit function performs regular and occasional reviews of risk management procedures, and the result is reported to the Audit Committee.

(a) Credit risk

Credit risk is the risk that the counterparty to a transaction will not fulfill an obligation under a financial instrument or contract with a customer, which would lead to the recognition of losses. The Group is exposed to credit risk in its operational activities (mainly concerning accounts receivable from the distribution subsidiaries) and financing, including cash and cash equivalents and other financial instruments.

(i) Cash and cash equivalents

The Company and its subsidiaries have individual and consolidated cash and cash equivalents in the amount of R\$7,797 and R\$3,306,364, respectively, as at December 31, 2024 (R\$1,389,062 and R\$4,612,248 as at December 31, 2023). Cash and cash equivalents are held with banks and financial institutions rated above AA- and AA+, according to the rating agencies Fitch Ratings and Standard & Poors.

The Company and its subsidiaries consider that their cash and cash equivalents are subject to low credit risk based on the credit ratings of counterparties. On the initial application of CPC 48/IFRS 9, the Company and its subsidiaries considered that a provision was not necessary.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais)

(ii) Accounts receivable – distribution segment

The accounts receivable of the Company's distribution subsidiaries comprise electricity bills, unbilled consumers and installments of overdue electricity bills of delinquent consumers, and their representation is influenced by the characteristics of the concession area.

The Company's distribution subsidiaries establish collection policies for customer classes to reduce the levels of default and, consequently, to recover receivables. The collection policies established by the subsidiaries are in accordance with the legislation and specific regulations; in the case of the electricity industry, the Ruling No. 1000/2021 issued by the Brazilian Electricity Regulatory Agency (ANEEL).

For the years ended December 31, 2024 and 2023, the maximum credit risk exposure of trade accounts receivable, by consumer group, was as follows:

2024					
Consumer group	Billed consumers	Unbilled consumers	Installment payments	Total	%
Residential	4,689,457	764,638	1,829,854	7,283,949	60%
Industrial	257,359	107,709	113,340	478,408	4%
Commercial	1,044,325	237,828	545,854	1,828,007	15%
Rural	608,596	94,183	145,813	848,592	7%
Government	424,443	74,142	452,815	951,400	8%
Public lighting	190,718	6,636	195,463	392,817	3%
Public utility	227,196	29,920	184,445	441,561	3%
Concession operators and permittees	-	3,896	-	3,896	0%
Total	7,442,094	1,318,952	3,467,584	12,228,630	100%

2023					
Consumer group	Billed consumers	Unbilled consumers	Installment payments	Total	%
Residential	5,156,426	792,650	2,096,744	8,045,820	59%
Industrial	439,783	111,178	147,704	698,665	5%
Commercial	1,346,587	270,696	647,766	2,265,049	16%
Rural	602,746	109,081	157,421	869,248	6%
Government	461,073	74,473	512,317	1,047,863	8%
Public lighting	238,839	6,532	205,325	450,696	3%
Public utility	242,876	35,024	104,108	382,008	3%
Concession operators and permittees	-	1,661	-	1,661	0%
Total	8,488,330	1,401,295	3,871,385	13,761,010	100%

The Company's distribution subsidiaries recorded a loss allowance that represents their best estimate of expected credit losses (Note 7.2 – Expected credit losses (ECL) and the procedures described in Note 3.17.2.1 – Expected credit losses and effective losses).

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(In thousands of reais)

Expected credit losses (distribution and sanitation segments)

Aging list (in days)	Gross book balance – installments	%Weighted average rate of average loss of installments	Balance	Gross book balance billed	% Weighted average rate of average loss of billed amounts	Balance
Falling due – individualized	416,828	6.56%	27,348	-	-	-
Falling due	1,493,936	25.25%	377,202	2,317,716	2.83%	65,583
Overdue from 1 to 30	65,624	31.86%	20,909	1,070,548	5.84%	62,527
Overdue from 31 to 60	40,279	44.46%	17,907	343,342	17.63%	60,524
Overdue from 61 to 90	32,534	52.69%	17,141	187,263	30.28%	56,698
Overdue from 91 to 120	31,800	56.39%	17,931	134,147	36.74%	49,281
Overdue from 121 to 150	26,788	58.67%	15,717	109,380	39.17%	42,846
Overdue from 151 to 180	28,924	59.84%	17,309	111,128	41.03%	45,597
Overdue from 181 to 210	29,098	62.69%	18,241	104,201	43.75%	45,591
Overdue from 211 to 240	27,328	64.68%	17,677	93,467	43.94%	41,068
Overdue from 241 to 270	30,925	65.78%	20,344	89,153	45.24%	40,334
Overdue from 271 to 300	28,230	66.33%	18,724	98,468	46.11%	45,401
Overdue from 301 to 330	30,785	67.45%	20,764	95,432	47.09%	44,941
Overdue from 331 to 360	25,636	67.65%	17,344	94,528	47.36%	44,769
Overdue from 361 to 390	24,946	68.60%	17,112	89,113	48.45%	43,175
Overdue from 391 to 420	27,552	68.87%	18,975	87,422	48.94%	42,783
Overdue from 421 to 450	25,001	69.83%	17,459	77,709	49.53%	38,493
Overdue from 451 to 630	146,914	70.64%	103,778	399,970	51.16%	204,605
Overdue from 631 to 720	73,637	72.13%	53,117	180,687	56.03%	101,235
Overdue from 721 to 810	74,514	79.08%	58,922	172,108	56.42%	97,097
Overdue from 811 to 990	159,905	81.59%	130,461	307,219	58.87%	180,858
Overdue from 991 to 1080	74,854	83.51%	62,513	163,107	61.90%	100,963
Overdue from 1081 to 1170	71,604	84.03%	60,167	174,693	65.21%	113,926
Overdue from 1171 to 1350	121,601	87.92%	106,910	260,349	73.82%	192,198
Overdue from 1351 to 1530	122,019	87.75%	107,074	264,668	70.01%	185,284
Overdue from 1531 to 1710	108,411	90.78%	98,416	196,461	73.74%	144,878
Overdue from 1711 to 1890	94,084	92.49%	87,018	219,803	78.68%	172,944
More than 1891	33,827	100.00%	33,827	12	100.00%	12
Total	3,467,584		1,580,307	7,442,094		2,263,611

Aging of installment payment balances falling due (distribution segment)

	2024				
	2025	2026	2027	After 2027	Total
Residential	349,839	243,398	110,073	33,166	736,476
Industrial	54,508	8,609	4,524	3,270	70,911
Commercial	63,108	56,654	33,056	176,031	328,849
Rural	30,573	15,389	8,387	21,035	75,384
Government	76,240	57,385	50,023	166,504	350,152
Public lighting	52,946	35,502	26,530	62,776	177,754
Public utility	75,441	58,411	12,975	24,773	171,600
Total falling due	702,655	475,348	245,568	487,555	1,911,126

Aging of installment payments overdue for more than 90 days (distribution segment)

	2024					Total
	Overdue from 91 to 360 days	Overdue from 361 to 720 days	Overdue from 721 to 1080 days	Overdue from 1081 to 1530 days	Overdue for more than 1530 days	
Residential	171,439	200,965	199,886	209,341	132,732	914,363
Industrial	6,814	9,119	5,671	5,471	6,137	33,212
Commercial	26,161	34,365	39,032	43,426	28,247	171,231
Rural	9,505	10,429	10,055	11,844	8,150	49,983
Government	13,744	10,991	9,565	6,834	5,216	46,350
Public lighting	2,578	1,018	650	757	349	5,352
Public utility	3,123	2,172	1,637	1,545	1,378	9,855
Total falling due	233,364	269,059	266,496	279,218	182,209	1,230,346

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ECL – Other (distribution segment)

Aging list (in days)	Total	% Weighted average rate of loss	ECL – Other total
Falling due	115,968	3.89%	4,513
Overdue from 1 to 30	32,048	6.65%	2,131
Overdue from 31 to 60	13,130	18.04%	2,368
Overdue from 61 to 90	4,898	27.73%	1,358
Overdue from 91 to 120	4,229	32.84%	1,389
Overdue from 121 to 150	3,653	35.89%	1,311
Overdue from 151 to 180	2,545	36.31%	924
Overdue from 181 to 210	1,589	39.52%	628
Overdue from 211 to 240	2,666	41.82%	1,115
Overdue from 241 to 270	1,303	35.92%	468
Overdue from 271 to 300	1,646	43.32%	713
Overdue from 301 to 330	1,942	41.71%	810
Overdue from 331 to 360	2,409	46.20%	1,113
Overdue from 361 to 390	4,675	47.42%	2,217
Overdue from 391 to 420	5,079	48.02%	2,439
Overdue from 421 to 450	4,643	49.32%	2,290
Overdue from 451 to 630	22,838	49.75%	11,362
Overdue from 451 to 630 - individualized	1,149	3.48%	40
Overdue from 631 to 720	13,041	55.59%	7,249
Overdue from 721 to 810	13,138	55.19%	7,251
Overdue from 811 to 990	21,562	57.44%	12,386
Overdue from 991 to 1080	9,624	60.23%	5,797
Overdue from 1081 to 1170	9,955	63.94%	6,365
Overdue from 1171 to 1350	19,012	70.22%	13,350
Overdue from 1351 to 1530	17,288	68.32%	11,811
Overdue from 1531 to 1710	10,140	73.59%	7,462
Overdue from 1711 to 1890	11,092	92.20%	10,227
More than 1891	816	79.04%	645
Total	352,078		119,732

ECL – unbilled (distribution segment)

Aging list	Gross book balance unbilled	% Weighted average rate of average loss of unbilled amounts	Balance
Falling due	1,318,952	-2.56%	(33,804)
Total	1,318,952	-2.56%	(33,804)

(iii) Receivables of A component and other financial items, contractual asset (infrastructure under construction) and concession financial asset

The Company's and the subsidiaries' management considers this credit risk low, since the arrangements ensure the unconditional right to receive cash from the Grantor at the end of the concession term: (i) referring to costs not recovered through tariffs (industry-related financial asset); and (ii) referring to the investments in progress and made in infrastructure that were not amortized until the end of the concession (contractual asset and concession financial asset).

(iv) Derivatives

Derivatives are entered into with banks and financial institutions rated between AA- and AA+ by the rating agencies Fitch Ratings and Standard & Poors.

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(b) Liquidity risk

Liquidity risk is the risk that the Company and its subsidiaries will face difficulties in fulfilling obligations associated with financial liabilities that are settled with cash payments or another financial asset. The approach of the Company and its subsidiaries in managing liquidity is to ensure as much as possible that it will always have sufficient liquidity to fulfil its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or damaging the reputation of the Company and its subsidiaries. In order to determine the financial capacity of the Company and its subsidiaries to appropriately comply with the commitments assumed, the maturity flows of the funds raised and of other obligations are included in the disclosures.

More detailed information about the loans raised by the Company and its subsidiaries is presented in Notes 18 – Loans and financing, 19 – Debentures, and 23 – Amounts payable under the in-court reorganization plan.

The Company and its subsidiaries have obtained funds from their commercial activities and in the financial market. These funds are allocated primarily to their investment program and to the management of working capital and financial commitments.

The management of financial investments focuses on short-term instruments, aiming at maximum liquidity and to cover disbursements. The cash generation of the Company and its subsidiaries and their low volatility in payment receipts and obligations throughout the year provide the Company and its subsidiaries with cash flow stability, thus reducing liquidity risk.

The Company and its subsidiaries seek to maintain the level of its cash and cash equivalents and of other investments in an active at an amount higher than cash outflows for debt settlement for the next 12 months. The debt service coverage ratio for short-term debt is 2.3 at December 31, 2024 (2.3 at December 31, 2023).

Liquidity risk exposure

Below are the contractual maturities of financial liabilities at the reporting date. These amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of offsetting agreements:

Parent Company

	Carrying amount	Total contractual cash flow	2 months or less	2-12 months	1-2 years	2-5 years
Nonderivative financial liabilities						
Secured debt instruments	3,295,425	3,775,234	-	3,775,234	-	-
Subtotal – Loans and financing	3,295,425	3,775,234	-	3,775,234	-	-
Unsecured debt instruments	285,891	425,337	-	39,867	35,405	350,065
Subtotal – Debentures	285,891	425,337	-	39,867	35,405	350,065
Trade accounts payable	4,751	4,751	4,751	-	-	-
Total	3,586,067	4,205,322	4,751	3,815,101	35,405	350,065

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(In thousands of reais)

Consolidated

	Carrying amount	Total contractual cash flow	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Nonderivative financial liabilities							
Unsecured bank loans	5,627,258	5,930,739	587,582	2,407,177	1,628,639	1,307,341	-
Secured bank loans	17,571,655	25,347,367	928,663	1,973,625	2,752,198	6,520,613	13,172,268
Secured debt instruments	3,705,658	4,318,725	-	3,827,117	47,406	444,202	-
Subtotal – Loans and financing	26,904,571	35,596,831	1,516,245	8,207,919	4,428,243	8,272,156	13,172,268
Unsecured debt instruments	7,383,488	12,657,385	61,725	728,289	1,507,987	4,221,728	6,137,656
Secured debt instruments	21,539,019	36,723,911	222,768	2,279,856	2,938,825	13,544,515	17,737,947
Subtotal – Debentures	28,922,507	49,381,296	284,493	3,008,145	4,446,812	17,766,243	23,875,603
Unsecured debt instruments	934,860	1,993,778	108	52,684	52,508	353,197	1,535,281
Secured debt instruments	63,626	58,039	3,105	32,723	22,211	-	-
Subtotal - Amounts payable in connection with in-court reorganization plan	998,486	2,051,817	3,213	85,407	74,719	353,197	1,535,281
Finance lease liabilities	103,855	103,855	2,141	10,328	11,719	21,569	58,098
Trade accounts payable	4,701,533	4,701,533	2,727,383	1,958,587	15,485	30	48
Trade accounts payable – Reverse factoring	321,822	321,822	299,717	22,105	-	-	-
Subtotal - Trade accounts payable	5,127,210	5,127,210	3,029,241	1,991,020	27,204	21,599	58,146
Total	61,952,774	92,157,154	4,833,192	13,292,491	8,976,978	26,413,195	38,641,298

The cash outflows disclosed in the table above represent undiscounted contractual cash flows relating to derivative financial liabilities that are held for risk management purposes and are not normally settled before contractual maturity.

In addition, as disclosed in Notes 18 – Loans and financing and 19 – Debentures, the Company and its subsidiaries have financial transactions subject to covenants. Future non-compliance with such covenants may require the Company to settle the debt before maturity. These covenants are regularly monitored by the CFO and reported periodically to management to ensure that the contract is complied with, so as not to create any future expectation that the agreed-upon conditions will not be met.

(c) Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and share price, will impact the Company's and its subsidiaries' gains or the amount of their financial instruments, including the debt ratios defined in contracts; failure to comply with such ratios could result in early maturity, as described below in this note. The purpose of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.

The Company and its subsidiaries use derivatives to manage market risks. All of transactions are conducted in accordance with the guidelines established by the Risk Management Committee.

Generally, the Company and its subsidiaries apply *hedge accounting* to manage volatility in profit or loss.

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(d) Price risk in the sale of electricity

The Company's subsidiaries operating in the renewable energy segment sell electricity in the regulated market (ACR). In the ACR, sales take place through auction-related contracts, whose prices are predetermined and adjusted using a certain inflation index. In this market, the risk of changes in market prices and to the Difference Settlement Price (PLD) results from the energy balance sheet adjustments, when the generation is different from the electricity sold, settled in the short term by the CCEE, according to the rules of each contract and its bands. A substantial portion of the electricity sold is linked to regulated contracts, which reduces the exposure of the subsidiaries operating in the renewable energy segment to price fluctuations.

(e) Currency risk

This risk arises from the possibility that the Company and its subsidiaries will incur losses due to fluctuations in the foreign exchange rate. Certain financial liabilities of the subsidiaries are susceptible to fluctuations in exchange rates due to the effects of exchange rate volatility on balances linked to foreign currencies, particularly the US dollar.

As at December 31, 2024, the currency exposure of subsidiaries was as follows: Equatorial Maranhão - 22.5% (22.5% as at December 31, 2023); Equatorial Pará - 17.7% (16.3% as at December 31, 2023); Equatorial Piauí - 35% (28.5% as at December 31, 2023); Equatorial Alagoas - 57.9% (37.9% as at December 31, 2023); CEEE-D - 18.4% (24.3% as at December 31, 2023); CEA - 31.5% (37.5% as at December 31, 2023); Equatorial Telecomunicações - 100% (100% as at December 31, 2023); and ENOVA - 0% (99.7% as at December 31, 2021) – percentage of their debt (relative to loans and financing, financial creditors of in-court reorganization, and PVA of financial creditors in foreign currency).

The Company and its subsidiaries continuously monitor foreign exchange rates and market interest rates in order to assess the need, if any, to enter into derivative transactions to hedge against the risk of volatility of these rates.

The subsidiaries have debts in foreign currency with swap to hedge against exchange rate fluctuations, according Note 32.4 - Derivative financial instruments.

The sensitivity of financial assets and liabilities of the Company's subsidiaries was disclosed based on the following scenarios: one scenario with rates projected for 12 months (Probable Scenario) and two other scenarios with 25% (Scenario II) and 50% (Scenario III) considering the exposure to the relevant foreign currency.

The valuation method for this sensitivity analysis as at December 31, 2024 has not changed from the method used in the previous year.

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The currency used in the sensitivity analysis and the respective scenarios are shown below:

Transaction	Risk	Balance in R\$ (exposure)	Consolidated Risk of cash flow or fair value associated with interest rate or exchange rate fluctuation				
			Impact on P&L				
			Probable scenario	Scenario II +25%	Scenario III +50%	Scenario IV -25%	Scenario V -50%
Financial liabilities							
Loans, financing and debentures	US\$	(8,624,365)	(9,362,800)	(11,703,500)	(14,044,199)	(7,022,100)	(4,681,401)
Impact on P&L for the year			(738,435)	(2,340,700)	(4,681,399)	2,340,700	4,681,399
Swap – Long position	US\$	8,608,034	9,345,070	11,681,338	14,017,605	7,008,803	4,672,535
Impact on other comprehensive income			(1,398)	(4,432)	(8,864)	4,432	8,864
Impact on P&L for the year			738,435	2,340,700	4,681,399	(2,340,700)	(4,681,399)
Total net impact on P&L for the year			-	-	-	-	-
Reference to financial liabilities		Projected rate	Rate at 12/31/2024	+25%	+50%	-25%	-50%
USD/R\$ (12 months)		6.72	6.19	8.40	10.08	5.04	3.36

Source: B3

(f) Interest rate risk

This risk arises from the possibility that the Company and its subsidiaries will incur losses due to fluctuations in interest rates that affect loans and financing, debentures and short-term investments. The Company and its subsidiaries continuously monitor changes in indices in order to assess the need, if any, to enter into derivative transactions to hedge against the risk of volatility of these rates. The impacts of these fluctuations on short-term investment income and on the indebtedness in domestic currency of the Company and its subsidiaries are shown below.

The sensitivity of financial assets and liabilities of the Company and its subsidiaries was disclosed based on five scenarios: one scenario with rates projected for 12 months (Probable Scenario) and two other scenarios with 25% (Scenario II) and 50% (Scenario III) considering the exposure to the relevant foreign currency.

The valuation method for this sensitivity analysis as at December 31, 2024 has not changed from the method used in the previous year.

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Two other scenarios with the opposite effect to the one determined above were also included to show the effects of a 25% decrease (Scenario IV) and 50% decrease (Scenario V) in these indices.

		Parent Company					
		Risk of cash flow or fair value associated with interest rate or exchange rate fluctuation (thousands of R\$)					
Transaction	Risk	Balance in R\$ (exposure)	Impact on P&L				
			Probable scenario	Scenario II +25%	Scenario III +50%	Scenario IV -25%	Scenario V -50%
Financial assets							
Financial investments	CDI	260,830	301,024	311,072	321,121	290,976	280,927
Impact on P&L for the year				10,048	20,097	(10,048)	(20,097)
Financial liabilities							
Loans, financing and debentures	CDI	(3,623,814)	(4,182,244)	(4,321,851)	(4,461,459)	(4,042,637)	(3,903,029)
Total financial liabilities		(3,623,814)	(4,182,244)	(4,321,851)	(4,461,459)	(4,042,637)	(3,903,029)
Impact on P&L for the year				(139,607)	(279,215)	139,607	279,215
Total net impact on P&L for the year				(129,559)	(259,118)	129,559	259,118

		Consolidated					
		Risk of cash flow or fair value associated with interest rate or exchange rate fluctuation (thousands of R\$)					
Transaction	Risk	Balance in R\$ (exposure)	Impact on P&L				
			Probable scenario	Scenario II +25%	Scenario III +50%	Scenario IV -25%	Scenario V -50%
Financial assets							
Financial investments	CDI	13,436,535	15,507,105	16,024,748	16,542,390	14,989,462	14,471,820
Impact on P&L for the year				517,643	1,035,285	(517,643)	(1,035,285)
Financial liabilities							
Loans, financing and debentures	CDI	(24,650,871)	(28,449,570)	(29,399,245)	(30,348,920)	(27,499,895)	(26,550,220)
	TJLP	(929,553)	(1,013,120)	(1,034,012)	(1,054,903)	(992,228)	(971,337)
	IGP-M	(419,103)	(445,926)	(452,632)	(459,337)	(439,220)	(432,515)
	IPCA	(18,699,288)	(19,903,522)	(20,204,581)	(20,505,639)	(19,602,463)	(19,301,405)
Total financial liabilities		(44,698,815)	(49,812,138)	(51,090,470)	(52,368,799)	(48,533,806)	(47,255,477)
Impact on P&L for the year				(1,278,332)	(2,556,661)	1,278,332	2,556,661
Swap – Short position	CDI	(7,264,176)	(8,383,585)	(8,663,437)	(8,943,289)	(8,103,732)	(7,823,880)
Impact on other comprehensive income				(5,115)	(10,231)	5,115	10,231
Impact on P&L for the year (swap)			323,052	(274,737)	(549,474)	274,737	549,474
Total net impact on P&L for the year			323,052	(1,035,426)	(2,070,850)	1,035,426	2,070,850

Reference to financial assets and liabilities	Projected rate	Rate at 12/31/2024	+25%	+50%	-25%	-50%
CDI (% 12 months)	15.41%	10.88%	19.26%	23.12%	11.56%	7.71%
SELIC (% 12 months)	15.41%	10.88%	19.26%	23.12%	11.56%	7.71%
TJLP (% 12 months)	8.99%	6.95%	11.24%	13.49%	6.74%	4.50%
IGP-M (% 12 months)	6.40%	6.54%	8.00%	9.60%	4.80%	3.20%
IPCA (% 12 months)	6.44%	4.87%	8.05%	9.66%	4.83%	3.22%

Source: B3 and Santander

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(g) Risk of early maturity

The Company and its subsidiaries have loan, financing and debenture agreements with covenants that generally require economic and financial ratios at certain levels. Failure to comply with such ratios may result in early maturity of debts.

Management monitors its positions and projects future indebtedness to take preventive measures as regards the debt ratios mentioned in the Notes 19 - Loans and financing and 20 - Debentures.

As regards the agreements under the in-court reorganization of subsidiary Equatorial Pará, the novation of credits prompted the suspension of contractual clauses addressing early maturity and financial and non-financial covenants, except if agreed between the parties.

(h) Risk of energy shortage (Hydrological risk) - Sale

The electric power production and transmission system in Brazil is a large hydro/thermal/wind system, with predominance of hydroelectric plants, which makes it susceptible to variations in reservoirs due to rainfall. A prolonged period of rain shortage, for example, will reduce the volume of water in the reservoirs of those plants, resulting in increase in the energy purchase cost in the short-term market and in increase in System Charges due to the operation of thermal power plants. Thus, in order to encourage the rational use of energy, the government issued Decree No. 8401/2015 that created the Tariff Flag Resources Centralizing Account (CCRBT - tariff flag accounts), in order to properly transfer to end consumers the cost associated with electricity generation conditions.

According to the information disclosed by the Brazilian Electric System Operator (ONS), from October to December 2022, continued rainfall was recorded in the country, which is the behavior expected for a typically wet period. In terms of equivalent storage, all subsystems of the Brazilian National Interconnected System (SIN) ended the year with amounts higher than those recorded in 2021. The ONS stated that the current better conditions at the reservoirs of hydroelectric power plants, combined with the other energy sources available in the country, will contribute to guarantee electricity supply in the coming months.

(i) Risk of review and adjustment of supply - Tariffs

The tariff review and adjustment processes are guaranteed by contract and use previously defined methodologies. Changes in the current methodology must be widely discussed, with contributions from the Company and its subsidiaries, concessionaires and other agents operating in the industry. In the event an unforeseeable event affects the economic and financial balance of the concession, the Company and its subsidiaries may justify it and request the regulatory agency to open an Extraordinary Tariff Review, at the agency's discretion. ANEEL may also implement Extraordinary Reviews in case of creation, change or exclusion of charges and/or taxes to be transferred to the tariffs.

(j) Regulatory and operational risks

Regulatory and operational risks are those inherent in the business of the Company and its transmission subsidiaries, and may arise from the Company's operating and management decisions or from external factors.

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Service interruption risk: in the event of service interruption or equipment unavailability, the transmission subsidiaries will be subject to a reduction in revenue due to the application of the Variable Portion, provided for in Ruling No. 729/2016, depending on the type of disconnection, equipment and duration of service unavailability.

Infrastructure construction and development risk: if the transmission subsidiaries expand their business through the construction of new transmission facilities, they may incur risks inherent to the construction activity, delays in the execution of the construction work and potential environmental damages that may result in unexpected costs and/or penalty.

Regulatory risk: if the Company's transmission subsidiaries do not comply with the obligations contained in the clauses of the service concession arrangement and in the rulings issued by the Brazilian Electricity Regulatory Agency (ANEEL), they will be subject to the application of penalties, depending on the type of violation and of the regulation not complied with, as determined by Ruling No. 846/2019, under which, depending on the infraction, the fine may reach up to 2% of the company's revenue.

(k) Environmental risk

The Company and its subsidiaries base their actions on their Sustainability Policy, which provides for compliance with legal environmental requirements of all government levels (federal, state and local), in order to preserve the environment and respect the society, especially the traditional populations.

To control processes and activities that have environmental impacts, we use an Environmental Management System based on ISO 14001, which links processes and activities to their possible impacts, and correlates them with the current legislation. For these processes, the Company has specific procedures in place that aim at preventive control of environmental impacts and involve employees and third parties, as well as other stakeholders.

The main macroprocesses of the Environmental Management System control are the following:

- Environmental licensing;
- Management of right of way, pruning and trimming;
- Waste Management, environmental education and awareness;
- Management of legal requirements;
- Water resources management; and
- Standardization and control of the environmental management system (EMS).

Within these macroprocesses, the Company and its subsidiaries manage hundreds of environmental licensing and authorization processes for the implementation, maintenance and operation of assets and processes, especially with regard to the implementation of substations, transmission lines and electricity distribution grids. Furthermore, they have to request to the relevant environmental agencies the authorizations for pruning and trimming, and for cleaning of right of way, in order to comply with the legislation and avoid any risks to the electric power system.

The EMS of the Company and its subsidiaries includes an environmental integration stage for construction works. This process consists of aligning with the suppliers/contractors about the licenses and authorizations received from the environmental agencies. In the environmental integration meetings, the construction work managers and contractors are communicated about the processes that have received environmental licenses, as well as about the legal obligations relating to compliance with conditions and the current legislation, in order to minimize the environmental risks associated with construction works.

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In addition, in order to reduce environmental impacts, the Company and its subsidiaries use protected or compact cables at their concession areas that minimize the number of pruning, especially in urban areas with high density of large trees.

32.6 Capital management

The policy of the management of the Company and its subsidiaries is to maintain a strong capital base in order to maintain the confidence of investors, creditors and the market, as well as the future development of the business. Management monitors the return on capital and the level of dividends for shareholders.

Management seeks to strike a balance between the highest possible returns and the most adequate levels of leverage, and the advantages and security provided by a sound capital position, by establishing and monitoring debt and liquidity ratios, as well as the financing maturities and costs.

The Company and its subsidiaries understand that they have the sources of financing necessary for the implementation of projects, including equity, long-term financing lines, debentures, and financing with funds from the Amazon Development Fund transferred by Banco do Brasil.

33 Statements of cash flows

33.1 Noncash transactions

The revision of CPC 03 (R2) – Statement of Cash Flows states that investments and financing transactions that do not require the use of cash or cash equivalent should be excluded from the statements of cash flows and presented in a separate note.

All noncash transactions, i.e., those that were not included in the statements of cash flows, are shown in the table below:

Parent Company

Investing activities

Dividends receivable

Realization of unearned income reserve

Total investing activities

Financing activities

Additional dividends - 2023

Recognition of minimum dividends (e)

Total financing activities

Total

Noncash effect

2,738,815

293,816

3,032,631

8,885

642,435

651,320

3,683,951

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(In thousands of reais)

Consolidated

Investing activities

Transfers between financial assets and contractual assets (a)	2,288,413
Transfers between contractual assets and intangible assets (a)	3,456,960
Addition of contractual assets matched against trade accounts payable (b)	273,220
Addition of contractual assets matched against payroll obligations and charges (b)	454,672
Realization of unearned income reserve	293,961
Addition of special obligations matched against CCC subrogation	236,820
Total investing activities	7,004,046

Financing activities

Capitalization of interest on loans, interest and intercompany loans (c)	240,577
Additional dividends - 2024	489,615
Hedge accounting of cash flows (d)	403,385
Recognition of right of use	18,265
Recognition of minimum dividends (e)	1,211,499
Total financing activities	2,363,341

Total	9,392,725
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- (a) These correspond to transfers (bifurcation) of contract assets to intangible assets in service and concession-related financial assets;
- (b) These refer to additions of contract assets matched against trade accounts payable and payroll obligations and charges. For more details, refer to Note 16 – Contract assets;
- (c) Capitalization of interest on loans linked to the acquisition or construction of qualifying assets recorded in contractual assets in accordance with CPC 20 (R1) - Borrowing Costs;
- (d) Hedge against exposures to fluctuations in cash flows that are attributable to specific risks associated with assets or liabilities or that may affect profit or loss; and
- (e) Recognition of mandatory minimum dividends for 2024.

33.2 Changes in liabilities from financing activities

	Parent Company					
	2023	Cash flow	Interest paid (*)	Other (**)	2024	
Loans and financing	-	3,124,205	(57,213)	228,433	3,295,425	
Debentures	4,080,993	(3,700,000)	(362,536)	267,434	285,891	
Dividends payable	507,356	(516,194)	-	970,474	961,636	
Total	4,588,349	(1,091,989)	(419,749)	1,466,341	4,542,952	

	Consolidated					
	2023	Cash flow	Interest paid (*)	New leases	Changes in fair value	2024
Loans and financing	21,808,685	3,022,270	(1,387,836)	-	-	26,904,571
Debentures	24,643,459	3,902,632	(2,588,083)	-	-	28,922,507
Derivative financial instruments	546,610	85,039	(337,863)	-	403,385	156,765
Future commitments	36,431	-	-	-	-	158,716
Amounts payable under in-court reorganization plan	951,513	(28,514)	(16,151)	-	-	998,486
Lease liabilities	104,310	(26,247)	(5,459)	18,265	-	103,855
Dividends payable	619,904	(1,433,957)	-	-	-	1,509,105
Total:	48,710,912	5,521,223	(4,335,392)	18,265	403,385	58,754,005

(*) The Company and its subsidiaries classify interest paid as cash flows from operating activities; and

(**) The changes in the column "Other" include the effects of allocation of debt charges, interest, and net inflation adjustment and foreign exchange differences, capitalization of interest, and recognition of dividends payable that have not yet been paid at the end of the year. The Company and its subsidiaries classify interest paid as cash flows from operating activities.

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34 Business segment

The Company analyzes segment performance and allocates funds based on several factors, and revenues and operating income are the preponderant financial factors.

The Company organized the entity based on different products and services. Thus, the economic segments in which it operates are: Distribution, Transmission, Generation, Servicesⁱ, Sanitation and Administrationⁱⁱ. Segment information is as follows:

	2024							
	Distribution	Transmission	Generation	Services and sale	Sanitation	Reconciliation		Total
						Administration	Eliminations	
Net operating revenue	41,643,354	1,605,922	1,204,621	954,736	246,590	-	(288,548)	45,366,675
								(34,809,620)
Operating costs and expenses	(32,747,982)	(101,629)	(550,418)	(945,924)	(279,921)	(473,152)	289,406	
Depreciation/amortization	(1,901,174)	(256)	(266,918)	(14,091)	(2,473)	(441)	-	(2,185,353)
Operating income (expenses) before finance income (costs)	6,994,198	1,504,037	387,285	(5,279)	(35,804)	(473,593)	858	8,371,702
Finance income	3,789,133	120,066	98,631	64,343	9,512	593,274	(273,604)	4,401,355
Finance costs	(7,279,893)	(420,765)	(510,889)	(90,139)	(175,629)	(938,442)	273,604	(9,142,153)
Finance income (costs)	(3,490,760)	(300,699)	(412,258)	(25,796)	(166,117)	(345,168)	-	(4,740,798)
Earnings (loss) on equity interest	-	-	-	(55,095)	-	7,030,737	(6,710,881)	264,761
Income and social contribution taxes	121,762	(272,469)	(19,076)	(7,740)	-	49,663	-	(127,860)
Net income for the year	3,625,200	930,869	(44,049)	(93,910)	(201,921)	6,261,639	(6,710,023)	3,767,805

	2023							
	Distribution	Transmission	Generation	Services and sale	Sanitation	Reconciliation		Total
						Administration	Eliminations	
Net operating revenue	37,994,132	1,603,922	1,027,962	442,230	150,151	-	(233,320)	40,985,077
								(33,337,668)
Operating costs and expenses	(31,499,632)	(178,905)	(567,159)	(453,003)	(217,032)	(655,257)	233,320	
Operating income (expenses) before finance income (costs)	6,494,500	1,425,017	460,803	(10,773)	(66,881)	(655,257)	-	7,647,409
Finance income	2,712,878	128,803	113,515	39,903	11,827	585,106	(196,507)	3,395,525
Finance costs	(5,678,098)	(506,996)	(409,340)	(44,209)	(179,025)	(1,386,984)	196,507	(8,008,145)
Finance income (costs)	(2,965,220)	(378,193)	(295,825)	(4,306)	(167,198)	(801,878)	-	(4,612,620)
Earnings (loss) on equity interest	-	-	-	(57,509)	-	6,291,453	(6,233,944)	-
Income and social contribution taxes	5,067	(201,927)	(73,552)	(10,346)	-	122,253	-	(158,505)
Net income for the year	3,534,347	844,897	91,426	(82,934)	(234,079)	4,956,571	(6,233,944)	2,876,284

	2024							
	Distribution	Transmission	Generation	Services and sale	Sanitation	Reconciliation		Total
						Administration	Eliminations	
Operating assets	80,886,233	10,599,606	14,095,140	988,564	1,243,226	55,617,228	(47,016,425)	116,413,572
Operating liabilities	66,054,982	6,617,459	6,587,129	549,684	1,667,205	7,290,748	(2,241,221)	86,525,986

	2023							
	Distribution	Transmission	Generation	Services and sale	Sanitation	Reconciliation		Total
						Administration	Eliminations	
Operating assets	70,820,207	12,411,481	14,142,224	452,328	1,207,828	49,526,377	(44,916,993)	103,643,452
Operating liabilities	56,962,249	8,154,411	6,551,207	364,635	1,490,396	6,453,980	(1,617,085)	78,359,793

ⁱ Services refer to services provided by Equatorial Serviços S.A., Equatorial Telecomunicações S.A., Equatorial Renováveis S.A., E-Nova Instalação e Manutenção Ltda., Equatorial Geração Distribuída SPE S.A., and Equatorial Engenharia e Construções S.A. For more information, refer to Note 1.1 - Subsidiaries; and

ⁱⁱ Administration refers to the Central Administration services arising from the holding operations, as well as the sharing of personnel and infrastructure, provided by Equatorial Energia Distribuição S.A., Equatorial Transmissão S.A., Equatorial Participações e Investimentos S.A., Equatorial Participações e Investimentos II S.A., Equatorial Participações e Investimentos III S.A., and Equatorial S.A. For more information, refer to Note 1.1 – Subsidiaries.

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements (Continued)

December 31, 2024 and 2023

(In thousands of reais)

34.1 Operating revenue per segment

	2024						Total
	Distribution	Transmission	Generation	Services	Sanitation	Eliminations	
Electricity supply	653,662	-	-	-	-	-	653,662
Electricity services	42,913,060	-	-	733,937	-	-	43,646,997
Construction revenue	8,377,887	8,806	-	-	155,580	-	8,542,273
Revenue from availability – use of grid	2,928,911	-	-	-	-	(23,793)	2,905,118
Operation and maintenance revenue	-	116,506	-	-	-	-	116,506
Revenue from sale of power	-	-	1,239,423	-	-	-	1,239,423
Water and sewage services	-	-	-	-	95,871	-	95,871
Contract asset income	-	1,630,398	-	-	-	-	1,630,398
Other revenues	2,544,830	879	18,845	344,890	6,646	(240,784)	2,675,306
Total gross revenue	57,418,350	1,756,589	1,258,268	1,078,827	258,097	(264,577)	61,505,554

	2023						Total
	Distribution	Transmission	Generation	Services	Sanitation	Eliminations	
Electricity supply	511,047	-	-	-	-	-	511,047
Electricity services	38,006,080	-	-	271,698	-	-	38,277,778
Construction revenue	7,991,313	97,878	-	-	73,035	-	8,162,226
Revenue from availability – use of grid	2,529,343	-	-	-	-	(23,413)	2,505,930
Operation and maintenance revenue	-	138,513	-	-	-	-	138,513
Revenue from sale of power	-	-	1,067,589	-	-	-	1,067,589
Water and sewage services	-	-	-	-	84,149	-	84,149
Contract asset income	-	1,524,604	-	-	-	-	1,524,604
Other revenues	2,555,191	3,475	396	218,530	2,623	(186,444)	2,593,771
Total gross revenue	51,592,974	1,764,470	1,067,985	490,228	159,807	(209,857)	54,865,607

34.2 Geographic segment

The Company discloses information by economic segments and by state in which it operates in the electricity distribution industry*:

(a) Distribution operating revenue

	2024							Total
	Maranhão	Pará	Piauí	Alagoas	Rio Grande do Sul	Goiás	Amapá	
Net operating revenue	6,212,072	10,861,897	3,679,591	3,109,736	5,339,988	10,855,406	1,584,664	41,643,354

	2023							Total
	Maranhão	Pará	Piauí	Alagoas	Rio Grande do Sul	Goiás	Amapá	
Net operating revenue	5,669,353	10,378,384	3,458,827	3,062,974	4,792,835	9,213,201	1,418,558	37,994,132

For decision-making purposes, the Company management analyzes the distribution companies only by geographic segment. The transmission companies are not analyzed by geographic segment since the transmission lines stretches across several regions.

* The distribution subsidiaries have operational and administrative headquarters in the respective states in which they operate. The transmission subsidiaries operate at locations other than the administrative headquarters, namely: Brasília/Distrito Federal. Therefore, they are not analyzed per geographic segment by the Company.

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35 Future commitments

35.1 Future energy commitments

Company indirect subsidiaries Echoenergia Crescimento and Equatorial Renováveis (current name of Solenergias Comercializadora de Energia S.A.) operate in the Free Contracting Environment (ACL) and entered into bilateral energy sale and purchase agreements with their counterparties. These transactions resulted in gains and losses for the Group, which were recorded at fair value in P&L for the year.

As at December 31, 2024, future electricity trading agreements amounted, respectively, to R\$155,990 and R\$158,716, referring to receivables and obligations.

	2024		2023	
	Assets	Liabilities	Assets	Liabilities
Subsidiaries				
Echoenergia Crescimento	8,260	5,981	20,148	18,044
Equatorial Renováveis	147,730	152,735	28,739	18,387
Total	155,990	158,716	48,887	36,431
Current	141,530	129,082	24,928	11,692
Noncurrent	14,460	29,634	23,959	24,739

35.2 Future agreements

The commitments relating to long-term contracts are as follows:

	Effectiveness	2024	2025	2026	After 2026*
Contracted energy	2024 to 2046	14,326,417	15,861,606	16,717,522	207,710,093
Contracted energy (in MhW)	2024 to 2046	56,002,382	56,802,911	57,610,333	592,260,130

(*) estimate of 9 years after 2027.

The amounts relating to energy purchase contracts, ranging from 6 to 30 years, represent the total contractual volume at the price restated according to the CCEAR clause, and were approved by ANEEL.

	Effectiveness	2024	2025	2026	After 2026*
Leases and rentals	2024 to 2029	11,992	10,517	13,572	67,774
Stand-alone system	2024 to 2027	711,512	681,416	216,550	856,925
Stand-alone system (MhW)	2024 to 2027	346,198	303,091	117,984	352,796
Charges on use of the transmission system (CUST/CCT) and distribution system (CUSD)	2024 to 2046	112,262	117,674	122,798	251,714
Operation and maintenance contracts	2024 to 2046	113,855	123,468	137,786	1,039,790

(*) estimate of 11 years after 2027.

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements (Continued)

December 31, 2024 and 2023

(In thousands of reais)

36 Events after the reporting period

Equatorial S.A.

Capital increase

On January 7, 2025, the Company's Board of Directors deliberated on the approval of the capital increase within the authorized capital limit, in accordance with article 7 of the Company's Bylaws, in the minimum amount of R\$25,000 and maximum amount of R\$111,165, through the issue for private subscription of a minimum of 961,538 ("Minimum Subscription") and a maximum of 4,275,569 new registered, book-entry, common shares without par value.

Release of funds of the seventh (7th) issue of debentures

On March 21, 2025, the funds from the 7th issue of junior, unsecured, nonconvertible debentures were released, in a single series, in the amount of R\$1,500,000, at a rate of CDI + 0.72% p.a., with a five-year term and amortizations in the 3rd, 4th, and 5th years, semiannual interest and no grace period. The proceeds from the issue will be used for the partial prepayment of the Issuer's commercial notes with ticker "NC002400KOI," in the amount of R\$1,500,000, as per the Issue Deed.

Optional Extraordinary Amortization of the 3rd issue of Commercial Notes

On March 24, 2025, the Announcement to the Holders of the Commercial Notes was published, whereby the partial extraordinary amortization of the 3rd Issue of Commercial Notes, in the amount of R\$1,500,000, was scheduled for March 28, 2025.

Equatorial Maranhão Distribuidora de Energia S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of the Board of Directors' meeting, additional dividends of R\$318,887 were approved, deriving from income recorded in the year.

Loan taken out from Scotiabank

On January 30, 2025, the loan taken out from Scotiabank under Law No. 4131, with a three-year term, bullet amortization, and semiannual interest payments, in the amount of US\$18,000 was settled, at a cost of USD + 5.2780% p.a. and a currency swap to CDI + 1.15% p.a., totaling R\$106,920.

On February 19, 2025, the loan taken out from Scotiabank under Law No. 4131, with a three-year term, bullet amortization, and semiannual interest payments, in the amount of US\$32,682.79 was settled, at a cost of USD + 5.2710% p.a. and a currency swap to CDI + 1.05% p.a., totaling R\$186,223.

Early settlement of the 9th issue of debentures

On February 31, 2025, the Company settled the 9th Debentures in advance, totaling R\$311,579.

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais)

Request for extension of the concession of the distribution subsidiary Equatorial Maranhão

In accordance with the provisions of Law No. 9074/1995, Decree No. 12068/2024, Concession Agreement, and ANEEL Decision No. 517/2025, the Board of Directors of the Equatorial Group approved the submission of the request to ANEEL for extension of the concession of Equatorial Maranhão for a period of 30 (thirty) years, starting from the end date of Concession Agreement No. 60/2000 (EQTL MA), with early effects of the extension as per article 10 of Decree No. 12068/2024. Once the request is submitted, ANEEL must submit a recommendation within 60 days regarding assessment as to compliance with the technical and economic-financial indicators to the MME, which in turn must decide and summon for execution of the contract within 30 days. Lastly, the distribution company must sign the concession contract amendment within 60 days from the summons.

Equatorial Pará Distribuidora de Energia S.A.

Payment of additional dividends

On March 26, 2025, as per the minutes of the Board of Directors' meeting, the proposal for payment of additional dividends of R\$1,093,583 was approved, of which R\$1,084,578 derived from P&L for the year and R\$9,005 from release of the revaluation reserve to retained earnings.

Optional Extraordinary Amortization of the 6th issue of Debentures

On February 17, 2025, the extraordinary amortization of the 6th Issue of Debentures took place, in the amount of R\$750,000.

Request for extension of the concession of the distribution subsidiary Equatorial Pará

In accordance with the provisions of Law No. 9074/1995, Decree No. 12068/2024, Concession Agreement, and ANEEL Decision No. 517/2025, the Board of Directors of the Equatorial Group approved the submission of the request to ANEEL for extension of the concession of Equatorial Pará for a period of 30 (thirty) years, starting from the end date of Concession Agreement No. 182/1998 (EQTL PA), with early effects of the extension as per article 10 of Decree No. 12068/2024. Once the request is submitted, ANEEL must submit a recommendation within 60 days regarding assessment as to compliance with the technical and economic-financial indicators to the MME, which in turn must decide and summon for execution of the contract within 30 days. Lastly, the distribution company must sign the concession contract amendment within 60 days from the summons.

Equatorial Piauí Distribuidora de Energia S.A.

Capital increase

On March 26, 2025, as per the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$90,145 was approved, through payment of the legal reserve of R\$14,418 and of the tax incentive reserve of R\$75,727, with no issue of new shares. As such, article 5 of the Company's Bylaws was amended, to be submitted for consideration at the Company's General Meeting.

Payment of additional dividends

On March 26, 2025, according to the minutes of the Board of Directors' meeting, the proposal for payment of additional dividends of R\$30,070 was approved, deriving from income recorded in the year.

Equatorial S.A. and Consolidated

Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais)

Request for Extraordinary Tariff Review

On March 18, 2025, at the 8th General Public Meeting of 2025 of ANEEL's Board of Directors, the reconsideration of the Extraordinary Tariff Review of Equatorial Piauí was discussed, a request that had been previously denied in 2019. A public consultation is currently open, which will run until May 5, 2025, aimed at obtaining subsidies and additional information for the improvement of this extraordinary tariff review, with an initial tariff proposal of R\$178,600. This is a preliminary value and will need to be confirmed after its approval, as the effects from the tariff processes of 2023 and 2024 will still be incorporated, in addition to adjustments based on the SELIC rate.

Equatorial Transmissão 1 SPE S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$44,371 was approved, deriving from income recorded in the year.

Equatorial Transmissão 2 SPE S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$63,675 was approved, deriving from income recorded in the year.

Equatorial Transmissão 3 SPE S.A.

Capital increase

On March 26, 2025, as per the minutes of the Board of Directors' Meeting, a capital increase in the amount of R\$22,943 was approved, through payment of the legal reserve, with no issue of new shares. As such, article 5 of the Company's Bylaws was amended, to be submitted for consideration at the Company's General Meeting.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$68,138 was approved, deriving from income recorded in the year.

Equatorial Transmissão 4 SPE S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$168,429 was approved, deriving from income recorded in the year.

Equatorial Transmissão 5 SPE S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$75,077 was approved, deriving from income recorded in the year.

Equatorial S.A. and Consolidated

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(In thousands of reais)

Equatorial Transmissão 6 SPE S.A.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$107,799 was approved, deriving from income recorded in the year.

Equatorial Transmissão 8 SPE S.A.

Release of the subloan of the financing with Banco do Brasil

On December 28, 2018, subsidiary SPE08 entered into a financing agreement with Banco do Brasil, with transfer of funds from the Amazon Development Fund ("FDA"), as approved by SUDAM. On February 20, 2025, the final release of the funds related to the loan in the amount of R\$12,721 took place, intended for investments in a transmission line project, at a cost of IPCA + 1.6% p.a. and final maturity on October 30, 2038.

Payment of additional dividends

On March 26, 2025, according to the minutes of Management's meeting, the proposal for payment of additional dividends of R\$115,290 was approved, deriving from income recorded in the year.

Ribeiro Gonçalves Energia Solar

Loan taken out from Banco Safra

On February 18, 2025, the loan taken out from Safra under Law No. 4131, with a two-month term, bullet amortization and interest, of US\$26,267 was settled, at a cost of USD + 6.87% p.a. and a currency swap to CDI + 1.70% p.a., totaling R\$150,000.

Loan taken out from Banco Santander

On February 18, 2025, the loan taken out from Santander under Law No. 4131, with a two-month term, bullet amortization and interest, of US\$25,893 was settled, at a cost of USD + 6.20% p.a. and a currency swap to CDI + 1.41% p.a., totaling R\$150,000.

Ribeiro Gonçalves Solar I

Release of the subloan of the financing with BNB

On February 28, 2025, the financing raised with Banco do Nordeste, with a term of 22 years and 8 months, monthly amortization and interest, of R\$49,300 was settled, at a cost of IPCA + 5.4030% p.a.

Board of Directors

Eduardo Parente Menezes
(Chairman)

Guilherme Mexias Aché
(Vice chairman)

Luís Henrique de Moura Gonçalves

Paulo Jerônimo Bandeira de Mello Pedrosa

Tania Sztamfater Chocolat

Tiago de Almeida Noel

Tinn Freire Amado

Dennis Herszkowicz

Supervisory Board

Members

Saulo de Tarso Alves de Lara

Maria Salete Garcia Pinheiro

Vanderlei Dominguez da Rosa

Deputy members

Paulo Roberto Franceschi

Claudia Luciana Ceccatto de Trotta

Ricardo Bertucci

Statutory Audit Committee

Tiago de Almeida Noel
(Coordinator)

João Alberto da Silva Neto

Jorge Roberto Manoel

Executive Board

Augusto Miranda da Paz Júnior
(CEO)

Leonardo da Silva Lucas Tavares de Lima
Chief Financial and Investor Relations Officer

Humberto Luís Queiroz Nogueira
(Officer)

José Silva Sobral Neto
(Officer)

Fernanda Verzenhassi Sacchi
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Cristiano de Lima Logrado
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Maurício Alvares da Silva Velloso Ferreira
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Marcos Antônio Souza de Almeida
(Officer)

José Ailton Rodrigues
(Officer)

Geovane Ximenes de Lira
Corporate Superintendent of Tax Management, Accounting Standards and Reports
Accountant CRC-PE012996-O-3-S-MA