



MANAGEMENT REPORT 2022

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MESSAGE FROM MANAGEMENT

2022 was marked by emblematic advances in our strategic plan towards 2030. We had so many achievements in a single year that we were able to anticipate milestones that were only scheduled for 2025, thus starting one more growth cycle in the Company's history. We advanced in the delivery of contracted projects, signed new agreements, won energy auctions, raised funds, acquired high quality assets to complement our portfolio and increased our reserves, to mention a few highlights. The assets acquired and the new businesses opened up will substantially increase Eneva's fixed revenue volume, which is adjusted on an annual basis according to inflation, generating a more predictable EBITDA less dependent on dispatch. Our achievements are the result of the distinguished set of skills we have developed at Eneva, the ability to connect these skills with agility to create more value and the strong culture of our Company.

We continually seek to leverage our skills to generate more value for our shareholders. Our highest-return projects follow the R2W model and accessing an ever-growing base of reserves is critical to our strategy. Proving once again our exploratory success, our certified 2P gas reserves recorded 12 billion m³ growth in December 2022, amounting to 47.5 billion m³. In Amazonas, the inclusion of 7.5 billion m³ of 2P gas reserves enabled us to be the winners of the 2nd Capacity Reserve Auction, in September, with Azulão II project, to build 590 MW. This achievement, combined with winning the auction in December 2021 to supply 295 MW capacity near Azulão field, materialized a dream: Azulão 950 MW project, expanding our excellence in R2W model. This project ensures Eneva a fixed annual revenue of more than R\$ 2 billion over 15 years and is an important step in the monetization of surplus natural gas in the Amazon basin.

Other important achievements that expanded our R2W capacity were the commercial start-up of TPP Parnaíba V in November, which already contributed to 2022 results with energy export agreements to Argentina and, from 2024, will ensure an annual fixed revenue of over R\$ 350 million; and the beginning of the construction of TPP Parnaíba VI, which will ensure over R\$ 100 million in annual fixed revenue from 2025 onwards.

Other unprecedented milestone for Eneva in 2022 was the commercial start-up of Ocelot II, which endorses the Company's pioneering spirit in offering energy solutions. This was the first time that a company developed a Liquefied Natural Gas (LNG) plant and structured a logistical solution to transport LNG by road for nearly 1,000 km to the plant. And with this acquired experience, we have created a new business line: Small-Scale LNG (SSLNG), which has already enabled us to implement, trade, and expand the SSLNG supply solution. This is a cleaner, more cost-competitive alternative to oil, a highly polluting fuel, in industrial applications in northern Brazil. In 2022, we signed our first agreements to supply LNG to large customers' facilities.

Other important growth avenue in 2022 was acquisitions. CELSE acquisition was indeed an excellent opportunity to shorten the long period required to develop a gas hub, in addition to avoiding the risks associated with building an LNG terminal. In terms of revenue generation, the asset provides over R\$ 1.9 billion/year in fixed revenue. Our portfolio also grew with the acquisition of CGTF (Termofortaleza), an asset with a solid balance sheet. Marking our entry into the renewable energy market, the completion of Focus Energia acquisition added to our portfolio not only the largest solar generation plant in South America, but also raised our Trading to a new level. We completed the construction of Futura I project, through which we developed new skills in the construction and operation of solar projects.

In addition to Futura I, we announced an investment of R\$ 500 million in decarbonization technologies by 2030 as one of our ESG commitments. On ESG front, we were recognized for our long-term efforts in sustainability management with the improvement of two notches in CDP climate change ranking and inclusion in ISE B3 portfolio. We also made progress in transparency by participating for the first time in the S&P Global Sustainability Assessment, reaching 52 points, slightly above the industry average, and improving our position on Refinitiv, the London Stock Exchange Group index, in three categories, moving from C to B. We also retained the gold standard in the transparency of our emissions report of the Brazilian GHG protocol.

On the other hand of the huge advances obtained in 2022, we had an increase in the Company's leverage. Our net debt/EBITDA ratio went from 2.8x at the end of 2021 to 4.8x in December 2022, at the same time that interest rates rose in the country. However, we have a quality debt: long-term, low-cost and mostly inflation-indexed. Even considering the capex forecast for the coming years, our strong cash generation from projects delivered and acquisitions will contribute to tripling our fixed revenue by 2027 and will lead us to a deleveraging path that may be shortened depending on the country's hydrological scenario, energy exported to neighboring countries or energy generated to replace less efficient thermal power plants in Brazil. We also continue to improve our access to funding sources. In April, we received the AAA(bra) rating from Fitch and successfully completed our R\$ 4.2 billion equity offering in June to support our growth plans.

We are proud of our achievements, but also aware of the three main challenges we must address with the new growth cycle: (i) start and move forward in the construction of greenfield projects; (ii) capture the upsides identified in the assets we acquire; and (iii) adjust the balance sheet, bringing leverage back to the levels recorded at the end of 2021.

We thank all of our stakeholders who follow us on this journey and maintain a long-term commitment to the Company. Our team has demonstrated an impressive track record over the last few years, with solid values and an obsession for discipline in

capital allocation, taking risks with responsibility. We are sure that we will continue to be a positive surprise to everyone.

Overview

ENEVA SA (“Eneva”) is an integrated energy company, with complementary businesses in energy generation and exploration & production of hydrocarbons in Brazil, a pioneer in the development and operation of the *Reservoir-to-Wire* (“R2W”) model in the country.¹ The Company is headquartered in the city of Rio de Janeiro and has assets in the states of Maranhão, Sergipe, Bahia, Ceará, Amazonas, Roraima, Mato Grosso do Sul and Goiás.

The Company has a thermal generation park of 4.6 GW in operation, representing approximately 21% of the thermal generation capacity of natural gas and coal in the country². The total installed capacity will reach 6.3 GW by 2026, with the start-up of four new plants.

The Company performs Exploration and Production activities, with more than 64 thousand km² in exploratory concessions. In December 2022, ENEVA operated 12 natural gas fields in Parnaíba and Amazonas Basins, with total certified reserves (2P) of 47.53 bcm (billion cubic meters), in addition to Juruá area, in Solimões Basin. In 2022, the Company was the largest private operator³ of natural gas in Brazil, with a production capacity of 5.9 million m³ per day.

The Company also has expertise in gas and energy trading. It performs the commercial integration of different generation sources through agreements derived from its own and third-party plants.

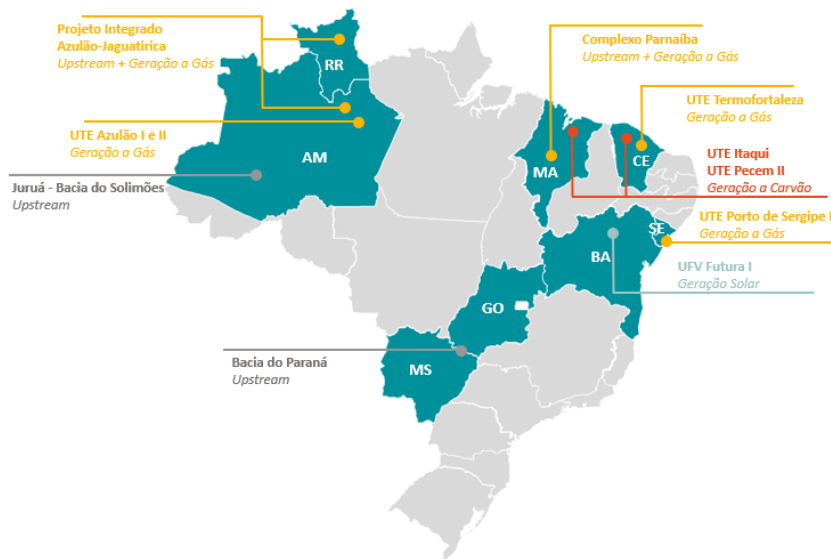
Portfolio

The Company's assets are distributed across Brazil, as shown in the figure below:

¹ Publication “Brasil Energia Petróleo”, No. 432, November 2016, pages 34 to 36.

² ANEEL data for March 2022, available in ANEEL Generation Information System (Generation Capacity in Brazil - Matrix by type and final fuel: <https://app.powerbi.com/view?r=eyJrIjoibjNjc4OGYyYjQtYWVhNGU5YzAxNzBIMSIsImMiOiR9>).

³ Brazilian Statistical Yearbook of Petroleum, Natural Gas and Biofuels 2022. Page 81, Table 2.12: [Link](#)



Parnaíba Complex, located in Maranhão, has a total installed capacity of 1.9GW, of which 1.8 GW is already in operation. In December 2022, the Complex comprised 5 natural gas thermal power plants (“TPPs”) (Parnaíba I, II, III, IV, V) supplied through its own dedicated infrastructure, and 12 onshore natural gas fields located in its surroundings. Additionally, Parnaíba VI plant is under construction.

Due to the strategic location of the generating park, adjacent to the natural gas producing fields, Eneva ensures energy generation at competitive costs and with less environmental impact, by reducing costs and losses in fuel transportation. To support the Complex's generation, Parnaiba Basin had 33.07 bcm of natural gas reserves (2P), certified by Gaffney, Cline & Associates ("GCA"), as of December 31, 2022.

In Northeast region, the Company also operates two coal-fired thermal power plants, TPP Itaqui, in the state of Maranhão, with an installed capacity of 360 MW, and TPP Pecém II, in the state of Ceará, with an installed capacity of 365 MW.

In North region, in Roraima, TPP Jaguaririca II is in operation, with an installed capacity of 141 MW, and consumes natural gas from Campo de Azulão, located in the State of Amazonas (Amazon Basin). Natural gas extracted and produced in the field is liquefied and transported in cryogenic tanks by the road that connects the exploration field to the plant. The start-up of Jaguaririca II TPP marked the beginning of the energy transition in the state of Roraima, which, until then, had diesel-fired thermal power plants as its energy generation base. With that, Eneva therefore contributes to reduce carbon and NOx (Nitrogen Oxides) emissions in the state.

Still in the north region, in December 2021, Eneva was the winner in the 1st ANEEL Capacity Auction with Azulão I project. The project, with a generation capacity of 360 MW, has a 15-year agreement to supply energy to SIN, effective as of July 2026. This will

ensure annual fixed revenue of R\$ 217 million (base date: July 2021, annually adjusted by IPCA).

In September 2022, Eneva was the winner of the 2nd ANEEL Capacity Reserve Auction in the form of energy, with Azulão II project, with 590 MW of generation capacity. The agreement for supplying energy to SIN also lasts for 15 years, effective as of December 2026. The project will ensure annual fixed revenue of R\$ 1.9 billion (base date: May 2022, annually adjusted by IPCA).

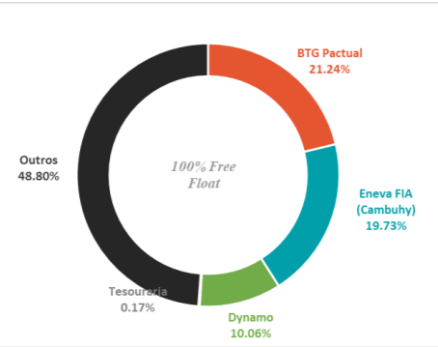
TPPs will be supplied by natural gas from Amazon basin and will be installed together in 950 MW Azulão complex. Thus, Eneva takes an important step towards monetizing the surplus natural gas in Amazon basin, expanding the R2W model to new frontiers.

In March 2022, Eneva entered into a business combination with Focus Energia that enabled the Company to enter the renewable energy market. The transaction brought new skills to the Company, such as the structuring, construction and operation of renewable projects, with Futura 1 project, the largest solar generation plant in Latin America, with 670MW of installed capacity. Additionally, with this acquisition, Eneva strengthens its Energy Trading activity, which enables it to develop a wide variety of products for the most varied types of customers, preparing for opportunities that will arise with the migration from regulated market to the free market of energy. The transaction also brought an additional pipeline of 2.3GW in already licensed photovoltaic projects.

In August 2022, the acquisition of Central Geradora Termoelétrica Fortaleza S.A. ("CGTF") was completed, whose main asset is TPP Fortaleza I, a natural gas plant with an installed capacity of 327MW and an energy trading agreement with the distributor in the state of Ceará, effective until Dec/2023. The asset, whose acquisition resulted in a net cash outflow of R\$ 232 million for the Company, has a high potential for cash generation, as it recorded in 2021, R\$ 1.7 billion net revenue and R\$ 580 million EBITDA. The Company is already working on the feasibility of a new agreement for the plant aimed at extending its life cycle.

In October 2022, the Company acquired Centrais Elétricas de Sergipe ("CELSE"), whose main asset is TPP Porto de Sergipe I, a natural gas plant with 1.6 GW of installed capacity, in operation since 2020. The plant has an agreement in the regulated market until 2044, with annual contractual fixed revenue of R\$ 1.9 billion (base date: November 2021). This acquisition aimed not only at adding the plant already in operation, but also important growth opportunities, aiming to increase the asset's value and transform it into a Gas Hub.

The Company is listed in the Novo Mercado segment since its IPO in 2007, with widely held stock (*Corporation*). ENEVA has a single class of shares and its share capital at the end of 2022 consisted of 1,584,446,224 common shares, traded on B3 – Brasil, Bolsa Balcão under the ticker ENEV3. The shareholding composition is detailed in the chart on the right.



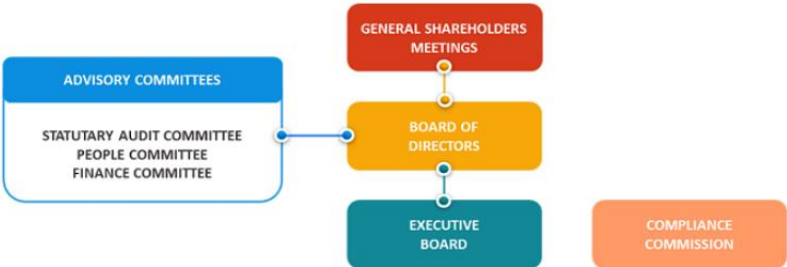
CORPORATE GOVERNANCE

Ethics is part of ENEVA's decisions, guiding the conduct of our business and our relationships with customers, shareholders, employees, suppliers, service providers, government entities and other stakeholders. The Company adopts the corporate governance practices established in the Brazilian Corporate Governance Code, in addition to Novo Mercado rules.

Governance Structure

ENEVA's Corporate Governance structure is based on the pillars of good practices that regulate corporate relations, support internal controls and ensure compliance and transparency in decision-making. This model represents the permanent search for the improvement of the practices adopted and, consequently, the equal treatment of its shareholders.

ENEVA currently has the following Corporate Governance structure:



The Board of Directors is responsible for the general guidance of the Company's business, decisions on strategic issues, monitoring of business management plans

carried out by the Executive Board, in compliance with the powers set in the Bylaws, internal regulations and in the legislation in force. The Company's Board of Directors is comprised by seven members, elected by the Shareholders' Meeting, all independent, with a 1-year term of office, reelection permitted, as follows: Jerson Kelman, Henri Philippe Reichstul, Marcelo Medeiros, Guilherme Bottura, Felipe Gottlieb, Renato Mazzola and Elena Landau.

To support the decision-making processes, the Board has specialized committees, operating simultaneously, on a permanent or temporary basis, as follows: Statutory Audit Committee, Finance Committee and People Committee.

Until December 2022, the Executive Board was comprised by eight members, all independent. However, the structure of the Executive Board was changed and, on the date of publication of this document, it comprised 11 members, as shown below:

LINO CANÇADO CHIEF OPERATIONS OFFICER - STATUTORY DIRECTOR	MARCELO HABIBE CHIEF FINANCIAL OFFICER - STATUTORY DIRECTOR	MARCELO CRUZ LOPES MARKETING, COMMERCIALIZATION AND NEW BUSINESS DEVELOPMENT OFFICER - STATUTORY DIRECTOR	ANITA BAGGIO DIRECTOR OF ESG, HEALTH AND SAFETY & COMMUNICATION
FAUSTO CARETTA EXPLORATION, DEVELOPMENT AND CONSTRUCTION OFFICER	RICARDO PASCOTTO OPERATION AND MAINTENANCE OF RESERVOIR TO WIRE (R2W) AND SSLNG ASSETS OFFICER	VILMAR CARNEIRO OPERATION AND MAINTENANCE OF GENERATION ASSETS OFFICER	DAMIAN POPOLO INSTITUTIONAL AND REGULATORY OFFICER
THIAGO FREITAS LEGAL, GOVERNANCE, COMPLIANCE AND INTERNAL CONTROLS OFFICER	RENATO CINTRA CORPORATE SERVICES OFFICER	RICARDO MATHEUS SANTOS DIRECTOR OF HR	

Policies and Regulations

The Company's Policies and Regulations establish the guidelines and conducts to be adopted to avoid that corruption or non-compliance events occur in the Company's business, ensuring an action in compliance with the ethical principles and applicable legislation. The regulations are established and reviewed with the support of the Audit Committee, approved by the Board of Directors and adhere to anti-corruption legislation and best integrity practices. In 2022, in line with the commitment to adhere to the best international practices, the Company revisited the Anti-Corruption Policy.

Whistleblowing Channel

ENEVA has a safe, confidential, external and independent whistleblowing channel. Complaints of violations of the Company's Code of Conduct and Brazilian law can be made anonymously through this channel by employees, service providers and the overall society. The ultimate purpose of the whistleblowing channel is to prevent, and when this is not possible, to stop the criminal chain or non-compliance, aiming to promote a fair and ethical environment for the internal and external audience, also identifying points for improvement, so as to ensure continuous improvement of internal controls and the Compliance structure.

Compliance Activities

The Company is strongly committed to combating any form of corruption, fraud, bribery, favoritism, influence peddling, extortion, money laundering and bribery in its internal relations, with suppliers, partners or public agents. Thus, the Company structured its Integrity Program, coordinated by the Compliance area, with activities periodically reported to the Legal Department and submitted to the Statutory Audit Committee, which in turn, report to the Board of Directors. The Program ensures proper mechanisms to promote ethical conduct in line with ENEVA's principles and guidelines.

Risk management

The Company has a structured risk management process, based on best market practices, aimed at reducing the level of uncertainty in achieving objectives and ensuring the preservation of value and business continuity, in addition to promoting the integrated management of the main risks to which the Company is exposed.

At least annually, a more comprehensive update of the business risk mapping is performed, involving all corporate areas and operating units, with the consolidation and reporting of information to the Company's Senior Management.

STRATEGIC PLANNING

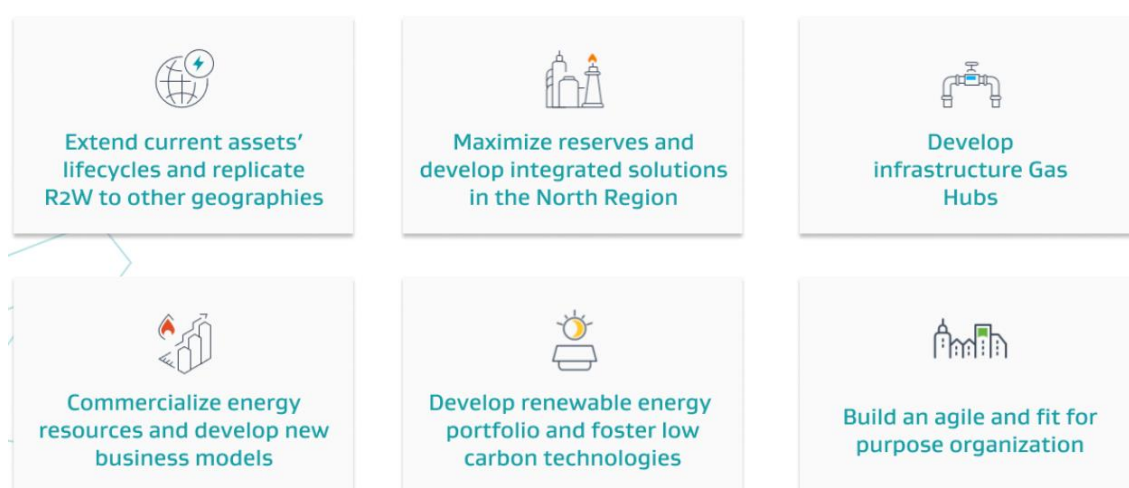
Focused on promoting the broad generation of value in all links of its production chain, Eneva annually revisits its strategy, anchored in sector analyses and documents, such as the Ten Year Expansion Plan, from the Energy Research Company (EPE) - also updated every year. This information and assessments from highly relevant sector external

sources subsidize the preparation of internal forecasts in the company, encompassing a multidisciplinary analytical scope and with the participation of employees from key areas.

In this context, Eneva works with different future scenarios (with positive and negative impacts), considered for investment decisions and aimed at enabling a more intense growth and new project frontiers. The ultimate goal is:

- I. Ensure the best possible return on assets;
- II. Review the business model, considering and adopting ESG criteria;
- III. Define sustainable development path; and
- IV. Maximize value as an integrated company.

The company defined its main challenges to be overcome by 2030:



And to support the update of the strategy, the developments of each of the challenges were also considered:

- (i) Search for retaining, in a second cycle, assets from Eneva's portfolio, such as Parnaíba, ensuring the continuity of the project's profitability, and the replication of R2W model - and its return - in other locations, such as Paraná Basin;
- (ii) Ensure reserves that enable core activities and new gas monetization fronts; leverage the sale of gas and monetize reserves in the North, a region in which it is already expanding its presence, such as the Amazon Basin; in addition to overcoming logistical and commercial bottlenecks to ensure successful activities in that location;
- (iii) Unite access to molecule through terminals to generation and trading projects and ensure multiple monetization fronts for gas in the same location, uniting different links in the chain;

- (iv) Strengthen energy trading, especially with the market liberalization – which would also leverage the Company's own generation through the diversification of action fronts and the offer of different energy solutions;
- (v) Diversify generation sources and reduce emissions, as well as develop solutions in new technologies (such as hydrogen and carbon capture) for application in operations; and
- (vi) Ensure its steering ability towards the achievement of the outlined objectives, which implies access and the best allocation of people, the necessary skills, and financial resources, as well as the development of internal systems that allow even more agility and efficiency.

Thus, 2022 strategic planning cycle maintains the search for achieving 2030 goals, established in 2021, only with route adjustments that consider internal and external scenario updates. In 2022 cycle of revisiting its strategy, Eneva updated its pipeline of projects. The changes were driven by the following relevant events: three acquisitions in just six months – CGTF, Focus and CELSE, the latter of which took the Company to another level in terms of financial results, in addition to significantly increasing installed capacity; Contracting of Azulão I and II at auction; and Signature of agreements with Suzano and Vale, representing the entry into new segments.

In addition, the Company is attentive to the regulatory environment, which is undergoing structural changes and sector reforms with direct impact on market players. In the energy sector, the modernization, market opening and focus on energy transition stand out; for gas, the relevance is due to the market opening.

PEOPLE MANAGEMENT

Eneva ended 2022 with a total of 1,490 own employees, compared to a 1,224 in 2021. This increase is mainly due to the acquisition of three new companies in 2022, Focus Energia, CGTF and CELSE.

The following table shows that Eneva's headcount is concentrated in the Northeast, Southeast, and North regions, with 78% of the total headcount consisting of men. The data consider employees hired under Brazilian Labor Law (CLT) and Statutory employees, excluding interns and apprentices and the baseline for calculation is the month of December of each year.

By Region			By Genre		
Northeast	789	53%	Masculine	1,157	78%
North	183	12%	Feminine	333	22%
Southeast	518	35%			
Total	1,490			1,490	

In 2022, 360 employees were hired, excluding interns and apprentices; the rate of new hires⁴ totaled 24% and the turnover rate⁵ was 18%.

Compensation and Benefits

Eneva's compensation strategy was defined to foster a culture of merit, focus on results and a sense of ownership. The model covers all employees and positions, with no distinction of any gender or other social indicators. Guided by principles aligned with Eneva's culture and behavior, it was designed to directly reflect the economic and financial results achieved and the market value in the short and long term.

The compensation strategy comprises: (i) **Fixed Monthly Compensation**, in line with market practices, with the aim of compensating individual contributions to the performance and growth of the business; (ii) **Short Term Incentive**, regulated in a collective agreement for all locations and employees, which aims to align short-term priorities with the Company's strategic planning, rewarding the achievement of annual corporate and team goals; and (iii) **Long Term Incentive**, which aims to engage management in the development and delivery of a consistent strategic plan, as well as attracting and retaining professionals and promoting alignment between the interests of executives and shareholders.

People Development

Eneva's Human Resources area works continuously to keep up with the Company's growth agenda. In recent years, programs have been developed to attract new employees - such as the Trainee Programs, new Internship Program, Qualification Program for New Operators - and development of current employees, with emphasis on the following projects:

⁴ Ratio between the number of new hires by the total headcount in the period.

⁵ Average between new hires and dismissals, divided by the total headcount in the period.

- ✓ Leadership Academy, whose main objective is to develop skills and prepare leaders to respond to challenges and keep them aligned with the Company's culture;
- ✓ Knowledge Academy, which offers employees a catalog of courses and training in various categories (Behavioral, Technical, Leadership, Ethics & Integrity, Systems and Tools).

MARKET OVERVIEW

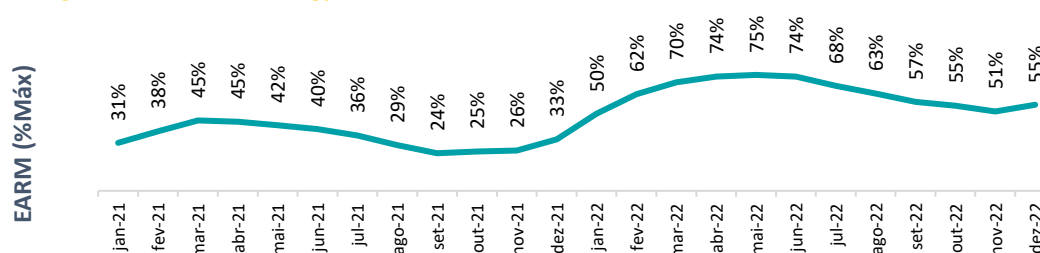
The load behavior of the National Interconnected System (SIN) in 2022 was impacted by several factors, among them the following stand out: the slowdown in various segments of the economy due to problems in supply chains, the worsening of the pandemic situation with the arrival of Omicron variant in Brazil and Russia's war against Ukraine.

Regarding the expansion of installed capacity, a 5% increase was added to SIN's total capacity, considering all energy sources. Thermal capacity also grew, around 5%, with emphasis on wind and solar sources, with 15% and 59% growth, respectively.

2022 was marked by the reversal of the unfavorable hydrological scenario which had been seen since the last quarter of 2020 and persisted until the last quarter of 2021. SIN average Affluent Natural Energy (ENA) in 2022 was 95% of the Long Term Average (LTA), in contrast to the result for 2021, which was 71% of LTA.

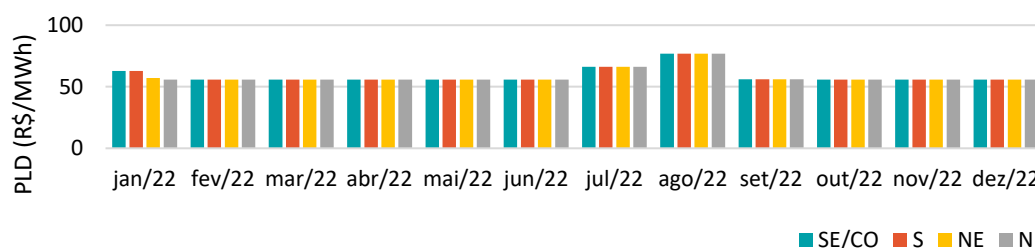
The reversal of hydrology to a more favorable scenario between 2021 and 2022 enabled the increase in storage levels of reservoirs, as shown in the graph below.

Average volume of stored energy (EARM) (%) - Maximum in 2021 and 2022 - SIN



As a result, in 2022, monthly average Settlement Price of Differences (“PLDs”) were at low levels throughout the year, with a slight increase in the months of July and August. This behavior can be partially explained by the strong performance of hydrology in the year, combined with low load growth, which can be seen in the graph below, containing data extracted from CCEE portal

PLD 2022



Due to the favorable rainfall regime, thermal dispatch recorded a significant drop in 2022, when compared to the previous year. ONS data of energy balance by source show a decrease in the amounts of thermal dispatch in SIN during 2022. 2021, an average dispatch of around 16 GWavg was seen, while in the subsequent year this figure dropped to approximately 8 GWavg.

Aneel Auctions

In May, the 36th New Energy Auction (A-4) was held, aimed at contracting new hydro, wind, photovoltaic and thermal biomass generation projects. 947.90 MW of power were contracted, at an average price of 258.16R\$/MWh.

In September, the 2nd Capacity Reserve Auction was held, aimed at contracting reserve energy from new generation projects, from natural gas-fueled thermal sources. 753.76 MW of power were contracted, at an average price of 444.00R\$/MWh. ENEVA won this auction with two projects, Azulão II and Azulão IV (together “TPP Azulão II”), with a total installed capacity of 590 MW, which will be implemented in the surroundings of Campo de Azulão, Amazon Basin. TPP Azulão II will be implemented together with TPP Azulão I, which was contracted in 2021 Capacity Reserve Auction. Azulão I and II thermal power plants (Azulão 950 MW) mark the beginning of the construction of Azulão Generation Complex in the Amazon basin.

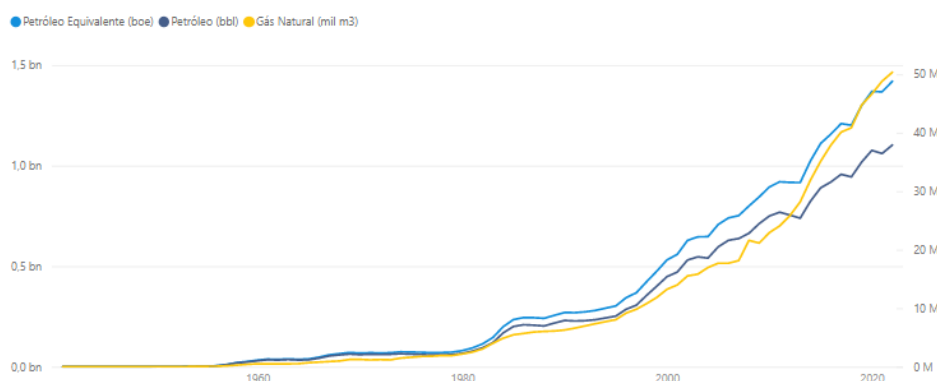
In October, the 37th New Energy Auction (A-5) was held, with the aim of contracting new hydro, wind, solar photovoltaic, biomass- and urban solid waste-fueled thermal generation projects. 557.45 MW of power were contracted, at an average price of 237.48R\$/MWh.

In December, the 28th Existing Energy Auction (A-1) and the 29th Existing Energy Auction (A-2) were held. 61 MWavg were contracted at an average price of 99.80R\$/MWh on A-1 and 144 MWavg at an average price of 131.95R\$/MWh on A-2.

Domestic E&P Industry

In 2022, the Upstream segment of the Brazilian hydrocarbon industry produced approximately 1.1 billion barrels of oil (bbl) and 50.3 billion cubic meters (bm³)⁶ of natural gas, totaling 1.419 billion barrels of oil equivalent (boe). These numbers indicate a new historical record of domestic production both for oil, which had recorded a slight drop in 2021, and for natural gas, which has been on an upward trend since 2009.

Total Production (land, post-salt and pre-salt, 1941-2022)



Production was focused on the offshore environment, mainly in pre-salt fields, which accounted for 75.18% of all hydrocarbons produced in the country. They were followed by post-salt fields and onshore fields, accounting for 19.50% and 5.32% of domestic production, respectively.

The analysis of Upstream land segment shows, on the other hand, a drop of around 10% for onshore oil, which recorded 28.9 million bbl, and for onshore natural gas, which closed 2022 with 7.4 bm³ produced. This behavior, however, has little effect on the general growth trend in onshore natural gas production, which has been upward since 2012.

Among the relevant events for the sector during 2022, two bidding events stand out: the 3rd Bidding Cycle of the Permanent Concession Offer (OPC3)⁷, held in April, and the

⁶AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS (Brazil). Dynamic Panel: Oil and Natural Gas Production. Rio de Janeiro, Jan 31 2022. Available in

<https://app.powerbi.com/view?r=eyJrIjojNzVmNzI1MzQtNTY1NC00ZGVhLTk5N2ItNzBkMDNhY2IxZTlxliwidCI6IjQ0OTlmNGZmLTl0YTtNGl0Mi1iN2VmLTExNGFmY2FkYzkyMyJ9>. Accessed on: Jan 27. 2023.

⁷AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS (Brazil). In: Results - 3rd Cycle of the Permanent Concession Offer. [S. I.] Dec 12 2022. Available in: <https://www.gov.br/anp/pt-br/rodadas-anp/oferta-permanente/opc/ciclos-opc-encerrados/3o-ciclo-opc/resultados-3o-ciclo-opc>. Accessed on: Jan 30. 2023.

1st Bidding Cycle of the Permanent Sharing Offer (OPP1)⁸, held in December. OPC3 had the participation of 14 bidding companies and resulted in 59 exploratory blocks awarded in Santos, Espírito Santo, Recôncavo, Sergipe-Alagoas, Potiguar and Tucano basins, totaling an acquired area of 7,854.91 km². The total subscription bonus offered for the blocks was R\$ 422.4 million and the forecast minimum investment in the exploration phase is R\$ 406.29 million. OPP1, in turn, recorded 4 exploratory blocks auctioned between 7 bidding companies, raised bonuses of R\$ 916.2 million and expected investment of R\$ 1.44 billion.

Regarding the New Gas Market, whose central framework is Federal Law No. 14.134 ("New Gas Law"), there were no significant advances. It is only worth highlighting ANP Board Resolution No. 40/2022, which authorized ANP's Federal Attorney's Office to adopt the necessary procedures for challenging the constitutionality, within the scope of the Federal Supreme Court (STF), of normative acts of sub-national entities that intend to provide on themes that encroach on ANP's regulatory and normative powers established in the New Gas Law. This resolution is an important step towards regulatory harmonization between federal legislation and state legislation, and reinforces ANP's commitment to act in favor of the correct application of jurisdictions of the New Gas Law. For 2023, ANP is expected to regulate the pending points of Federal Law No. 14.134, as well as resolutions on situations that will strengthen the creation of the Gas New Market, such the classification of Subida da Serra gas pipeline, litigation involving ATGás, ARSESP and Comgás.

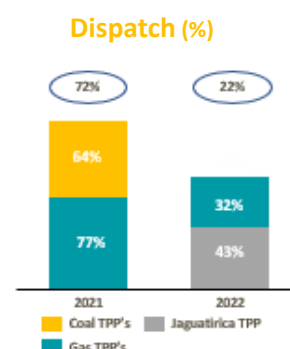
OPERATIONAL PERFORMANCE

2022 was marked by a significant increase in rainfall compared to the previous period, which favored the creation of Affluent Natural Energy (ENA), in addition to increasing the volume of Stored Energy (EARM) to very comfortable levels.

As a result, ENEVA's plants dispatched an average of 22% in 2022, compared to 72% in 2021. Power generation was due to the 50% inflexibility of TPP Parnaíba II, generation for the isolated system in Roraima by TPP Jaguatirica II, and generation for energy export to Argentina by Parnaíba Complex plants. The chart on the side shows the average dispatches of natural gas and coal-fired plants in the two comparable periods.

⁸AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS (Brazil). In: Results - 1st Cycle of Permanent Sharing Offer. Dec. 16 2022. Available in: <https://www.gov.br/anp/pt-br/rodadas-anp/oferta-permanente/opp/1o-ciclo-oferta-permanente-partilha/resultados-1o-ciclo-oferta-permanente-partilha>. Accessed on: Jan 30. 2023.

As a result of the drop in dispatch, the average gross energy generation showed a 58.7% decline in 2022 compared to 2021, with the generation of gas plants dropping 46.2% and coal plants not operating throughout 2022.



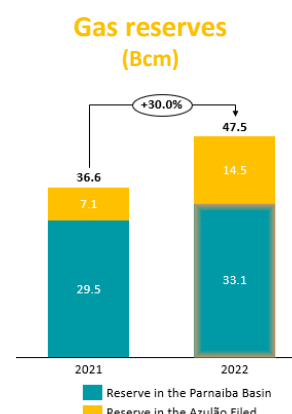
The table below summarizes the main operational data of the Company's plants, in addition to the Upstream segment, for 2021 and 2022:

Operational Data							
Assets		2022	2021	Assets		2022	2021
Power Generation			Power Generation				
Parnaíba I	Availability (%)	99%	95%	Jaguarica II	Availability (%)	46%	-
	Dispatch (%)	22%	73%		Dispatch (%)	39%	-
	Net Generation (GWh)	1149	4021		Net Generation (GWh)	390	-
	Gross Generation (GWh)	1208	4165		Gross Generation (GWh)	410	-
	Generation for Regulated Market (%)	0.0%	77.1%		Generation for Regulated Market (%)	100.0%	-
	Generation for Free Market (%)	100.0%	22.9%		Generation for Free Market (%)	0.0%	-
Parnaíba II	Availability (%)	95%	73%	Porto de Sergipe I	Availability (%)	88%	0.57
	Dispatch (%)	49%	85%		Dispatch (%)	6%	0.50
	Net Generation (GWh)	2054	2791		Net Generation (GWh)	787	4523
	Gross Generation (GWh)	2188	2944		Gross Generation (GWh)	806	4631
	Generation for Regulated Market (%)	95.2%	94.5%		Generation for Regulated Market (%)	100.0%	100.0%
	Generation for Free Market (%)	4.8%	5.5%		Generation for Free Market (%)	0.0%	0.0%
Parnaíba III	Availability (%)	99%	97%	Fortaleza	Availability (%)	100%	45%
	Dispatch (%)	25%	68%		Dispatch (%)	0%	15%
	Net Generation (GWh)	373	1000		Net Generation (GWh)	0	412
	Gross Generation (GWh)	389	1035		Gross Generation (GWh)	0	419
	Generation for Regulated Market (%)	0.0%	80.6%		Generation for Regulated Market (%)	0.0%	100.0%
	Generation for Free Market (%)	100.0%	19.4%		Generation for Free Market (%)	0.0%	0.0%
Parnaíba IV	Availability (%)	94%	82%	Itaqui	Disponibilidade (%)	98%	71%
	Dispatch (%)	22%	69%		Dispatch (%)	0%	62%
	Net Generation (GWh)	104	302		Net Generation (GWh)	3	1573
	Gross Generation (GWh)	110	316		Gross Generation (GWh)	3	1768
	Generation for Regulated Market (%)	0.0%	0.0%		Generation for Regulated Market (%)	0.0%	99.6%
	Generation for Free Market (%)	100.0%	100.0%		Generation for Free Market (%)	100.0%	0.4%
Parnaíba V	Availability (%)	95%	-	Pecém II	Availability (%)	93%	98%
	Dispatch (%)	58%	-		Dispatch (%)	0%	66%
	Net Generation (GWh)	239	-		Net Generation (GWh)	5	1826
	Gross Generation (GWh)	252	-		Gross Generation (GWh)	6	2046
	Generation for Regulated Market (%)	0.0%	-		Generation for Regulated Market (%)	0.0%	100.0%
	Generation for Free Market (%)	100.0%	-		Generation for Free Market (%)	100.0%	0.0%
Upstream			Upstream				
Parnaíba	GTU Dispatch (%)	30%	69%	Amazonas			
	Production (Bi m³)	0.92	2.12		Production (Bi m³)	0.15	-
	Remaining Reserves (Bi m³)	33.1	29.5		Remaining Reserves (Bi m³)	14.46	7.11

In response to the lower dispatch from Parnaíba Complex plants, the Company produced 1.06 bcm of gas in 2022, 49.8% lower when compared to the volume produced in 2021. The dispatch of the Gas Treatment Unit in 2022 was 30%, compared to 69% in the previous year.

On February 1, 2023, the Company released a certification report for reserves and contingent resources, referring to December 31, 2022, prepared by Gaffney, Cline & Associates (GCA). In Parnaíba Basin, the report presented an addition of 2P certified reserves of 3.62 bcm, already discounting the accumulated gas consumption for the year in the amount of 0.93 bcm, totaling in 2022 the amount of 33.07 bcm of 2P gas reserves at that location. In Amazon Basin, the addition was 7.35 bcm, totaling 14.46 bcm of certified 2P gas reserves in 2022. The report also disclosed the following total contingent resource volumes (P50): i) 2.01 bcm of gas and 3.73 million barrels of oil in Amazon Basin; ii) 20.85 bcm of gas in Solimões Basin; and iii) 0.33 bcm of gas in Parnaíba Basin.

Thus, considering consolidated figures and discounting natural gas consumption in 2022, the Company's 2P reserves addition was 10.97 bcm between 2021 and 2022. ENEVA ended 2022 with total 2P gas reserves of 47.53 bcm, and a Total Reserve Replacement Ratio of 1,125%.



ECONOMIC AND FINANCIAL HIGHLIGHTS

Consolidated Income Statement	(R\$ million)		
	2022	2021	%
Net Operating Revenues	6,128.6	5,124.4	19.6%
Operating Costs	(4,251.3)	(3,181.7)	33.6%
Depreciation and amortization	(695.9)	(547.5)	27.1%
Operating Expenses	(851.1)	(544.8)	56.2%
Dry Wells and provisions for doubtful accou	(27.9)	(55.6)	-49.9%
Depreciation and amortization	(142.4)	(61.3)	132.2%
Other revenue/expenses	254.9	194.6	31.0%
Equity Income	2.8	(0.7)	N/A
EBITDA (as of ICVM 527/12)	2,122.3	2,200.7	-3.6%
EBITDA excluding dry wells ¹	2,150.1	2,256.3	-4.7%
Net Financial Result	(767.2)	(186.5)	311.3%
EBT	516.8	1,405.3	-63.2%
Current taxes	(89.7)	(105.9)	-15.2%
Deferred taxes	(51.3)	(126.1)	-59.4%
Minority Interest	-	(0.0)	N/A
Net Income	375.8	1,173.3	-68.0%

ENEVA SA presents the Financial Statements in compliance with the International Financial Statement Standards (IFRS). These statements were reviewed and approved by the Board of Directors and the Executive Board on March 23, 2023.

Revenue

The Company's revenues are derived mainly from energy trading agreements in the regulated environment, entered into in energy auctions held by Aneel (National Electric Energy Agency), which pre-define prices, volume and terms, and have mitigation mechanisms to risk of agent default. These agreements guarantee fixed revenue irrespective of dispatch, adjusted annually by IPCA in November. For availability agreements, there is also a variable revenue when they are requested to dispatch by the National Electric System Operator ("ONS"), as far as they are not complying with contractual inflexibility.

Consolidated net operating revenue amounted to R\$ 6,128.6 million in 2022, with 19.6% increase as compared to 2021. The increase was mainly due to:

- (i) Addition, in 2022, of two operating assets by Eneva, Porto de Sergipe I and Fortaleza TPPs, with an increase in net revenue in the total amount of R\$ 937.9 million in the year;
- (ii) Commercial start-up at TPP Jaguatirica II, responsible for an increase of R\$ 321.6 million in net revenue in the year;
- (iii) Increase in the fixed revenue from the Company's other plants with agreements in the regulated environment, indexed to IPCA with adjustment in November, resulting in an increase of R\$ 174.4 million in net revenue in the year; and
- (iv) Energy exports to Argentina, providing R\$ 527.1 million net revenue in the year. However, part of these effects was offset by the lower level of dispatch from the plants in 2022 (22%) compared to 2021 (72%).

It is important to highlight that, for the first time in 2022, the Company started to generate energy for export to Argentina. The operation is provided for in Ordinance No. 418/GM/MME, dated November 19, 2019, which establishes the guidelines for energy export to Argentina and Uruguay, stemming from thermal plants in commercial operation, dispatched centrally by ONS and available to serve the National Interconnected System, but with no dispatch by merit order or energy supply guarantee.

Costs

In 2022, operating costs amounted to R\$ 4,251.3 million, with 33.6% increase as compared to 2021, mainly due to:

- (i) Additions made throughout 2022, as mentioned above, with an impact of R\$ 528.1 million;
- (ii) Commercial start-up of TPP Jaguatirica II, with an impact of R\$ 251.9 million;
- (iii) Increase in variable costs related to energy export to Argentina, in addition to the cost of reimbursement of ballast, with a total impact of R\$ 194.0 million;
- (iv) Cancellation of the coal supply agreement at Itaqui and Pecém II TPPs due to the current high level of inventory at the plants and the scenario of low probability of dispatch, with an impact of R\$ 69.0 million; and
- (v) Higher regulatory costs, due to both the commercial start-up at TPP Parnaíba V and the tariff update of plants already in operation, mainly impacting Parnaíba I due to the end of its stability period, with a total impact of R\$ 79.2 million.

These factors were partially offset by the lower costs associated with plant dispatch, due to the lower energy generation.

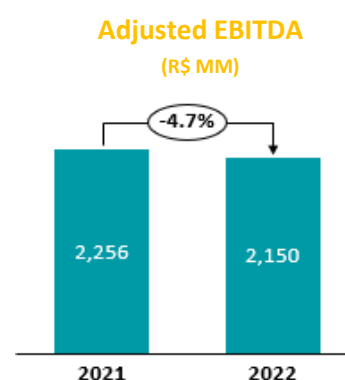
Expenses

Operating expenses, excluding depreciation and amortization, grew 46.6% in 2022, compared to the previous year, amounting to R\$ 708.7 million. The growth is mainly due to higher expenses related to:

- (i) Financial and legal consultancy services that assisted in M&A projects and integration of Focus, CGTF and CELSE;
- (ii) Personnel, due both to the merger of the three assets and new hires, to support the Company's growth strategy;
- (iii) Long Term Incentive Programs, which include both expenses related to payment of labor charges incurred with the exercise of the plans maturing in the period, with a cash effect of R\$49.9 million, and expenses related to the provisions of the plans in force, with no cash effect;
- (iv) Seismic campaign, started in 2022, with a forecast for the acquisition of 5,000 km of 2D seismic data, which will affect expenses with Geology and Geophysics (G&G) of the Upstream segment.

EBITDA

In 2022, Consolidated EBITDA amounted to R\$ 2,122.3 million, a 3.6% decrease compared to 2021, and Adjusted Consolidated EBITDA (excluding expenses with dry wells) was down 4.7% in the comparable period.



The main positive impacts refer to the acquisition of operating assets of CELSE and CGTF, which generated a total EBITDA of R\$ 510.3 million in the year; energy exports to Argentina, which generated an EBITDA of R\$ 321.0 million in the year; and the start-up of TPP Jaguatirica II, which generated an EBITDA of R\$ 114.9 million in the year. Additionally, EBITDA was impacted by R\$ 338.0 million due to a non-operating result related to the advantageous acquisition of Focus and CGTF.

On the other hand, other factors negatively impacted EBITDA in 2022, the main one being the lower dispatch from Eneva's plants, with a reduction in variable EBITDA compared to 2021.

Consolidated Financial Result

Net Financial Result	(R\$ million)		
	2022	2021	%
Financial Revenues	390.0	132.8	193.8%
Income from financial investments	358.0	81.2	340.9%
Fines and interest earned	10.8	42.0	-74.2%
Interest on debentures	-	-	N/A
Others	21.2	9.6	120.5%
Financial Expenses	(1,181.6)	(262.4)	350.4%
Fines interest	(6.2)	(2.5)	149.9%
Debt charges ¹	(140.9)	(12.9)	989.3%
Interest on provisions for abandonment	(19.4)	(24.9)	-21.9%
Fees and emoluments	(50.3)	(4.0)	1153.1%
IOF/IOC	(9.5)	(5.3)	78.6%
Debentures Cost	(722.1)	(174.6)	313.6%
Others	(233.2)	(38.2)	511.1%
FX Exchange and monetary variation	78.5	(59.6)	N/A
Losses/gains on derivatives	(54.1)	2.7	N/A
Net Financial Income (Expense)	(767.2)	(186.5)	311.3%

1 - Includes amortization on transaction costs.

The Company recorded, in 2022, a negative net financial result of R\$ 767.2 million, compared to a negative result of R\$ 186.5 million in 2021. The main effects that contributed to the growth in negative result in the annual comparison were:

- (i) R\$ 547.5 million growth in interest expenses on debentures, mainly due to the following effects: (a) increase in the average CDI rate in the period; (b) increase in the share of debentures in total debt with the 7th, 8th and 9th issues of simple debentures by Eneva S.A. in 2022; (c) inclusion of CELSE debentures in the income

statement after the company's acquisition; and (d) beginning of the impact on the financial result of the portion of expenses of the 2nd and 6th issues of debentures of Eneva S.A. backed by Azulão Jaguatirica and Parnaíba V projects, after the commercial start-up in 1H22 and 4Q22, respectively, which did not happen in 2021, since these expenses were being classified as PP&E in progress⁹;

(ii) R\$ 128.0 million increase in expenses with debt charges, reflecting the entry of CELSE's debt flow into the Company's consolidated result after the completion of the acquisition process, as well as the beginning of the classification of charges related to the debts of BNB and BASA in the financial result, raised, respectively, for Parnaíba V and Azulão-Jaguatirica projects, which, after starting operations in 2022, now have their interest, inflation adjustment and charges accounted for in financial result, as explained above;

(iii) Increase in financial expenses in "Other" line, mainly due to: (a) impact of -R\$ 48.6 million related to the change in the fair value of debentures, as a result of derivative transactions (swaps) contracted in 3Q22 to convert the exposure of around R\$ 3.1 billion of financing issued with indexation originally pegged to IPCA for exposure to CDI. With these instruments, the Company assumed liability positions in CDI and asset positions in IPCA; (b) impact of -R\$47.6 million on interest on leasing (IFRS 16/CPC06) referring to the lease agreement of Floating Storage Regasification unit ("FSRU") vessel chartered by TPP Porto de Sergipe I;

(iv) Impact of -R\$54.7 million in 2022 on derivative losses, reflecting the fair value of swaps contracted in 3Q22, as a result of the change in the mark-to-market curve of CDI and IPCA indicators.

The lower net financial result in 2022 was partially mitigated, mainly by the effects below:

(i) R\$ 276.8 million increase in the revenue from financial investments, due to the increase in the average cash position throughout the year and the increase in average CDI rate in the period;

(ii) Positive impact on "Exchange rate variation and inflation adjustment, net, in the amount of R\$ 78.5 million, due mainly to the exchange variation accounted on the leasing of FSRU vessel by TPP Porto de Sergipe I.

⁹ This capitalization complies with Accounting Standard CPC 20, which allows, during the project implementation period, the reclassification of interest, inflation adjustment and charges for property, plant and equipment in progress, up to the start-up period.

Investments

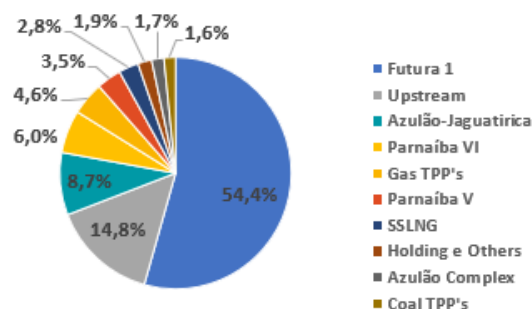
Capex	(R\$ million)	
	2022	2021
Coal Generation	61.8	57.5
Pecém II	31.9	20.0
Itaqui	29.9	37.5
Gas Generation	177.2	138.7
Parnaíba I ¹	25.4	59.4
Parnaíba II ²	122.9	73.4
Parnaíba III ²	3.2	3.8
Parnaíba IV ²	25.7	2.1
Parnaíba V	132.3	279.8
Parnaíba VI ³	229.7	39.5
Azulão-Jaguarica	283.7	710.5
Azulão Complex	81.5	-
Futura 1 ⁴	2,082.4	-
Upstream	566.1	507.7
Development	341.2	336.4
Exploration	225.0	171.3
LNG Commercialization	106.5	-
Holding and Others	74.3	13.9
Total	3,795.5	1,747.5

Notes: 1 - Parnaíba I capex is shown separately from Parnaíba V. As per the corporate restructuring announced in 1Q20, SPE Parnaíba I was merged into PGC in January/20; 2 - Capex of each of Parnaíba II, III and IV plants is presented separately. As per the corporate restructuring announced in 4Q18, SPEs Parnaíba III and Parnaíba IV were merged into SPE Parnaíba II; 3- TPP Parnaíba VI is the closing of TPP Parnaíba III cycle, whose PPA start-up agreement will be effective in January 2025. For a better understanding, capex will be presented separately from Parnaíba III.

In 2022, the Company invested R\$ 3,795.5 million, of which 54.4% was allocated to the completion of the work on Futura I solar plant, which is currently awaiting regulatory authorizations to start its commercial operations. In addition, R\$ 229.7 million was used in the construction of TPP Parnaíba VI; R\$ 132.3 million in the completion of the work on TPP Parnaíba V; R\$ 106.5 million in the construction of liquefaction plants in Maranhão to meet LNG Trading agreements, entered into in 2022; and R\$ 81.5 million in the development of 950 MW Azulão Project.

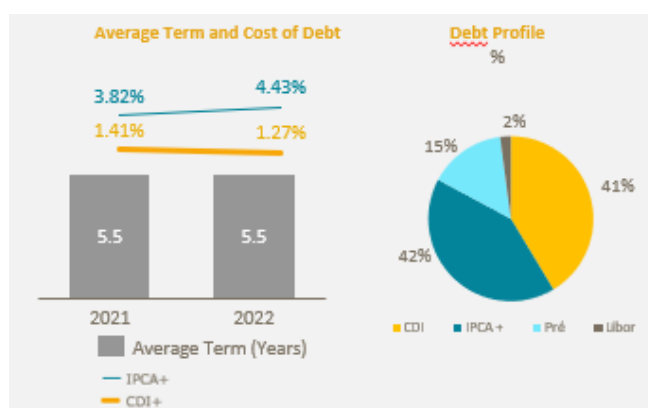
Upstream segment accounted for 14.8% of the Company's total investments during 2022, mainly allocated to the ongoing exploratory campaign in Amazon and Parnaíba basins and towards the development of Gavião Tesoura, Gavião Preto and Gavião Belo fields.

Regarding investments made in operating assets, we highlight (i) in gas plants, the meeting of long-term contractual milestones with GE, related to preventive maintenance of Hot Gas Path (HGP) turbines; and (ii) in coal plants, activities associated with periodic maintenance. TPP Pecém II replaced the coal conveyor belts, revitalized the cooling tower, adjusted the firefighting system, among others. TPP Itaqui performed the *Minor Overhaul* in the second half of 2022.



Indebtedness

At the end of December 2022, consolidated gross debt¹⁰ (net of the balance of deposits linked to financing agreements and transaction costs) amounted to R\$ 18,605 million, compared to the debt of R\$ 7,747 million recorded at the end of December 2021. This increase was mainly due to the completion of CELSE acquisition process, with the merger of CELSE's debts into Eneva S.A.



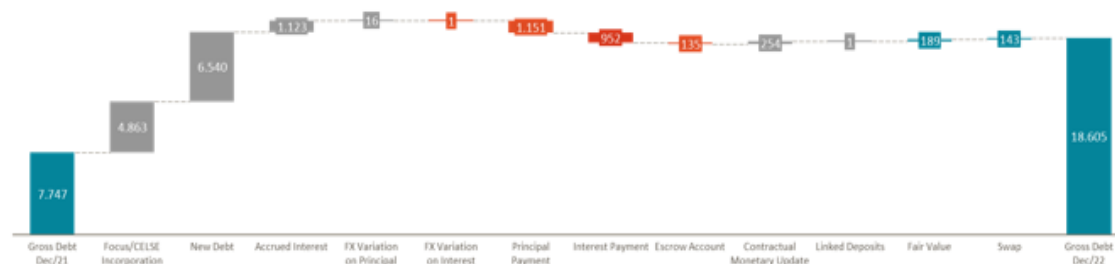
At the end of 2022, the average maturity of the consolidated debt was around 5.5 years. The average spread for debts indexed to IPCA¹¹ was 4.43%, an increase of 79 basis points (bps) compared to the end of 2021. The average spread of debts indexed to CDI was 12 bps lower, totaling 1.27% above CDI in 2022. It is important to highlight that the average costs of consolidated debt reflect the swaps contracted over the last year, as well as the debt arising from CELSE with the acquisition completion in 4Q22.

¹⁰ Gross debt includes, in addition to principal, interest accrued to date, transaction costs, escrow deposits and mark-to-market. Additionally, as of 3Q22, the Company started to present the breakdown of consolidated gross debt and consolidated net debt excluding the impact of leasing, following the calculation criteria of covenants of the Company's debentures. For comparison purposes, the amounts for previous quarters were restated to reflect the new approach adopted.

¹¹ The cost of debt presented considers the 12-month accumulated rates. The cost in CDI+ includes exposures in TJLP and LIBOR in its calculation and the cost in IPCA+ also includes a fixed rate.

Evolution of Gross Debt^{1,2}

(R\$ Million)



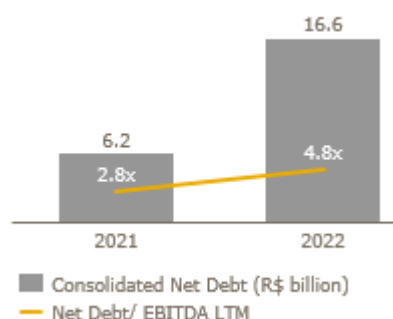
At the end of September 2022, before the closing of the acquisition transaction, CELSE's debt balance amounted to R\$ 6.2 billion, consisting of R\$ 3.1 billion in debentures raised in 2018 with a principal amortization period up to 2032 and five financing agreements totaling R\$ 3.1 million signed with banks and multilateral organizations (International Finance Corporation, Inter-American Development Bank, IDB Invest, ECG and GE Capital). Under the terms of payment agreement between Eneva and CELSE, R\$ 882.2 million was prepaid referring to the financing obtained with GE Capital, fully settled in the purchase process, as explained in Cash Flow section. In December 2022, CELSE's debt amounted to R\$5.1 billion, reflecting the prepayment made in the quarter and the additions and amortizations of principal and interest on debentures and other financing remaining in the period.

Additionally, by the end of 2022, disbursements were made: (i) R\$ 100.4 million of the total R\$ 274.2 million related to the agreement entered into with the Northeast Development Fund – FDNE for the development and construction of TPP Parnaíba VI project, whose financing conditions include a rate pegged to IPCA+ 3.38% p.a., effective term of 11.7 years, with a 3.5-year grace period; (ii) R\$ 262.0 million of the total of R\$ 300 million referring to the financing agreement between its subsidiary SPE Futura 4 Geração e Comercialização de Energia Solar S.A. and BNB, through the transfer of funds from the Constitutional Financing Fund of Northeast – FNE. The funds were allocated to Futura 1 Project and the conditions included an average term of 24 years and cost of IPCA+ 3.49% p.a.; and (iii) R\$ 199 million of the R\$ 286 million available from the financing agreement between Azulão Geração de Energia S.A. (Azulão Energia) and Banco do Brasil S.A., using resources from the Amazon Development Fund – FDA, allocated for the development and construction of Azulão-Ocelot integrated project. Financing conditions include rate linked to IPCA + 2.34% p.a., a 15-year term, including 1-year grace period.

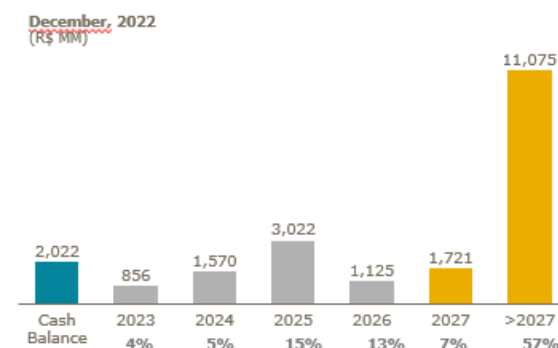
At the end of 2022, the Company's consolidated cash balance (cash, cash equivalents and marketable securities) was R\$ 2,022 million, R\$ 6,931 million lower when compared to the position recorded at the end of September 2022. This amount does not include the balance of restricted deposits in liabilities associated with the Company's financing agreements, in the amount of R\$ 898.4 million.

Consolidated net debt amounted to R\$ 16,583 million at the end of the period, equivalent to a net debt/EBITDA ratio¹² of 4.8x in the last 12 months.

Consolidated Net Debt and Leverage^{1,2,3}



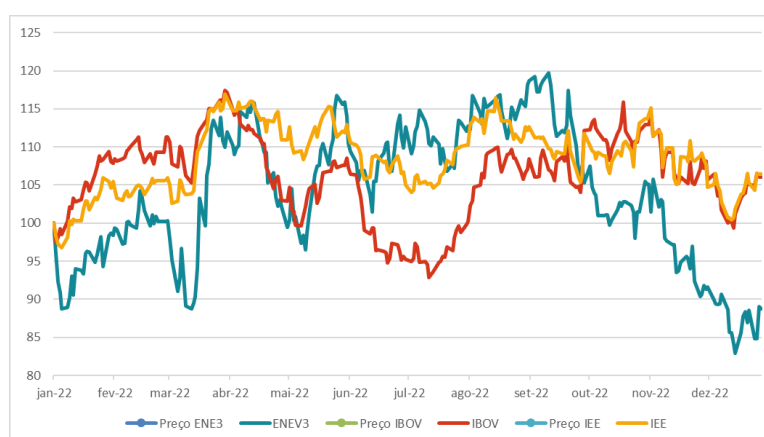
Debt Maturity Schedule (Principal)



Share Performance and Capital Markets

The Company's shares are traded on the Brazilian stock exchange (B3) under the ticker ENEV3 (100% common shares). On the last trading day in 2022, the share closes priced at R\$ 11.9, a 15.7% drop as compared to the price recorded in the last trading session of 2021 (R\$ 14.15), while IBOV and IEE were down 5.6% and 6.4%, respectively.

Share Performance (Base 100)



At the end of 2022, ENEVA's share capital amounted to 1,584,446,224 common shares, with 99.52% of shares outstanding.

¹² The 4.8x Net Debt/EBITDA ratio in 4Q22 considers the 12-month EBITDA result of the assets acquired in 2022, including pre-merger, of Focus Energia, CGTF and CELSE, as per conditions of change of covenant approved by the Company's creditors at the General Meetings of Debenture Holders in 2022.

In June 2022, the Company launched a public offering for the primary distribution of common shares issued by it, with the issue of 300,000,000 new common shares resulting from the Restricted Offering approved by the Company's Board of Directors, resulting in the raising of R\$ 4,200 million. Additionally, two capital increase operations were performed as a result of the Stock Option or Stock Subscription Plan, the first on July 25, 2022, with the issue of 827,726 common shares, resulting from the exercise of options granted to a certain manager under the Second and Third Plans; and the second occurred on October 7, 2022, with the issue of 279,315 common shares, resulting from the exercise of options granted to a certain manager under the Third Plan.

ENEV3			
	2022	2021	12 months
# Shares - end of period	1,584,446,224	1,266,339,183	318,107,041
Share price (Closing) - end of period (R\$)	11.93	14.15	-15.7%
Traded shares (MM) - daily avg.	10.6	5.9	78.3%
Turnover (R\$ MM) - daily avg.	124.0	79.2	56.5%
Market cap - end of period (R\$ MM) ¹	18,902	17,919	5.5%
Enterprise value - end of period (R\$ MM) ²	35,485	24,151	46.9%

¹ Market Cap considers 100% of Eneva's free float, including shares held by the Company's Directors and Executive Officers.

² Enterprise Value is equivalent to the sum of Eneva's Market Cap and Net Debt at the end of each period.

ESG (Environmental, Social and Governance) COMMITMENTS -

With an integrated vision of the sector and the social and economic impacts of the energy transition, Eneva introduced in 2022 the ESG commitments in a long-term horizon. The commitments are interdependent and were built based on the materiality of the environmental, social and governance impacts and went through an initial process of listening to society, with communities, specialists and public policy promoters, until their validation and publication in February 2022. 3 main guidelines will guide the Company to achieve its new vision of "Leading a fair and inclusive transition with energy that generates value." Throughout 2022, the roadmaps were defined for each of the pillars, with short and medium-term actions and goals to be achieved by the defined time horizons.

Commitment I - Reduce Emissions

Eneva is committed to reducing its emissions intensity in the generation of electrical energy, adding more efficiency to its generation park, whether in the thermoelectric sector or from renewable sources.

The first challenge for reducing emissions concerns the energy generation using natural gas, whose efficiency seen in 2020 base year was 0.45 tCO₂e /MWh. Through investments in energy efficiency, Eneva proposes to reduce this intensity to 0.39 tCO₂e/MWh by 2030, focusing on energy efficiency actions and investments in technologies to reduce carbon emissions.

Commitment II - Contribute to improving the Social Progress Index (SPI) in the municipalities where we operate

The Company's assets are located in the countryside and are neighboring municipalities with a low Social Progress Index (IPS), a diagnosis prepared by Instituto do Homem e do Meio Ambiente da Amazônia (Imazon) based on public data and which identifies the challenges of sustainable development in the cities located in this region of the country.

Aiming to contribute to the generation of local value and optimize efforts arising from its territorial presence in the Legal Amazon, contributing to the improvement of the Social Progress Index of the municipalities in which it operates, Eneva defined in 2022 its Corporate Social Responsibility (CSR) structure focusing on 3 main lines of action and 4 pillars:

- **Social Responsibility:** Social projects targeted to vulnerable families, with a focus on promoting family farming practices, income generation and improving education levels
- **Local Workforce:** Increase initiatives for training local workforce to increase employability and the exercise of citizenship
- **Local Suppliers:** Promotion of initiatives that contribute to the development of the local economy based on sustainable purchases.

The highlights include the HortCanaã Project in São Luís (MA), which achieved important rates such as 233% increase in family income and zero illiteracy within the community. In 2022, Eneva continued to replicate these assumptions, moving to new territories, starting the project to support Family Farming and Environmental Conservation practices in the Amazon, with a pilot project with 450 families involved in sustainable production practices.

In the educational front, with social investments in Maranhão over the last 3 years, Eneva in partnership with the NGO Laboratório da Educação (LabEdu), developed the Learning Project: inside and outside the school. It was held in the five municipalities producing natural gas in Maranhão, and its purpose is to enhance the learning of children in early childhood (from 0 to 6 years old). The project involved over 9 thousand people - including school audience, students and their families. Its success with the involved communities strengthened state initiatives and gave rise to a Public Policy for the State of Maranhão to support Early Childhood Education, implemented by the State Government. Thus, its expansion reached, through the State Government, more than 24,000 people including school audiences, students and their families, 4,867 educational institutions in over 200 cities in the state.

Commitment III - Preserve Legal Amazon

According to the Greenhouse Gas Emissions System, in 2022, the major cause of Brazilian emissions continued to be changes in land use and occupation, including deforestation. Although the areas close to the Company's operations are not directly affected by deforestation pressure, but considering that there are adjacent municipalities where high rates of vegetal extraction are already registered, a strategy for environmental action in the Legal Amazon has been prepared.

To contribute to sustainable development in Legal Amazon, the Company's commitment is to multiply the direct impact of base year 2020, which totaled 500 hectares, by 1,000, conserving the standing forest and contributing to the consolidation of 500,000 hectares of protected areas in Legal Amazon by 2030. To achieve this goal through initiatives supported or performed by Eneva, 5 action axes were established: (i) Incentive to Bioeconomy and Agroforestry; (ii) Support for Conservation Units; (iii) Restoration of degraded areas; (iv) Territorial monitoring; and (v) Actions in line with the carbon market.

Main Achievements

In 2022, Eneva showed an improvement in the disclosure of reports, indicators, responses to external indexes and ratings, among other initiatives, recording scores aligned with the sector average. Among the main achievements evidencing the Company's commitment to transparency are: (i) inclusion, for the first time, in B3 Corporate Sustainability Index portfolio; (ii) improved rating on Refinitiv, rising 3 positions during 2022, moving from C to B; (iii) response to the Climate Change and Water Security questionnaires of Carbon Disclosure Project (CDP), with rating improvement; and (iv) Recognition with the gold seal in Brazilian Program of GHG Protocol, for the second time in 2022.

Additionally, for the third year, Eneva released the Sustainability Report with the operational, economic and social and environmental performance for 2021. The document was prepared in accordance with the Global Reporting Initiative (GRI) and SASB standards and underwent, for the first time, independent external verification.

INDEPENDENT AUDITORS

The Company has an agreement for the performance of an independent audit of its financial statements with the firm KPMG Auditores Independentes ("KPMG"), which is valid for three years as from the audit of the financial statements referring to fiscal year ended December 31, 2021.

The contracting policy adopted by the Company establishes guidelines and principles to be followed in the process of external audit services of the Company and its subsidiaries, with the purpose of avoiding the existence of conflicts of interest or the loss of independence or objectivity of its independent auditors, precluding the contracting of consulting services that may threaten the independence of the Independent Auditors during the term of the audit agreement.

In line with the best corporate governance practices, all services provided by our independent auditors are approved by the Statutory Audit Committee.

The fees for the years ended December 31, 2022 and December 31, 2021, for Eneva and its subsidiaries, were as follows:

	2022	2021
Fees¹ (R\$ thousand)		
Accounting and tax audit ²	2,860	1,433
Additional audit-related services ³	2,177	560
	5,037	1,993

The auditors issued an unqualified opinion regarding the individual and consolidated financial statements of Eneva S.A. for the year 2022. The key audit matters addressed were the measurement of fair values of assets and liabilities in business combinations, as well as the recoverable amount of deferred tax assets of Eneva S.A., Itaquí and Celse.

¹ CVM Resolution No. 162/2022.

² Accounting audit includes fees charged in connection with the audit of our annual financial statements, quarterly information and audits of our subsidiaries. Tax audits are fees related to tax compliance reviews performed in connection with audit procedures on financial statements.

³ Additional audit-related services refer to assurance and related services that are reasonably related to audit performance (e.g. assurance for public offering of shares, issuance of debentures and interoffice report).



PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

Eneva S.A.

December 31, 2022

Independent auditors' report on the
parent company and consolidated
financial statements

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Parent Company and Consolidated Statements of Profit or Loss



Years ended December 31, 2022 and 2021
(All amounts are in thousands of reais)

		Parent Company		Consolidated	
	Note	2022	2021	2022	2021
Sales and services revenue	7	719,415	1,449,877	6,128,603	5,124,441
Cost of sales and services	8	(380,084)	(476,600)	(4,251,279)	(3,181,706)
Gross profit		339,331	973,277	1,877,324	1,942,735
Operating costs/income					
General and administrative	8	(620,658)	(445,770)	(877,121)	(544,768)
Other operating income (expenses)	8	198,701	14,918	280,953	194,595
Equity method	16.2	625,899	665,557	2,799	(723)
Profit before finance income (costs) and taxes		543,273	1,207,982	1,283,955	1,591,839
Finance income/costs					
Finance income	9	388,582	217,645	540,738	151,885
Financial costs	9	(725,786)	(157,696)	(1,307,900)	(338,405)
Profit before income taxes		206,069	1,267,931	516,793	1,405,319
Income tax and social contribution					
Current	10	-	(72,286)	(89,747)	(105,886)
Deferred	10	169,705	(22,345)	(51,272)	(126,141)
Profit for the year		375,774	1,173,300	375,774	1,173,292
Attributable to controlling shareholders		375,774	1,173,300	375,774	1,173,300
Attributed to the non-controlling shareholders		-	-	-	(8)
Earnings per shares attributable to the controlling shareholders during the year (expressed in R\$ per share)					
Basic earnings per share	29	-	-	0.26933	0.92750
Diluted earnings per share	29	-	-	0.26926	0.92025

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Statements of Other Comprehensive Income

Years ended December 31, 2022 and 2021
(All amounts are in thousands of reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Profit for the year	375,774	1,173,300	375,774	1,173,292
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation adjustments	(99)	8,450	(99)	8,450
Losses with derivatives	(1,047)	-	(1,047)	-
Total items that will be reclassified subsequently to profit or loss	(1,146)	8,450	(1,146)	8,450
Items that will not be reclassified to the result				
Gains/losses with derivatives	30,568	(820)	30,568	(820)
Disposal of shareholders' interest	22,060	-	22,060	-
Change in the relative interest in subsidiary	(53,197)	-	(53,197)	-
	(569)	(820)	(569)	(820)
Total comprehensive income for the year	374,059	1,180,930	374,059	1,180,922
Comprehensive income to non-controlling shareholders	-	-	-	(8)
Comprehensive income attributable to controlling shareholders	374,059	1,180,930	374,059	1,180,930

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Statements of Cash Flows

Years ended December 31, 2022 and 2021
(All amounts are in thousands of reais)

	Notes	Parent Company		Consolidated	
		2022	2021	2022	2021
Cash flows from operating activities					
Result before income taxes		206,069	1,267,931	516,793	1,405,319
Adjustments to reconcile the profit to the cash flows from operating activities:					
Depreciation and amortization	17.1	150,957	212,873	838,522	608,837
Write-off of properties, plants and equipment and intangible assets		-	-	-	483
Realization added value CGHs		27,252	-	27,252	-
Impairment CGH's		23,793	-	23,793	-
Result in equity-accounted investments of the investment and of the unsecured liability	16.2	(625,899)	(665,557)	(2,799)	723
Write-off of dry wells and subcommercial areas	17.1	27,751	56,289	27,751	56,289
Recovery of tax credits and interest		-	-	(19,934)	-
Provision for contingencies		(372)	(1,728)	(28,696)	(171)
Reversal of impairment of Itaquí	8	-	-	-	(150,105)
Financial result, net		343,367	(75,094)	814,039	200,188
Fair value of the energy trade contracts	7	-	-	(132,160)	(30,867)
Advantageous purchase of Focus	8	(121,803)	-	(121,803)	-
Advantageous purchase of CGTF	8	(215,945)	-	(215,945)	-
Amortization of funding cost	9	7,348	2,771	12,651	7,969
Present value adjustment - operations with suppliers	9	-	-	2,551	-
		(177,482)	797,485	1,742,015	2,098,665
Increase / Decrease in operating assets and liabilities:					
Advances to suppliers		(16,547)	(1,025)	18,373	(25,178)
Prepaid expenses		(5,348)	(3,051)	34,892	(6,273)
Trade receivables		(11,215)	(305)	180,506	6,440
Taxes recoverable		(12,709)	(84,586)	(15,960)	(98,848)
Secured deposits		-	-	9,857	-
Inventories		(4,446)	(4,824)	(102,181)	(341,018)
Taxes and contributions		(71,194)	50,651	(1,695)	38,122
Trade payables		(179,923)	(112,161)	(573,557)	(330,823)
Social and labor obligations		38,408	(1,203)	50,218	525
Related-party loans		288,454	156,617	-	-
Related-party transactions		(39,721)	(111,803)	(17,689)	1
Dividends receivable		-	6,339	-	-
Other assets and liabilities		(47,943)	55,899	18,495	(13,825)
		(62,184)	(49,452)	(398,741)	(770,877)
Income tax and social contribution paid		(188)	(56,602)	(75,184)	(94,996)
Dividends received	16	555,141	318,452	-	-
Net cash and cash equivalents provided by the operating activities		315,287	1,009,883	1,268,090	1,232,792
Cash flow from investing activities					
Acquisition of properties, plants and equipment and intangible assets		(533,316)	(289,781)	(2,162,892)	(1,135,825)
Capital transfer to investee		-	(20,361)	-	-
Advance for future capital increase		(1,099,755)	96,308	-	-
Acquisition of debentures of Focus		(886,778)	-	(886,778)	-
Acquisition of Focus Energia, net cash obtained in the acquisition		(732,754)	-	(340,131)	-
Acquisition of CGTF, net cash obtained in the acquisition		(461,890)	-	(232,463)	-
Acquisition of Celse, net cash obtained in the acquisition		(6,590,307)	-	(5,291,101)	-
Acquisition of shareholders' interest in Amapari	1.1 (e)	(17,798)	-	(17,798)	-
Marketable securities		513,396	(194,447)	(158,170)	(109,857)
Net cash and cash equivalents used in the investing activities		(9,809,202)	(408,281)	(9,089,333)	(1,245,682)
Cash flow from financing activities					
Payment of lease liability		(19,236)	(44,646)	(149,610)	(65,221)
Capital increase	28.1	4,200,000	-	4,200,000	-
Repurchase of own shares		-	-	-	(154,258)
Funding	22	5,440,000	-	6,539,686	480,872
Amortizations of principal - financings	22	(15,488)	(15,447)	(1,150,642)	(116,075)
Interest paid	22	(348,990)	(214,701)	(952,076)	(403,573)
Funding costs		(173,646)	-	(235,144)	-
Funding costs - follow on		(144,249)	-	(144,249)	-
Secured deposits		-	-	12,283	(121,498)
Cash and cash equivalents provided by (used in) the financing activities		8,938,391	(274,794)	8,120,248	(379,753)
Increase / (decrease) in cash and cash equivalents		(555,524)	326,808	299,005	(392,643)
Statement of the variation in cash and cash equivalents					
At the beginning of the year		602,142	275,334	992,290	1,384,933
At the end of the year		46,618	602,142	1,291,295	992,290
Increase / (decrease) in cash and cash equivalents		(555,524)	326,808	299,005	(392,643)

Transactions that involve no cash: Present value adjustment on trade payables of projects in construction in the amount of R\$ 1,047 in the parent company and R\$ 38,176 in the consolidated, according to note 20.

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Balance Sheet



On December 31, 2022 and 2021
(All amounts are in thousands of reais)

	Note	Parent Company		Consolidated	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	11	46,618	602,142	1,291,295	992,290
Marketable securities	12	11,565	367,161	731,310	685,447
Trade receivables	13	12,933	1,718	1,270,137	718,835
Fair value of the energy trade contracts	25	-	-	993,052	9,336
Inventories	14	54,547	50,101	673,065	520,033
Prepaid expenses		15,201	10,053	87,827	42,955
Income tax and social contribution recoverable	10	58,980	77,090	296,629	134,021
Other taxes recoverable	10	7,420	13,575	97,671	30,629
Dividends and interest on capital receivable	27	272,342	39,999	750	-
Related-party loans	27	349,188	216,046	-	-
Derivative financial instruments	23	7,325	-	468	-
Related-party transactions	27	159,220	158,021	-	-
Advances to suppliers		19,743	3,196	57,710	48,248
Others		25,602	2,507	44,641	7,707
		1,040,684	1,541,609	5,544,555	3,189,501
Non-current assets held for sale	1.1 (g)	21,917	-	39,131	-
		1,062,601	1,541,609	5,583,686	3,189,501
Non-current assets					
Long-term receivables					
Fair value of the energy trade contracts	25	-	-	676,206	81,909
Related-party transactions	27	269,705	136,522	390	51
Related-party loans	27	1,205,099	1,469,047	-	-
Income tax and social contribution recoverable	10	12,415	531	18,327	6,251
Other taxes recoverable	10	158,402	133,312	182,474	143,951
Deferred income tax and social contribution	10	-	480,797	510,601	767,633
Others		9,449	2,008	31,599	4,425
		1,655,070	2,222,217	1,419,597	1,004,220
Investments	16	18,374,813	6,495,729	9,387	9,532
Property, plant and equipment	17	4,255,532	3,033,986	26,822,621	12,727,223
Intangible assets	18	1,036,724	910,979	7,878,678	1,314,079
		25,322,139	12,662,911	36,130,283	15,055,054
Total assets		26,384,740	14,204,520	41,713,969	18,244,555

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Balance Sheet



On December 31, 2022 and 2021
(All amounts are in thousands of reais)

		Parent Company		Consolidated	
	Note	2022	2021	2022	2021
Liabilities					
Current liabilities					
Trade payables	19	181,033	152,861	1,296,155	526,582
Trade payables of projects in construction	20	10,501	-	467,111	78,327
Fair value of the energy trade contracts	25	-	-	874,314	7,676
Borrowings and financings	22	15,677	15,595	365,451	77,795
Debentures	22	326,637	28,231	865,540	284,846
Lease	15.2	29,328	35,224	136,121	53,742
Related-party transactions	27	77,480	-	-	-
Income tax and social contribution payable	21	1,167	73,264	224,122	98,653
Other taxes payable	21	39,792	39,077	137,080	54,443
Other deferred taxes		-	-	9,816	-
Derivative financial instruments	23	-	-	-	3,211
Derivative financial instruments - swap debentures	23	143,301	-	143,301	-
Customers prepayment		-	-	80,000	-
Social and labor obligations		40,832	23,986	68,046	39,746
Profit sharing		82,271	60,709	122,714	88,796
Trade payables - electric power sector		-	-	37,717	14,110
Research and development - electric power sector	7 (f)	-	-	66,285	49,984
Provision - reimbursement cost	7 (g)	-	-	77,920	54,963
Other payables		643	11	55,180	3,664
		948,662	428,958	5,026,873	1,436,538
Non-current liabilities					
Trade payables	19	143,761	54	298,023	29,831
Fair value of the energy contracts	25	-	-	323,569	46,146
Borrowings and financings	22	34,080	49,222	4,528,841	1,709,342
Debentures	22	10,262,443	4,581,722	12,702,203	5,675,467
Lease	15	111,218	43,540	3,531,683	108,807
Related-party transactions	27	25,393	8,212	-	169
Related-party loans	27	64,190	-	-	-
Provision for negative equity		9,215	4,307	-	-
Provision for contingencies	24	5,629	4,994	98,762	91,885
Provision for decommissioning costs	26	128,921	83,457	128,297	83,075
Deferred income tax and social contribution	10	972,930	-	1,301,645	61,408
Income tax and social contribution payable	21	-	-	16,982	-
Other payables		-	-	21,073	5,264
		11,757,780	4,775,508	22,951,078	7,811,394
Total liabilities		12,706,442	5,204,466	27,977,951	9,247,932
Shareholders' equity	28				
Share capital	28.1	13,075,688	8,894,086	13,075,688	8,894,086
Treasury shares	28.4	(28,444)	(84,642)	(28,444)	(84,642)
Capital reserve	28.2	146,914	20,208	146,914	20,208
Tax incentives reserve	28.3	814,419	610,573	814,419	610,573
Other comprehensive income		16,690	18,405	16,690	18,405
Accumulated losses	28.5	(346,969)	(458,576)	(346,969)	(458,576)
Shareholders' equity attributable to controlling shareholders		13,678,298	9,000,054	13,678,298	9,000,054
Interest of non-controlling shareholders	16.4	-	-	57,720	(3,431)
Total shareholders' equity		13,678,298	9,000,054	13,736,018	8,996,623
		26,384,740	14,204,520	41,713,969	18,244,555

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Statements of Changes in Equity

Years ended December 31, 2022 and 2021
(All amounts are in thousands of reais)

	Share capital	Treasury shares	Capital reserve (stock options awarded)	Tax incentives reserve	Other comprehensive income	Accumulated losses	Total controllers' equity	Non-controlling interests	Total consolidated shareholders' equity
At January 1, 2021	8,848,409	-	25,418	253,071	10,775	(1,203,510)	7,934,163	(3,423)	7,930,740
Capital increase	45,677	-	(45,677)	-	-	-	-	-	-
Repurchase of shares Program	-	(155,506)	1,248	-	-	-	(154,258)	-	(154,258)
Transactions with share-based payments	-	70,864	-	-	-	(70,864)	-	-	-
Tax incentive SUDENE	-	-	-	112,112	-	(112,112)	-	-	-
Tax incentive ICMS	-	-	-	245,390	-	(245,390)	-	-	-
Transactions with shareholders:									
Profit for the year	-	-	-	-	-	1,173,300	1,173,300	(8)	1,173,292
Fair value of asset instruments	-	-	39,219	-	-	-	39,219	-	39,219
Other comprehensive income:									
Foreign currency translation adjustments	-	-	-	-	8,450	-	8,450	-	8,450
Losses with derivatives	-	-	-	-	(820)	-	(820)	-	(820)
At December 31, 2021	8,894,086	(84,642)	20,208	610,573	18,405	(458,576)	9,000,054	(3,431)	8,996,623
Transactions with share-based payments	15,731	58,486	(15,731)	-	-	(58,486)	-	-	-
Devolution of treasury shares	-	(2,288)	2,288	-	-	-	-	-	-
Tax incentive SUDENE	-	-	-	43,996	-	(43,996)	-	-	-
Tax incentive ICMS	-	-	-	159,850	-	(159,850)	-	-	-
Transactions with shareholders:									
Profit for the year	-	-	-	-	-	375,774	375,774	-	375,774
Capital increase	4,200,000	-	-	-	-	-	4,200,000	-	4,200,000
Funding cost	(144,249)	-	-	-	-	-	(144,249)	-	(144,249)
Focus merger	110,120	-	93,540	-	-	(1,835)	201,825	-	201,825
Fair value of asset instruments	-	-	46,609	-	-	-	46,609	-	46,609
Other comprehensive income:									
Foreign currency translation adjustments	-	-	-	-	(99)	-	(99)	-	(99)
Disposal of shareholders' interest	-	-	-	-	22,060	-	22,060	-	22,060
Change in the relative interest in subsidiary	-	-	-	-	(53,197)	-	(53,197)	61,151	7,954
Gain with derivatives	-	-	-	-	29,521	-	29,521	-	29,521
At December 31, 2022	13,075,688	(28,444)	146,914	814,419	16,690	(346,969)	13,678,298	57,720	13,736,018

The notes are an integral part of the parent company and consolidated Financial Statements.

Parent Company and Consolidated Statements of Added Value

Years ended December 31, 2022 and 2021
(All amounts are in thousands of reais)

	Parent Company		Consolidated	
	2022	2021	2022	2021
Revenue	1,175,847	1,691,319	7,202,714	5,779,893
Sales of goods, products and services	862,845	1,690,990	6,886,740	5,636,882
Other revenue	313,002	329	315,974	143,011
Consumables acquired from third parties (including ICMS and IPI)	(496,214)	(230,463)	(3,555,390)	(2,218,966)
Materials, electricity, outsourced services and others	(495,966)	(229,467)	(3,444,920)	(1,166,092)
Generation inputs	-	-	(109,936)	(1,201,827)
Impairment and recovery of assets	(248)	(996)	(534)	148,953
Gross added value	679,633	1,460,856	3,647,324	3,560,927
Depreciation and amortization	(150,957)	(212,873)	(838,522)	(608,837)
Net added value generated by the entity	528,676	1,247,983	2,808,802	2,952,090
Transferred added value	1,067,936	923,322	543,537	151,162
Equity method	625,899	665,557	2,799	(723)
Finance income	288,649	161,123	533,813	148,492
Interest on loan operations and debentures	99,516	56,508	144	651
Shared services	53,455	40,120	-	-
Others	417	14	6,781	2,742
Total added value to be distributed	1,596,612	2,171,305	3,352,339	3,103,252
Distribution of added value	1,596,612	2,171,305	3,352,339	3,103,252
Personnel	292,624	208,087	531,993	381,701
Direct remuneration	162,547	139,442	337,014	269,195
Benefits	122,012	60,795	177,945	97,212
FGTS and contributions	8,065	7,850	17,034	15,294
Taxes and contributions	216,970	637,273	1,132,117	1,207,838
Federal	6,002	334,528	778,702	899,642
State	66,644	86,461	158,128	42,299
Municipal	473	740	3,624	783
Fees and contributions	143,851	215,544	191,663	265,114
Remuneration of third-parties' capital	711,244	152,645	1,312,455	340,421
Interest on borrowings and debentures	489,212	88,303	850,380	179,552
Other finance costs	196,676	42,327	355,996	66,885
Exchange and monetary variation	20,817	17,381	72,142	76,034
Rent	10,460	7,449	30,931	24,649
Others	(5,921)	(2,815)	3,006	(6,699)
Remuneration of own capital	375,774	1,173,300	375,774	1,173,292
Profit for the year	375,774	1,173,300	375,774	1,173,300
Loss for the year attributed to the non-controlling shareholders	-	-	-	(8)

The notes are an integral part of the parent company and consolidated Financial Statements.

Notes to the Parent Company and Consolidated Financial Statements

(All amounts are in thousands of reais unless otherwise stated)

1. Operations*

SUMÁRIO

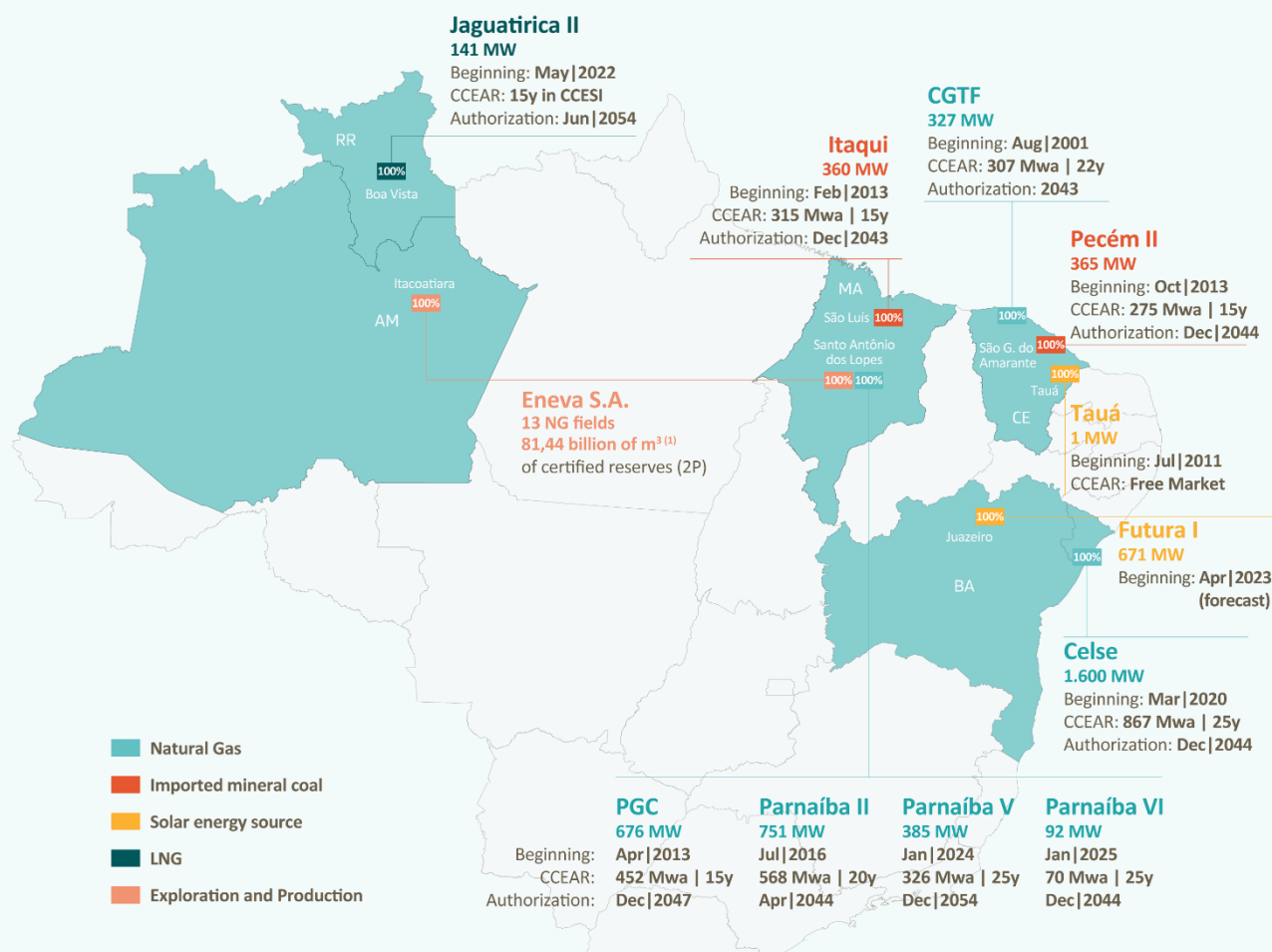
Eneva S.A. ("Company" or "Eneva") is a publicly traded company registered in B3 S.A. – Brasil, Bolsa, Balcão, under the code ("ENEV3"), headquartered in the Municipality and State of Rio de Janeiro, which operates in the exploration and production (E&P) of onshore natural gas, energy generation and solution in energy in Brazil.

Eneva counts on a thermal power station of 6.3 GW of controlled capacity (67% operating), being 4.9 GW natural gas (78%), 0.7 MW mineral coal (11%) and 0.7 MW fotovoltaic solar (11%). It is the second largest company in thermal

capacity in the country, responsible for 11% of the installed thermal capacity in Brazil.

Currently, the Company has thirteen onshore natural gas fields in its portfolio. Of these assets, seven are in production, six of which are entirely destined to supply the natural gas thermoelectric plants located in the state of Maranhão ("Parnaíba Complex"), thus assuming a production commitment of 8.4 million m³/day; and one in Amazonas to supply the Jaguaritica II thermoelectric plant in Roraima.

Businesses



(*) Operational information regarding installed capacity, contracted capacity, production and area are not audited by independent auditor.

1.1 Significant events in the year:

The events and transactions occurred during the year ended December 31, 2022, responsible for the main impacts in the Parent Company and Consolidated Profit and Loss, Cash Flow and Balance Sheet were as follows:

a) Business combinations (note 5)

a.1) Focus Energia Holding Participações ("Focus") - On March 11, 2022, the Company concluded the acquisition of 100% of Focus' shares. The fair value of the net assets acquired in this transaction was of R\$ 1,058,290, comprising the consideration transferred of R\$ 936,487 and the gain for advantageous purchase of R\$ 121,803, recognized in the parent company and consolidated statement of profit or loss as "Other operating income (expenses)".

a.2) Central Geradora Termelétrica Fortaleza ("CGTF") - On August 23, 2022, the Company concluded the acquisition of 100% of the shares issued by CGTF. The fair value of the net assets acquired in this transaction was of R\$ 766,500, comprising the consideration transferred of R\$ 489,756, plus the contingent payments forecast in the present value of R\$ 60,799 and the gain for advantageous purchase of R\$ 215,945, recognized in the parent company and consolidated statement of profit or loss as "Other operating income (expenses)".

a.3) Centrais Elétricas do Sergipe Participações S.A - On October 3, 2022, the Company concluded the acquisition of 100% of the shares of the companies Centrais Elétricas do Sergipe Participações S.A (Celsepar), Centrais Elétricas Barra dos Coqueiros S.A (Cebarra) and DC Energia, holding company with interest in Celsepar and Cebarra. The operation was concluded after the compliance with all the precedent conditions provided for by the contract. The operation's total amount was of R\$ 6,650,121, being R\$ 5,097,645 of fair value of the net assets, plus R\$ 1,552,476 related to the goodwill identified in the transaction.

b) Ordinary public offer of shares (note 28)

On June 24, 2022, at a meeting of the Board of Directors, within the scope of the public offering for the primary distribution of its common shares, it was approved the issuance price per share of R\$14.00, the effective increase in the Company's capital stock through the issuance of 300,000,000 new shares, as well as the its homologation, resulting in a total amount of R\$ 4,200,000.

All of the net proceeds from the Restricted Offer were used for the acquisition of 100% (one hundred percent) of the shares representing the capital share of the company Centrais Elétricas do Sergipe Participações S.A..

c) Issuance of debentures and funding (note 22)

c.1) Seventh issuance of debentures in sole series - Release of R\$ 1,500,000 with Banco Bradesco through the seventh issuance of debentures in sole series. The net funds are being used to reinforce the Company's working capital.

c.2) Eighth issuance of debentures in four series - R\$2,040,000 were released by Banco Itaú through the eighth issuance of debentures in four series, used for reimbursements of expenses with specific projects loans, prepayment of financings and expenditures related to specific projects, as well as Company's ordinary management businesses.

c.3) Ninth issuance of debentures in three series - R\$1,900,000 were released by Banco Itaú through the ninth issuance of debentures in three series, used for the reimbursement of expenses and amortization of financings, as well as the costing of expenditures related to three priority projects of the Ministry of Mines and Energy: the Futura 1 project, the widening of Parnaíba VI project and the exploration of the UTE Jaguaririca II project.

c.4) Constitutional Fund to Finance the Northeast ("FNE") - Release of R\$ 300,000 with Banco BNB, through the transfer of resources from the FNE. The net resources obtained are for the development and construction of Futura I project.

d) Energy trading for exportation (notes 6 and 7)

During 2022, the subsidiaries Parnaíba II and Parnaíba Geração e Comercialização de Energia sold energy to supply the Argentine market. The operation generated revenue of R\$ 574,491 and had as counterparty the trading company Tradener Ltda., a company authorized to export energy to the neighboring country. These sales were made possible through Ordinance No. 418/GM/MME, of November 19, 2019, which establishes the guidelines for the export of electricity for Argentina and Uruguay, from thermoelectric plants in commercial operation, dispatched centrally by the National Operator of the Electric System (ONS) and available to serve the National Interconnected System, but without order of merit or guarantee of energy supply.

e) Acquisition of interest in subsidiary (note 16.2)

On October 11, 2022, the Company concluded the acquisition of 55,057,111 shares held by the company Centrais Elétricas do Norte do Brasil S.A. – Eletronorte, corresponding to 49% of the share capital of Amapari Geração de Energia S.A., for the amount of R\$ 17,798, the transaction's fair value comprises R\$ 21,765 less R\$ 3,967 related to the unsecured liability, becoming holder of 100% of the share capital of Amapari.

f) Sale of interest in Focus Mais and Focus Geração Barbacena (note 8)

On December 31, 2022, Eneva S.A. and Focus Futura Holding Participações S.A sold 100% of interest in the voting share capital of the subsidiaries Focus Mais Geração Distribuída S.A ("Focus Mais") and Focus Geração Barbacena ("Barbacena").

Focus Mais is the owner and operator of Centrais Geradoras Hidrelétricas (CGH's) denominated (i) Camanducaia with installed capacity of approximately 2.61MW and (ii) CGH Cachoeira Espírito with installed capacity of approximately 1.68MW. Barbacena is the owner and operator of Centrais Geradoras Hidrelétricas (CGHs) denominated (i) CGH Lavras with installed capacity of approximately 1.20 MW and (ii) CGH Ilhéus with installed capacity of approximately 2.56MW.

These subsidiaries were acquired by Eneva through the business combination with Focus Energia Holding Participações, in which the acquisition aimed mainly at the solar plants (Futura project) and the portfolio of energy trading customers. For this reason, the mentioned CGHs were not part of the Company's operational strategy.

The consideration received for the sale will be of R\$ 39,131. The acquisition price must be paid by the purchaser for each one of the sellers in sole installment: R\$ 21,917 to Eneva S.A and R\$ 17,214 to Focus Futura Holding Participações S.A. The final adjustment of the acquisition price will be within up to 90 days after the closing day. An impairment loss on sales in the amount of R\$ 54,882 was determined, of which R\$ 27,252 refers to the write-off of the capital gain generated on the acquisition of CGHs and R\$ 27,630 of loss on the sale of investments related to the sale of the interest in Focus Mais, recognized in the parent company and consolidated statement of profit or loss under "other operating income (expenses)".

The operation's closing was on February 1, 2023.

Events and transactions occurred during the year ended December 31, 2022, which will prospectively impact the Parent Company and Consolidated Profit and Loss, Cash Flow and Balance Sheet are as follows:

a) Energy Capacity Reserve Auction (Leilão de Reserva de Capacidade de Energia - LRCE)

In September 2022, the projects of the UTEs Azulão II and Azulão IV, located in the Amazonas State, were the winners of the Second Energy Capacity Reserve Auction (LRCE):

The contract will provide a total contracted power of average 520.8 MW, with an inflexibility of 70%, for a period of 15 years as from December 31, 2026, guaranteeing fixed annual revenue during the supply period of R\$ 1,921,925 (base date May 2022), annually readjusted according to the IPCA variation. Furthermore, when projects dispatch above contractual inflexibility, UTEs Azulão II and Azulão IV will receive variable revenue of R\$150/Mwh (base date May 2022) on the energy dispatched above the inflexibility readjusted annually according to the IPCA variation. The project will allow the development of the Generation Complex of Azulão (885MW) with estimated cost of R\$ 5,800,000.

b) Sale of Liquefied Natural Gas (LNG) to third parties

On May 25, 2022, the Company entered into an agreement with Suzano S.A. ("Suzano") for the supply of LNG for the industrial facilities of the latter. The Company will supply LNG from its concessions in the Parnaíba Basin, where an additional natural gas liquefaction unit will be installed. The estimated investment is of R\$ 530,000, aimed at serving Suzano and new potential customers in the region. The Agreement is effective for 10 years from the start of the commercial supply, scheduled for the first half of 2024.

c) SUDAM tax benefit

On December 28, 2022, the Superintendence for the Development of the Amazon - "SUDAM" issued the Constitutive Report No. 145/2022 which grants Azulão Geração de Energia S/A the right to a 75% reduction in Corporate Income Tax (IRPJ) on profits from energy generation activities for a period of 10 years, starting on January 1, 2023.

d) Russia - Ukraine conflict

The military conflict between Russia and Ukraine is causing volatility in global markets and economic sanctions have been imposed on Russia by several countries, such as financial, energy, trade and export restrictions.

The Russia-Ukraine conflict may have negative effects on the Company's business, such as interruption of international trade flows, extreme volatility of market prices, with an impact on the energy sector, industrial supply chains, transport and regulatory and contractual uncertainty with rising geopolitical tensions around the world. It is already possible to observe the increase in the prices of commodity such as oil, natural gas, coal and others, due to the sudden decrease in the supply of these products, which increases their value in the international market. This situation could have a major impact on the economy, depending on its magnitude and the duration of the conflict, and could negatively affect the prospects for economic growth.

In 2022, the Company did not determine impacts arising from the war on its parent company and consolidated financial statements. Additionally, considering that there is no worsening of the war, the Company does not estimate significant effects on its results that could compromise the operational capacity and the implementation of its projects.

2. Licenses and authorizations



The Company seeks excellent performance based on responsible management of the impacts that its activity can generate on society, on the environment and on the communities surrounding its operations. Through a system of control of deadlines and compliance with legal requirements, more than 200 environmental licenses and authorizations are managed, totaling more than 1,500 conditions distributed in operational units.

In 2022, the Company kept all the licenses needed for the assets, 27 new licenses were issued in order to ensure the strengthening and expansion of its activities. In this period, the highlights were (i) the issuance of the installation license that authorized the beginning of the constructions of the processing unit for LNG liquefaction in Parnaíba (Maranhão); (ii) 4 more authorized gas wells in the state of Amazonas; (iii) the installation license for the construction of UTE Azulão I (295 MW) also in the state of Amazonas; and (iv) the licenses that authorize the operation of the Solar Park Futura, in the state of Bahia.

3. Presentation of the parent company and consolidated financial statements



Preparation basis

The parent company and consolidated financial statements were prepared according to the accounting policies adopted in Brazil including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), approved by the Securities Commission (CVM) and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and they evidence all the material information of the parent company and consolidated financial statements which is consistent with that used by management.

The parent company and consolidated financial statements were prepared considering the historical cost and adjusted to reflect: (i) the fair value of financial instruments measured at fair value; (ii) losses due to the impairment of assets; (iii) the fair value of non-current assets held for sale.

Additionally, the consolidated financial statements include the financial statements of the parent company and those companies in which the Company has control (direct and indirect), the balances and transactions between companies, which include unrealized profits, are eliminated. A list of the most relevant companies, including subsidiaries, affiliates and joint ventures, and the accounting policies applied in the preparation of the consolidated financial statements are described in note 16 – “Investments”.

The issuance of the parent company and consolidated financial statements was authorized by the Board of Directors on March 23, 2023.

Operational continuity

Management assessed the ability of the Company and its subsidiaries to continue operating normally and concluded that it has the resources to continue its business in the future. Thus, these parent company and consolidated financial statements were prepared based on the continuity assumption.

Accounting practices

The material accounting practices of the Company are presented in the notes related to items to which they refer.

Parent company and consolidated statement of value added

The presentation of the parent company and consolidated statements of added value is required by the Brazilian corporate legislation and the accounting practices adopted in Brazil. The parent company and consolidated statement of added value was prepared according to the criteria defined in the Technical Pronouncement CPC 9 - “Statement of value added”, while it is not required by IFRS. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of financial statements.

The objective of this statements is to present information related to the wealth generated by the Company and to how this wealth was distributed.

Functional and presentation currency

The items included in each of the company's entities' financial information are measured based on the currency of the main economy in which each company operates (“functional currency”). The parent company and consolidated financial statements are presented in reais (R\$), which is the Company's and its subsidiaries' functional and reporting currency, except for Parnaíba BV which uses the US dollar).

The Company translates its functional currency into other currencies for accounting purposes. Income balances are translated at the average monthly exchange rate, assets and liabilities are translated at the final rate and other equity items are translated at the historical rate. Translation differences are accounted for as Translation Adjustments in the comprehensive income.

Changes in accounting practices and disclosures

Amendments to accounting pronouncements in force

IASB and CPC issued reviews to the existing standards, applicable as from 1/1/2022. Other standards also became effective as from January 1, 2022, but they had no material effect in the Company's parent company and consolidated financial statements.

Review and impacted standards	Correlation with IASB	Accounting impacts
Review of the Technical Pronouncement No. 19		
CPC Technical Pronouncement No. 15 (R1) – Business combination, CPC 25 – Provisions, contingent liabilities and contingent assets, CPC 27 – Property, Plant and Equipment, CPC 29 – Biological asset and agricultural product, CPC 37 (R1) – Initial adoption of the international accounting standards and CPC 48 – Financial Instruments.	Annual Improvements to IFRS Standards 2018- 2020; Property, Plant and Equipment: Proceeds before Intended Use; Onerous Contracts – Costs of Fulfilling a Contract; e Reference to the Conceptual Framework	No material impacts.
Amendments to IAS 16 (CPC 27) – Property, Plant and Equipment — Resources before the intended use		
The amendments prohibit deducting from the cost of an item of property, plant and equipment any resources arising from the sale of items produced before the asset is available for use, i.e. resources to bring the asset to the location and condition necessary for it to be able to operate in the manner intended by Management. Consequently, the entity recognizes these proceeds from the sale and corresponding costs in profit or loss.	IAS 16	Test revenues will be recorded in the Company's results from the date of application of the standard, and the effects are not material.

Amendments to accounting pronouncements as from 2023

Recently, some accounting standards and interpretations were issued and became effective as from 2023. The Company has not early adopted any standards and does not expect them to have a significant impact on the Company's future parent company and consolidated financial statements.

4. Critical accounting estimates and judgments



In preparing these parent company and consolidated financial statements, Management used judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The real results may differ from these estimates.

The estimates and assumptions are continuously reviewed, and its results are prospectively recognized.

4.1 Estimates and judgments

4.1.1 Uncertainties about assumptions and estimates

- (i) **Derivative financial instruments (note 23)**
- (ii) **Useful life of PPE and intangible assets (notes 17 and 18)**
- (iii) **Impairment - Impairment assessment (note 17.2)**
- (iv) **Recoverability of deferred taxes (note 10)**
- (v) **Provision for decommissioning costs (note 26)**
- (vi) **Fair value of the energy contracts (note 25)**
- (vii) **Business combinations (note 5)**
- (viii) **Climate changes** - Announced investments and the Company's strategy for climate change risk were evaluated in the context of the Company's critical accounting judgments and key estimates. Future changes in this strategy or in the global scenario may affect the Company's main estimates. As a result, they may result in material impacts on the result and on the accounting balances of assets and liabilities in the Company's future parent company and consolidated financial statements.
- (ix) **Provision for contingencies (note 24)**

5. Business combination

Accounting practice

The Company uses the acquisition method in business combination transactions. The consideration transferred for the acquisition of a subsidiary comprises the following: (i) the fair value of the transferred assets; (ii) the liabilities assumed from the acquired business; (iii) equity instruments issued by the Company; (iv) the fair value of any asset or liability resulting from contingent consideration; and (v) the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired, liabilities assumed and contingent liabilities in a business combination are, with limited exceptions, initially measured at their fair values at the acquisition date. Goodwill arises when there is an excess between the consideration transferred by the Company and the aggregated values of the components. When the aggregate value of the components is lower than the consideration transferred for the acquisition of the subsidiary, a bargain purchase gain is recognized in the parent company and consolidated statement of profit or loss.

Estimates and judgments

In the process of measuring the business combination, the Company applies assumptions and valuation techniques to the main elements (assets acquired and liabilities assumed) identified in the acquisition. Applying these valuation assumptions and techniques involves Management's judgment, based on its business and management model, and the individual characteristics of the elements being evaluated. If the initial accounting for the business combination is incomplete at the end of the reporting period in which the combination occurs, the acquirer must report the preliminary amounts for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date and additionally recognize assets or liabilities, when new information is obtained about facts existing at the acquisition date, which if known at that date would have resulted in the recognition of these assets and liabilities. However, the measurement period should not exceed one year from the acquisition date.

Acquisition of the company Centrais Elétricas de Sergipe Participações S.A – (“CELSEPAR”)

On October 3, 2022, the Company concluded the acquisition of 100% of the shares of the companies Centrais Elétricas de Sergipe Participações S.A (Celsepar), Centrais Elétricas de Sergipe S.A. (Celse) and Centrais Elétricas Barra dos Coqueiros S.A (Cebarra), which owns PPE for the construction of expansion projects of Celse and DC Energia, holding company that holds interest in Celsepar and Cebarra.

The operation was concluded after the compliance with all the precedent conditions provided for by the acquisition contract. The operation's total amount was of R\$ 6,650,121. Its conclusion is aligned with the Company's economic and strategic plan to strengthen the performance in the market of energy generation in the Northeast region of Brazil.

Celsepar's main operating asset is the UTE Porto de Sergipe I ("Plant"), a combined cycle natural gas thermoelectric plant, with an installed capacity of 1,593 MW, located in Barra dos Coqueiros, in the State of Sergipe, in the Northeast region of the country. The Plant is fully contracted in the regulated environment until December 2044, being entitled to an annual fixed revenue of R\$ 1.9 billion (November 2021), indexed to the IPCA, plus a variable revenue equivalent to R\$ 406.2/MWh (June 2022), indexed to Brent Oil, in accordance with the terms of the gas supply contract.

The Company transferred the consideration on October 3, 2022, in the amount of R\$6,650,121, comprising R\$6,590,307 paid with holdback of the price paid in the amount of R\$59,814. This holdback amount is recorded as liability in the balance sheet of the acquirer (parent company).

Determining the fair value of the business combination:

The Company hired specialized consulting company to support the measure of the fair value of the tangible and intangible assets, with the objective of Purchase Price Allocation (PPA) in Eneva S.A..

The fair value of the main identified assets and liabilities is as follows:

	Acquired fair value
Current assets	1,293,404
Cash and cash equivalents	173,783
Financial investments	699,788
Trade receivables*	233,469
Other current assets	186,364
Non-current assets	14,057,160
Other non-current assets	395,477
Property, plant and equipment	9,095,854
Intangible assets	4,565,829
Total assets	15,350,564
Current liabilities	779,091
Trade payables	238,499
Borrowings and financings	201,593
Debentures	205,537
Tax liabilities for sale of electricity in the short-term	15,623
Other current liabilities	117,839
Non-current liabilities	9,473,828
Borrowings and financings	1,915,646
Debentures	2,330,334
Taxes and social contributions	1,682,151
Deferred tax	7,507
Related parties	3,508,552
Other non-current liabilities	29,638
Net assets	5,097,645
Breakdown of the paid price	
Fair value of the net assets	5,097,645
Allocated goodwill	1,552,476
Consideration transferred	6,650,121

*"Trade Receivables" comprises gross contractual amounts due of R\$233,469, of and there are no estimated values as non-recoverable on the acquisition date and, consequently, no amount is provisioned.

On December 31, 2022, Celse contributed with revenue of R\$ 452,322 and profit of R\$ 97,637 to the consolidated financial statements of Eneva group. If the acquisition of Celse had occurred on January 1, 2022, Management estimates that, considering the same adjustments at fair value, the consolidated income would be of R\$ 7,668,270 and the consolidated net income would be of R\$ 366,483 at December 31, 2022.

Fair value measurement - Intangible assets generated in the business combination

The valuation technique used to measure the fair value of the material intangible assets was the discounted cash flows, using the following assumptions:

- The average discount rate used in the evaluation was equivalent to 9.51% (WACC);
- Authorization of commercial operation: UTE Porto de Sergipe I is authorized to commercial operating (21st New Energy Bid A5/2015, characterizing itself as a thermal energy generator by availability. This authorization, together with its energy purchase and sale agreements (PPAs), guarantees the company revenues previously established in a defined-term contract, so that its future economic value can be measured reliably and separately, characterizing it as intangible. Furthermore, given that it is an asset with a finite useful life, the accounting standard recommends that the entire amount be allocated as intangible assets, so that there is no goodwill or residual value.
- Gas operation contract: On June 13, 2022, Celse and the company TAG signed an access connection contract with the company TAG for the interconnection of the gas terminal linked to the operation of UTE Porto de Sergipe I, generating for the company a new way of generating revenue from the sale of certain volumes of gas, this being a new lever of value for the company and an identifiable and appraisable intangible asset. The assumptions used to measure this asset were the revenues from the concession contract and the revenue ramp-up curve, that is, it was considered that the year 2044 ends the term of the gas supply contracts.

The main intangible assets identified were as follows:

Fair value determined	
100% of Authorization of commercial operation	4,421,535
100% of Gas operation contract	144,294
Total intangible assets evaluated at fair value	4,565,829
Deferred income tax on recognized assets (34% of fair value)	1,552,334

Acquisition of Central Geradora Termelétrica Fortaleza S.A ("CGTF")

On August 23, 2022, after meeting all the precedent conditions of the transaction, the acquisition of the entire equity interest of CGTF.

CGTF is located in the metropolitan region of the State of Ceará, integrating the the industry and port complex of Pecém, installed in a strategic region for the state growth. It operates generating and trading electric power, producing power in a gas and steam combined cycle. In October 2001, Aneel authorized it as an independent electric power producer, and its concession expiring in December 2023.

The main economic strategic motivator for the acquisition of CGTF was the strengthening of operations in the energy generation market in the northeast region of Brazil.

On August 23, 2022, the Company transferred the consideration, in the amount of R\$550,556, comprising R\$489,757 actually paid and R\$60,799 related to the present value of the contingent payment provided for in the event of rehiring the plant ("Earn-out") until December 31, 2028, accounted for as an obligation to former shareholders.

The breakdown of the consideration transferred and the Earn out calculation methodology are as follows:

Consideration paid (in thousand of reais)		
Base price	489,757	
Earn out present value	60,799	
Total price paid	550,556	
Earn-out		
Hired volume (a)	295.33	MW average
Value per MWH (b)	306,000	R\$MWh
Value to be paid on 7/1/2022 - real values (c) = (a)*(b)	90,372.36	
Correction factor (d)	1.23	
Discount factor (e)	0.55	
Earn out present value (f) = (c) * (d) * (e)	60,799	

a. Thermal capacity of the plant

b. Price assumption

d. Contractual monetary adjustment (IPCA)

e. Discount rate

Determining the fair value of the business combination:

The acquisition of the assets and liabilities of CGTF was recorded using the acquisition method, considering the fair value of the assets and liabilities acquired at the acquisition date.

The Company hired specialized consulting company to support the measure of the fair value of the tangible and intangible assets, as well as of the identifiable assets, with the objective of Purchase Price Allocation (PPA) in Eneva S.A..

The fair value of the main identified assets and liabilities is as follows:

Acquired fair value - R\$	
Current assets	609,697
Cash and cash equivalents	308,725
Trade receivables**	193,341
Other current assets	107,631
Non-current assets	472,503
Other non-current assets	32,337
Property, plant and equipment	112,688
Intangible assets	327,478
Total assets	1,082,200
Current liabilities	313,702
Trade payables	113,293
Tax liabilities for sale of electricity in the short-term	143,532
Other current liabilities	56,877
Non-current liabilities	1,998
Other non-current liabilities	1,998
Net assets	766,500 (A)
Calculation of gain for advantageous purchase - R\$	
Value paid in cash	489,757
Earn out present value	60,799
Consideration transferred	550,556 (B)
Gain for advantageous purchase calculated *	215,945 (C)=(A-B)

* The calculation of gain for advantageous purchase is related to the seller's strategy to exit the thermoelectric asset market, as disclosed to the market. The gain on advantageous purchase was recorded in the parent company and consolidated statement of profit or loss under "Other operating income (expenses)". On the gain for advantageous purchase was recorded the amount of R\$ 73,421, related to the Deferred Income Tax and Social Contribution in the parent company and consolidated statements of profit or loss.

** "Trade Receivables" comprises gross contractual amounts due R\$193,341, of which R\$ 259 are estimated to be non-recoverable on the acquisition date and are fully provisioned.

On December 31, 2022, CGTF contributed with revenue of R\$ 485,584 and profit of R\$ 132,752 to the consolidated financial statements. If this acquisition had occurred on January 1, 2022, Management estimates that, considering the same adjustments at fair value, the consolidated income of Grupo Eneva on December 31, 2022 would be of R\$ 7,035,269 and the consolidated net income would be of R\$ 653,163.

Fair value measure - identifiable assets

To measure the fair value of the identifiable assets acquired, the discounted cash flow valuation technique was used, in accordance with the following assumptions:

- The average discount rate used in the evaluation was equivalent to 10.52% (WACC);
- IPCA projection, using data from the Focus bulletin;
- Energy trading agreements: The Company has an energy sales agreement with the distributor Companhia Energética do Ceará S.A, entered into on August 31, 2001, in force up to 2023, which guarantees a stable cash flow until its end. Therefore, this agreement was measured at fair value through its discounted cash flow and was recorded as intangible asset;
- Property, plant and equipment were valued at the estimated fair value for the Second monetization cycle of the asset (period between 2024 and 2044), that is, the estimated cash flows for the period after the end of the current energy trading agreement in force until 2023. Accordingly, and mainly considering the uncertainty regarding the price and cost assumptions for this Second cycle, the need to reduce the recorded amount was observed to adjust it to its recoverable value.

The main assets identified were as follows:

Fair value determined

Intangible assets - Energy sale contract and authorization for energy generation	311,768
Property, plant and equipment - capital loss	(461,890)
Total intangible assets and PPE evaluated at fair value	(150,122)

Acquisition of Focus Energia Holding Participações S.A. - Focus

On March 11, 2022, after meeting all the precedent conditions of the transaction, the acquisition of the entire equity interest of Focus Energia Holding Participações S.A. ("Focus") and its subsidiaries was concluded.

("Focus") acted as an integrated platform for renewable energy businesses in Brazil, focusing on the commercialization, energy generation for commercialization in the free market, distributed generation and provision of energy services for generators and free consumers. Besides the energy trading operations, Focus also had a main focus on the construction and development of Futura Project, renewable energy generation plants, from solar sources.

On March 21, 2022, the Company transferred the consideration in the total amount of R\$936,487, comprising R\$732,827 of cash payment made to the acquiree's former shareholders (which refers to the amount of R\$715,000 of the original agreement monetary restated up to the transaction date) and R\$ 203,660 equivalent to the issuance of 17 million new shares of Eneva S.A. at the unit price of R\$ 11.98 (fair value of the shares on the acquisition date), delivered to the sellers.

The main economic and strategic motivators for the acquisition of Focus were (i) the acquisition of Futura Project, which expects to be the largest solar energy park in Brazil, thus accelerating the diversification of the Company's energy matrix, which is the main attraction for the operation; (ii) expansion of its operation in the energy trading segment; and (iii) possibility of several gains from operational and financial synergies.

Determining the fair value of the business combination:

The acquisition of the assets and liabilities of Focus was recorded using the acquisition method, considering the fair value of the assets and liabilities acquires at the acquisition date.

The Company hired specialized consulting company to support the measure of the fair value of the tangible and intangible assets, with the objective of Purchase Price Allocation (PPA) in Eneva S.A..

The fair value of the main identified assets and liabilities is as follows:

	Acquired fair value - R\$	
Current assets	1,168,149	
Cash and cash equivalents	392,696	
Trade receivables***	139,600	
Fair value of the energy contracts	585,330	
Other current assets	50,523	
Non-current assets	2,530,250	
Fair value of the energy contracts	332,731	
Other non-current assets	5,743	
Property, plant and equipment	1,992,897	
Intangible assets	198,879	
Total assets	3,698,399	
Current liabilities	1,046,367	
Borrowings and financings	10,572	
Trade payables	380,487	
Fair value of the energy contracts	516,337	
Financial instruments - derivatives	27,875	
Deferred income tax on recognized assets	65,681	
Other current liabilities	45,415	
Non-current liabilities	1,593,742	
Borrowings and financings	23,214	
Deferred tax liabilities	98,009	
Customers prepayment	80,034	
Fair value of the energy contracts	99,392	
Other non-current liabilities	52,315	
Debentures	1,240,778	
Net assets	1,058,290	(A)
	Calculation of gain for advantageous purchase - R\$	
Cash	732,827	
Equity instruments*	203,660	
Consideration transferred	936,487	(B)
Gain for advantageous purchase calculated**	121,803	(C)=(A-B)

*This amount was segregated, as shown in the parent company and consolidated Statement of Changes in Shareholders' Equity, between: (i) share capital, in the amount of R\$ 110,120 corresponding to the issuance of shares by the equity price of the acquired company (unit value of R\$ 6.48) and (ii) capital reserve, in the amount of R\$ 93,660 corresponding to the difference between the unit value of the issuance of the shares and the quotation of Eneva's shares at the operation date (R\$ 11.98 – quotation on March 22, 2022).

** The determination of the gain from advantageous purchase is related to the financial imbalance situation of Focus before the transaction, which was having difficulties in honoring commitments related to the construction of Futura Project. The gain on advantageous purchase was recorded in the parent company and consolidated statement of profit or loss under "Other operating income (expenses)". On the gain for advantageous purchase was recorded the amount of R\$ 41,413, related to the deferred Income Tax and Social Contribution in the parent company and consolidated statements of profit or loss.

*** "Trade Receivables" comprises gross contractual amounts due of R\$142,768, of which R\$3,168 are estimated to be non-recoverable on the acquisition date and are fully provisioned.

On December 31, 2022, Focus contributed with revenue of R\$ 1,708,449 and profit of R\$ 291,061 to the consolidated financial statements. If the acquisition had occurred on January 1, 2022, Management estimates that, considering the same adjustments at fair value, the consolidated income would be of R\$ 6,464,875 and the consolidated net income would be of R\$ 374,922.

Fair value measurement - Intangible assets generated in the business combination

To measure the fair value of the intangible assets acquired, the estimated discounted cash flow valuation technique was used, in accordance with the following assumptions:

- i) Futura project: projected revenues according to the guidelines of the long-term contracts entered into and sale in the spot energy market;
- ii) Energy trading: projected revenues based on long-term trading contracts and historical average of volume contracted for the remaining projection years. The non-observable inputs considered as the most significant are the following:
 - (i) the weighted average cost of own and third-parties' capital ("WACC") on nominal terms;
 - (ii) the price of energy for bilateral contracting based on observable market history;
 - (iii) regulatory charges considering levels adjusted for inflation;

The main intangible assets identified were as follows:

Fair value determined

Energy sale contracts and authorization for energy generation – Futura Project	144,946
Energy sale contracts and authorization for energy generation – CGHs	27,867
Customers' portfolio – Focus Inteligência (consultancy services in the electricity market)	20,366
Other intangible assets already recorded in the acquired company	5,700
Total intangible assets evaluated at fair value	198,879
Deferred income tax on recognized assets (34% of fair value)	(65,681)

5.1 Segments added after business combination

New segment - solar plants

As it has already been mentioned, Futura Project is a solar energy generation complex that is being developed and that contemplates the projects Futura I, II and III. The first plant, Futura I, is in final stage of construction, foreseen to be concluded in April 2023. The impact of the solar plants acquired on the Group's operations, whether in their construction stage or when they start operating, is considered relevant and, for this reason, the Company understands that it is necessary to create a new segment to demonstrate the way the business will be managed. The growth of the renewable energy generation portfolio will further contribute to strengthening the Company's energy transition process. No new business segment was included with the acquisition of CGTF and Celse, since Eneva already presented a gas-fired thermal generation segment.

6. Segment reporting ⁽¹⁾

SUMÁRIO 

A business segment is an identifiable component of the Company, which is intended to provide an individual product or service or a group of related products or services, and which is subject to risks and benefits that are distinguishable from other business segments.

The Company's management manages its ventures based on six business segments, namely: (i) gas-fired thermal plants, (ii) *upstream*, (iii) coal-fired thermal plants, (iv) energy trade; (v) solar plants and (vi) holding and others.

The performance of the activities of each segment are evaluated by the Company's Management and reflect the structure of the business model adopted. It is worth noting that the operations between the Company and its subsidiaries, as well as the operations between the subsidiaries, are completely eliminated for the presentation of the balances by segment.

Management uses economic performance indicators as the main source of information for making operational and capital allocation decisions. For this reason, the parent company and consolidated statements of profit or loss for the years ended December 31, 2022 and 2021 are presented, by segment, below. Comparative information for 2021 has been restated, considering the new segment added in the business combination with Focus group.

The segments are described as follows:

i. Gas-fired thermal plants

It consists of the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização S.A., which make up the Parnaíba Complex in the State of Maranhão. This complex has total installed capacity of around 1.9 GW, being operational 1.8 GW (plants Parnaíba I, II, III, IV and V) and a non-operating plant, Parnaíba VI, whose objective is the expansion of the thermal power plant UTE MC2 Nova Venécia 2 ("Parnaíba II"), with additional installed capacity of 92.3 MW, foreseen to be concluded in the second half of 2024.

The entire complex is connected to the North Subsystem of generation and transmission of energy of the National Interconnected System (SIN).

The gas thermal generation segment counts with the Azulão-Jaguatirica project, with installed capacity of 141 MW, in the Municipality of Boa Vista, in the State of Roraima.

Furthermore, in August 2022, the Company acquired 100% of the shares issued by CGTF – Central Geradora Termétrica Fortaleza, whose main asset is UTE Fortaleza, with installed capacity of 327MW, located in the Municipality of Caucaia, in the State of Ceará. In October 2022, the Company acquired 100% of the shares issued by DC Energia, which holds corporate interest in Celsepar and Cebarra. The main asset is UTE Porto do Sergipe I, with installed capacity of 1,600MW, located in the Municipality of Barra dos Coqueiros, in the State of Sergipe. The plant has been operating since 2020 and is fully contracted in the regulated environment up to December 2044.

ii. Upstream

In this segment, the Company operates 12 fields and 1 marginal accumulation area in the Parnaíba, Amazonas and Solimões Basins. The areas of the concession agreements for exploration and production (E&P) amount more than 60,000 km².

The Company is able to produce 9 million m³ of natural gas per day, being 8.4 million m³ to the supply of Parnaíba Complex, and 0.6 million m³ for the supply of UTE Jaguatirica II, consolidating the Reservoir-to-Wire ("R2W") model, implemented in a pioneering way in the country. This segment comprises the Companies Eneva S.A. and Parnaíba B.V..

iii. Coal-fired thermal plants

This segment comprises the subsidiary Itaqui Geração de Energia S.A., which has installed capacity of 360 MW, located in the State of Maranhão and connected to the North Subsystem, and the subsidiary Pecém II Geração de Energia S.A., with installed capacity of 365 MW, located in the State of Ceará, connected to the Northeast Subsystem. Both plants are connected to the National Interconnected System (SIN).

iv. Energy trade

In this segment, energy is traded in the Free Contracting Environment (ACL), mandatorily registered with the the Electricity Trade Chamber (CCEE), through the subsidiaries Eneva Comercializadora de Energia Ltda, FC Three Energia Participações Ltda, FC Four Energia Participações Ltda, Platinum Comercializadora de Energia Participações Ltda, Focus Energia Ltda, FC One Energia Ltda and Focus Intelligence em Energia Ltda.

v. Solar plants

This segment, which generates solar energy, is made up of the Futura Complex, which is being developed in the State of Bahia and will have an installed capacity of 671 MW. The forecast for the Futura I plant to enter into operation in April 2023. Futura Complex also includes the Futura II and Futura III projects, which may be developed in the future according to the macroeconomic environment and the market opportunities. Besides Futura Project, the segment also includes Tauá Photovoltaic Plant, with installed capacity of 1 MW, located in the State of Ceará.

vi. Holding and others

This segment comprises Eneva Participações S.A., besides companies held for the development of projects.

⁽¹⁾ The information regarding the installed capacity, mentioned in items "i" and "iii", and the exploratory blocks and fields, mentioned in item "ii" is not audited by the financial statements' independent auditors.

Parent company and consolidated statement of profit or loss for 2022

	Natural gas-fired power generation				Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trading	Solar plants	Holding and others	Eliminations	Total consolidated
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated								
Net operating revenue	3,294,335	719,415	(661,051)	3,352,699	891,074	-	891,074	2,158,228	195	-	(273,593)	6,128,603
Cost of goods and/or services sold	(2,223,738)	(380,085)	661,051	(1,942,772)	(605,059)	-	(605,059)	(1,941,831)	(35,210)	-	273,593	(4,251,279)
Operating costs	(93,504)	(30,236)	60	(123,680)	(22,578)	-	(22,578)	(34,860)	(5,462)	(472,856)	(92,795)	(752,231)
Other operating results	69,982	(155)	-	69,827	11,472	-	11,472	(1,740)	2,863	197,470	1,061	280,953
Equity method	-	-	-	-	58,105	(58,105)	-	-	(1,607)	657,786	(653,380)	2,799
Costs with exploration and dry well	-	(124,811)	-	(124,811)	-	-	-	(79)	-	-	-	(124,890)
Finance income	257,444	144	-	257,588	36,566	-	36,566	8,916	3,682	392,771	(158,785)	540,738
Finance costs	(503,468)	(207)	-	(503,675)	(177,258)	-	(177,258)	(5,249)	(5,694)	(774,809)	158,785	(1,307,900)
Provision for current and deferred taxes	(222,835)	-	-	(222,835)	(37,899)	-	(37,899)	(68,571)	12,767	175,519	-	(141,019)
Profit (Loss) for the year	578,216	184,065	60	762,341	154,423	(58,105)	96,318	114,814	(28,466)	175,881	(745,114)	375,774
Attributable to controlling shareholders	578,216	184,065	60	762,341	154,423	(58,105)	96,318	114,814	(28,466)	175,881	(745,114)	375,774

Parent company and consolidated statement of profit or loss for 2021 (Restated) *

	Natural gas-fired power generation				Coal-fired thermal plants	Eliminations	Subtotal consolidated	Energy trading	Solar plants*	Holding and others	Eliminations	Total consolidated
	Gas-fired thermal plants	Upstream	Eliminations	Subtotal consolidated								
Net operating revenue	2,699,123	1,449,877	(1,378,076)	2,770,924	2,061,453	-	2,061,453	550,194	700	-	(258,830)	5,124,441
Cost of goods and/or services sold	(2,278,288)	(476,600)	1,378,076	(1,376,812)	(1,557,191)	-	(1,557,191)	(504,780)	(1,753)	-	258,830	(3,181,706)
Operating costs	(42,840)	(354,131)	-	(396,971)	(24,879)	-	(24,879)	(10,301)	(787)	(5,600)	(13,692)	(452,230)
Other operating results	20,678	14,896	-	35,574	159,243	-	159,243	-	(4)	(439)	221	194,595
Costs with exploration and dry well	-	(92,538)	-	(92,538)	-	-	-	-	-	-	-	(92,538)
Equity method	-	665,715	(218,058)	447,657	170,560	(170,560)	-	-	-	43,331	(491,711)	(723)
Finance income	44,410	217,711	-	262,121	53,167	-	53,167	1,199	5	2,967	(167,574)	151,885
Finance costs	(144,685)	(157,696)	-	(302,381)	(203,865)	-	(203,865)	(121)	(39)	(209)	168,210	(338,405)
Provision for current and deferred taxes	(53,007)	(94,630)	-	(147,637)	(72,030)	-	(72,030)	(12,257)	(42)	(61)	-	(232,027)
Profit (Loss) for the year	245,391	1,172,604	(218,058)	1,199,937	586,458	(170,560)	415,898	23,934	(1,920)	39,989	(504,546)	1,173,292
Attributable to controlling shareholders	245,391	1,172,604	(218,058)	1,199,937	586,458	(170,560)	415,898	23,934	(1,920)	39,989	(504,538)	1,173,300
Attributed to the non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(8)	(8)

* Segment added and restated after merging the assets of Focus, as explained in Note "5.1 – Segments added after business combination".

Gross revenue between segments and customers

	2022			2021 Restated**		
	Total gross revenue of the segment (a)	Intercompany gross revenue *	Customers gross revenue	Total gross revenue of the segment	Intercompany gross revenue *	Customers gross revenue
Gas-fired thermal plants	3,876,465	174,661	3,701,804	3,011,650	233,989	2,777,661
Upstream	862,845	803,991	58,854	1,690,990	1,675,001	15,989
Coal	993,625	-	993,625	2,309,381	-	2,309,381
Energy trader	2,423,039	126,535	2,296,504	603,127	51,223	551,904
Solar plants**	216	-	216	787	-	787
	8,156,190	1,105,187	7,051,003	7,615,935	1,960,213	5,655,722

* Eliminated revenue for the purpose of presentation of consolidated financial statements.

(a) Analysis of the gross revenue of the segment - per category

	2022						
	ACR		ACL	Fair value of the energy contracts	Lease		Gas and condensed
	Fixed availability	Variable	Variable		Fixed	Variable	Variable
Gas-fired thermal plants (a)	2,935,683	80,587	860,195	-	-	-	-
Upstream	-	-	-	-	291,773	132,999	438,073
Coal	971,317	778	21,530	-	-	-	-
Energy trader (b)	-	-	2,290,879	132,160	-	-	-
Solar plants**	-	-	216	-	-	-	-
Total	3,907,000	81,365	3,172,820	132,160	291,773	132,999	438,073

	2021 Restated**						
	ACR		ACL	Fair value of the energy contracts	Lease		Gas and condensed
	Fixed availability	Variable	Variable		Fixed	Variable	Variable
Gas-fired thermal plants	1,356,466	1,070,538	584,646	-	-	-	-
Upstream	-	-	-	-	291,773	594,407	804,810
Coal	884,089	1,364,640	60,652	-	-	-	-
Energy trader	-	-	572,260	30,867	-	-	-
Solar plants	-	-	787	-	-	-	-
Total	2,240,555	2,435,178	1,218,345	30,867	291,773	594,407	804,810

a. The increase in revenue on December 31, 2022, compared to the same period of 2021, is related to the following: (i) IPCA fixed revenue update, which always occurs in the second half of each year, and (ii) export of energy generated by the Parnaíba Complex to Argentina.

b. The volume of energy traded in the trading operations with non-related companies increased due to the business combination with Focus. Thus, we have less transactions with related-parties, therefore, lower eliminated revenue.

**Segment added after merging the assets of Focus, according to note "5.1 – Segments added after business combination".

7. Sales and services revenue

Accounting practice

Revenue comprises the fair value of the consideration received or receivable for the sale of electrical power in the ordinary course of the Company's activities. The revenue presented is net of taxes on sales, returns, rebates and discounts. In the consolidated financial statements, the sales between the companies.

For the energy generation activity and natural gas production, revenue is recognized when the performance obligation is reached, i.e., when the control over the product is transferred to the customer.

The reconciliation between the gross revenue and the net revenue recorded in the parent company and consolidated statement of profit or loss for the year is as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Gross revenue				
Available funds (ACR) (a)	-	-	3,907,000	2,240,555
Sale of electricity (ACR) (b)	-	-	87,230	2,450,380
Sale of electricity (ACL) (c)	-	-	2,865,759	917,931
Fair value of the energy contracts (d)	-	-	132,160	30,867
Sale of gas and condensed (e)	438,073	804,810	58,854	15,989
Lease (e)	424,772	886,180	-	-
	862,845	1,690,990	7,051,003	5,655,722
Deduction from revenue				
Taxes on sales and services	(143,430)	(241,113)	(713,369)	(464,816)
P&D (f)	-	-	(44,768)	(47,625)
Reimbursement (g)	-	-	(154,681)	(18,840)
Other deductions	-	-	(9,582)	-
	(143,430)	(241,113)	(922,400)	(531,281)
Total net revenue	719,415	1,449,877	6,128,603	5,124,441

Regulated Contracting Environment (ACR)

Revenues arise from energy trading agreements in the regulated environment (CCEAR); entered into between the selling agent and the distribution agent, as a result of the electricity auctions. The CCEARs are specified by means of the notices published for each auction containing fixed and variable clauses and conditions, which are not subject to change by the agents.

This type of contract aims to minimize hydrological risk, aiming at a lower cost for the energy system. The costs arising from hydrological risks will be assumed by the purchasing agents (distributors), and any financial exposures in the short term market, positive or negative, will be assumed by the distributors, with transfer to the final consumer, according to the mechanism defined by ANEEL.

It is also worth noting that these contracts have an annual adjustment mechanism for the fixed installment to recompose the inflation accumulated in the period. The variable portion, in turn, has the inflation rate as one of its components, substantially reducing the mismatch between revenues and generation costs.

a. Available funds ACR (fixed income)

This type of revenue is intended to remunerate the generation enterprise maintained at the disposal of the National Integrated System (SIN) to start operating whenever requested by the National System Operator ("ONS"). The variation is due to annual contractual update.

b. Sale of electricity ACR (variable income)

In addition to the availability revenue, as mentioned above, the CCEARs have variable revenues, whose value is defined monthly at the time of recognition, according to the demand required by ONS. Revenue on any sales is recognized by a measurement equal to the volume of energy transferred to the client and estimates to measure the energy delivered, but it does not yet take into account the measurements prior to closing the financial year. The decrease is directly related to the fact that the plants did not dispatched in 2022.

Free Contracting Environment (ACL)

It is the market segment in which electricity purchase and sale operations are carried out, which are the subject of freely negotiated bilateral contracts, according to specific trading rules and procedures.

c. Sale of electricity ACL

In the contracting operation in free environment, the Company has the right to recognize the revenue from sale of energy by the value of MWh. Revenue comprises the fair value of the consideration received or receivable for the sale of electrical power both in the regulated market and in the free market.

The result information is presented by segment in Note 6 - "Segment reporting".

d. Fair value of the energy contracts

The Company has a portfolio of energy contracts (purchase and sale) that aim at meeting demands and offers for consumption or supply of energy. Such energy purchase and sale operations are transacted in an active market. The amounts presented refer to the mark-to-market (MtM) result of these purchase and sale contracts for future delivery. This fair value is measured according to Note 4.1 "Estimates".

Gas exploration and production

e. Sale of gas, condensed and lease

Eneva S.A is responsible for the exploration and extraction of natural gas and has a gas supply and lease agreement with the Parnaíba Complex.

The sale of gas is directly linked to the dispatch of Parnaíba Complex ("Complex"). The price is established in a contract signed between the parties and the volume traded varies according to the gas needs of the Complex. Revenue from the sale of gas is recognized by periodic measurement and is equivalent to the volume transferred to the customer, but not yet taken into account in the measurements prior to the end of the year.

Deduction from revenue

f. Research and Development (R&D)

Companies regulated by ANEEL are required to comply with Law No. 9,991, of July 24, 2000, and for that reason, they must apply annually the percentage of 1% (one percent) of their net operating revenue - ROL for preparation and execution of R&D projects in the electricity sector.

g. Reimbursement

The reimbursement to the market occurs when the thermoelectric plants contracted in the regulated contracting environment (ACR) do not meet the order of the National System Operator ("ONS").



8. Costs and expenses per nature

	Parent Company		Consolidated	
	2022	2021	2022	2021
Cost				
Regulatory costs (a)	-	-	(418,152)	(151,359)
Depreciation and amortization	(115,512)	(179,427)	(695,882)	(547,491)
Rental expenses	(6,316)	(4,612)	(25,493)	(21,176)
Personnel expenses (b)	(56,730)	(39,632)	(240,944)	(181,380)
Electric power for resale (c)	-	-	(1,960,620)	(612,136)
Taxes and contributions	(540)	(286)	(540)	(286)
Generation inputs (d)	-	-	(287,857)	(1,253,969)
Consumption material	(10,791)	(6,015)	(55,774)	(39,126)
Government interests	(144,240)	(215,185)	(144,240)	(215,185)
Operating insurance	(5,347)	(4,270)	(30,385)	(28,891)
Outsourced services (e)	(39,384)	(26,738)	(286,045)	(92,122)
Others	(1,224)	(435)	(105,347)	(38,585)
	(380,084)	(476,600)	(4,251,279)	(3,181,706)
Administrative and general expenses				
Depreciation and amortization	(35,445)	(33,446)	(142,640)	(61,346)
Environmental expenses	(5,659)	(2,905)	(9,929)	(3,722)
Rental expenses	(4,144)	(2,837)	(5,438)	(3,473)
Costs with exploration and dry well	(125,334)	(92,537)	(125,413)	(92,537)
Personnel expenses (b)	(314,581)	(264,437)	(359,414)	(279,478)
Taxes and contributions	(1,945)	(1,050)	(6,093)	(1,167)
Consumption material	(4,199)	(1,121)	(5,656)	(1,777)
Shared services - Cost sharing	53,455	40,120	-	-
Outsourced services (f)	(113,697)	(53,492)	(141,688)	(64,581)
Others	(69,109)	(34,065)	(80,850)	(36,687)
	(620,658)	(445,770)	(877,121)	(544,768)
Other income and expenses				
Provision for losses in investment	(249)	-	(499)	-
Gain in advantageous purchase in the acquisition of Focus	121,803	-	121,803	-
Energia				
Loss in the disposal of investments (g)	(24,746)	-	(21,828)	-
Loss in the disposal of goods (h)	(27,252)	106	(30,905)	(201)
Gain in advantageous purchase in the acquisition of CGTF	215,945	-	215,945	-
Reversals of contingencies	372	1,728	28,696	2,379
PIS/COFINS credit (i)	-	22,265	56,554	38,156
Reversal of impairment of Itaquí	-	-	-	150,105
Outsourced services	(76,385)	-	(76,421)	-
Other income (expenses)	(10,787)	(9,181)	(12,392)	4,156
	198,701	14,918	280,953	194,595
	(802,041)	(907,452)	(4,847,447)	(3,531,879)

- a.** The increase is related to the charges for using the transmission systems of the acquisitions of Focus, CGTF and Celse, in addition to updating the contract values of projects that were already part of the group.
- b.** The increase in personnel costs is substantially linked to the increase in the number of employees resulting from the acquisitions of Focus and Celse.
- c.** The increase is mainly due to the entry of Focus Energia, which significantly increased the volume of energy sold, and also to the purchase of energy to recompose reserve.
- d.** Decrease in input costs due to the fact that the plants did not dispatch in 2022.
- e.** Increase due to the entry into commercial operation of Azulão-Jaguatirica, acquisition of Celse, technical services for gas exploration and coal cancellation fee in the subsidiaries Pecém II and Itaquí.
- f.** The increase is related to the hiring of legal and financial advisory services and consultancy and project management and the acquisitions of CGTF and Focus.
- g.** This mainly refers to the sale of interest in Focus Mais.
- h.** This mainly refers to the impairment in the sale of CGHs Focus
- i.** Recognition of PIS/COFINS credits arising from: i) review of the credit appropriation system of the last 5 years of the operating companies, in order to map credits that may not be used under the non-cumulative regime, based on the definitions contained in the Laws No. 10.637/02 and 10.833/03, as well as the expansion of the concept of input defined by the Superior Court of Justice in 2018 (based on the criteria of essentiality and relevance) ii) Supreme Federal Court decision, in May/21, as well as the final and unappealable decision obtained by Eneva SA, to exclude ICMS from the PIS and Cofins calculation basis for the period from January/2020 to April/2022.



9. Finance income/costs

	Parent Company		Consolidated	
	2022	2021	2022	2021
Financial costs				
Debt charges	(5,798)	(4,969)	(128,285)	(4,969)
Fine and interest paid or incurred	(3,462)	(2,026)	(6,217)	(2,488)
Amortization transaction cost borrowings	(7,348)	(2,771)	(12,651)	(7,969)
Commission on bank guarantees	(19,970)	(1,543)	(50,265)	(4,011)
Interest on assets retirement obligation costs	(18,800)	(23,329)	(19,405)	(24,851)
Interest on lease liabilities	(12,811)	(7,524)	(68,876)	(15,577)
Interest on loans	(986)	-	(2,029)	(413)
Debentures' interest	(483,414)	(83,334)	(722,095)	(174,583)
Exchange and monetary variation	(20,817)	(17,381)	(72,142)	(76,034)
Derivatives	(54,126)	-	(54,126)	-
Loss of fair value of the debentures*	(48,598)	-	(48,598)	-
Trade payables interest	-	-	(2,551)	-
Others	(49,656)	(14,819)	(120,660)	(27,510)
	(725,786)	(157,696)	(1,307,900)	(338,405)
Finance income				
Financial investment	223,922	37,251	358,037	81,205
Fine and interest received or earned	31	58	10,811	41,961
Earnings from loans	99,516	56,508	144	651
Exchange and monetary variation	63,298	121,119	150,692	16,389
Others	1,815	2,709	21,054	11,679
	388,582	217,645	540,738	151,885
Finance income/costs	(337,204)	59,949	(767,162)	(186,520)



10. Taxes on income and deferred taxes

Accounting practice

The current and deferred income tax and social contribution is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date of the investees that generate taxable income. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The current income tax and social contribution are presented net in liabilities, separated by taxpaying entity, when there are amounts payable, or in assets when the amounts prepaid exceed the total amount due on the reporting date.

The deferred taxes on income are offset whenever there is a legally feasible right on the same taxable entity. The deferred tax assets arising from tax losses and temporary differences are not recognized when it is not probable that future taxable income is available against which they might be used.

The expenses with IRPJ and CSLL for the year are recognized in the parent company and consolidated statement of profit or loss, except for transactions recognized directly as equity.

Estimates and judgments

Deferred income tax and social contribution - Deferred tax assets and liabilities are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities and those adopted for tax purposes and on tax losses to the extent that it is probable that taxable profits will be available, against which they will be used. The projection of future taxable profits is in line with the Company's strategic plan and the estimated period for realizing deferred taxes is between 11 and 12 years. Estimates of future taxable income are based on a technical feasibility study, taking into account the main assumptions of estimated revenues, costs and expenses, economic growth and CAPEX.

Taxes recoverable

The balance of the account Income Tax (IRPJ) and Social Contribution (CSLL) recoverable is as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Income tax - IRPJ	70,662	50,743	230,368	77,658
Social contribution - CSLL	733	26,878	84,588	62,614
	71,395	77,621	314,956	140,272
Current	58,980	77,090	296,629	134,021
Non-current	12,415	531	18,327	6,251

The other taxes recoverable are as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
PIS (a)	28,756	25,385	36,055	29,308
COFINS (a)	133,927	118,364	178,247	134,692
ICMS (b)	985	-	52,134	-
Others	2,154	3,138	13,709	10,580
	165,822	146,887	280,145	174,580
Current	7,420	13,575	97,671	30,629
Non-current	158,402	133,312	182,474	143,951

- a. The Parent Company's balances refer to PIS/COFINS credits on expenses with PPE in the E&P segment, whose compensation occurs in proportion to the depreciation/amortization charges. In the Consolidated, the PIS/COFINS credits on inputs acquisition of property and equipment of the UTEs are included.
- b. The ICMS recoverable is substantially related to the following subsidiaries and operations: i) R\$ 14,739 refer to amounts that were unduly overpaid by the CGTF, with offset in 18 months granted in May 2022 by the Treasury Department of Ceará; ii) R\$35,573 is mainly due to LNG export operations carried out by Celse. iii) The remaining balance of R\$ 1,822 belongs to the holding company and the other subsidiaries. These amounts were overpaid and the companies await appreciation of the refund by the respective State Treasury Departments.

Deferred taxes

Breakdown of the deferred taxes:

	2022	2021
Social Contribution Tax losses/Negative basis	1,194,743	832,901
Temporary differences (a)	(1,985,787)	(126,676)
Net balance	(791,044)	706,225

- a. The variation in temporary differences was substantially generated by the constitution of deferred tax liabilities in the amounts of R\$1,552,334 on the capital gain in the acquisition of Celse, R\$73,421 on the advantageous purchase in the acquisition of CGTF, R\$65,681 on the capital gain determined in the acquisition and R\$ 41,413 on the advantageous purchase of Focus Group, as described in note 5 – "Business combination". Additionally, as from April 2022, the balance of the deferred tax liabilities on the fair value of the energy trade contracts of the subsidiary Focus Energia that were not consolidated in Eneva group were incorporated, giving rise to an increase in the temporary differences: breakdown.

Changes in the deferred taxes by company and nature

Consolidated

2022

	Net balance in 2021	Tax losses/negative basis	Temporary differences assets/ liabilities	Net balance in 2022
Eneva	480,797	191,457	(1,645,184)	(972,930)
Itaqui	178,398	2,029	(22,721)	157,706
Parnaíba Geração e Comercialização	(48,190)	(3,347)	(73,844)	(125,381)
Parnaíba II	6,160	(17,238)	(8,467)	(19,545)
Energy trader	32,663	11,033	29,534	73,230
Eneva Participações	36	-	-	36
Pecém II Geração	59,568	(4,390)	(10,144)	45,034
Azulão	10,011	3,772	(7,295)	6,488
Focus Energia	-	-	(162,080)	(162,080)
FC One	-	8,482	(15,818)	(7,336)
Central Geradora Termelétrica S.A.	-	-	160	160
Centrais Elétricas do Sergipe S.A.	-	155,286	57,903	213,189
SPes Futuras	-	14,758	-	14,758
Others	(13,218)	-	(1,155)	(14,373)
	706,225	361,842	(1,859,111)	(791,044)
Net deferred asset	767,633			510,601
Net deferred liability	(61,408)			(1,301,645)
Net deferred result	706,225			(791,044)

Consolidated

2021

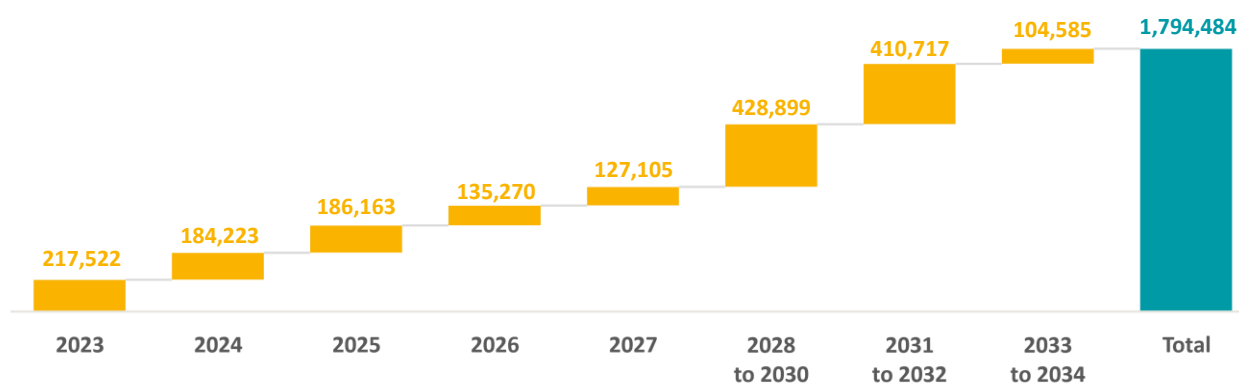
	Net balance in 2020	Tax losses/negative basis	Assets at fair value	Temporary differences assets/ liabilities	Net balance in 2021
Eneva	503,142	476,444	79,082	(74,729)	480,797
Itaqui	208,476	181,419	-	(3,021)	178,398
Parnaíba Geração e Comercialização	(19,521)	4,070	-	(52,260)	(48,190)
Parnaíba II	24,092	52,609	-	(46,449)	6,160
Energy trader	43,599	41,181	-	(8,518)	32,663
Eneva Participações	36	-	-	36	36
Pecém II Geração	85,714	77,178	-	(17,610)	59,568
Azulão	-	-	-	10,011	10,011
Others	(13,171)	-	-	(13,218)	(13,218)
	832,367	832,901	79,082	(205,758)	706,225
Net deferred asset	865,059				767,633
Net deferred liability	(32,692)				(61,408)
Net deferred result	832,367				706,225

Breakdown of the deferred taxes by nature (assets and liabilities)

	2022	2021
Tax losses/Negative basis	1,194,743	832,901
Temporary differences:		
Active provisions	255,163	82,439
Pre-operating expenses – including RTT	47,038	57,150
IFRS 16 assets	297,540	54,988
IFRS 16 liabilities	(234,220)	(50,045)
Accelerated depreciation	(276,967)	(191,276)
Gain for advantageous purchase	(190,215)	(90,951)
Gain/loss of assets	(1,558,734)	54,237
Fair value adjustment	(30,493)	(30,493)
Liability provisions	(294,899)	(12,725)
Total temporary differences	(1,985,787)	(126,676)
Deferred asset	1,794,484 (a)	977,433
Deferred liability	(2,585,528)	(271,208)
Net deferred	(791,044)	706,225

(a) Amount constituted of deferred assets based on the estimated generation of future taxable profits:

Expectation of annual realization of the deferred taxes*



* The projection of future taxable profits is in line with the Company's strategic plan and the estimated period for realizing deferred taxes is between 11 and 12 years.

Reconciliation of the taxes recognized in the result

On December 31, 2022, the taxes calculated on net income comprise Income Tax (IRPJ) (rate of 15% and additional 10%) and Social Contribution (CSLL) (rate of 9%). The conciliation of the amount calculated using the combined statutory tax rate and of the expense of IRPJ and CSLL is as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Result for the year before IRPJ/CSLL	206,069	1,267,931	516,793	1,405,319
Nominal rate - %	34%	34%	34%	34%
IRPJ/CSLL at nominal rate	(70,063)	(431,097)	(175,710)	(477,808)
Equity method	244,781	230,998	(952)	(246)
Subsidy for investment – ICMS	(a) 54,349	83,432	54,349	83,432
Other permanent differences	(b) (40,149)	(11,151)	(53,968)	(15,186)
Not constituted tax asset	(c) 4,833	6,118	(4,541)	9,990
Reversal of impairment	-	-	-	51,036
Gain/loss of CGTF	(24,046)	-	(24,046)	-
Benefit reduction SUDENE and PAT	(d) -	27,069	63,532	116,755
Presumed profit	-	-	317	-
Current and deferred income tax and social contribution	(e) 169,705	(94,631)	(141,019)	(232,027)
Expense of current income tax and social contribution	-	(72,286)	(89,747)	(105,886)
Deferred income tax and social contribution	169,705	(22,345)	(51,272)	(126,141)
Total	169,705	(94,631)	(141,019)	(232,027)
Effective rate	-82.35%	7.46%	27.29%	16.51%

- a. Subsidy for Investment related to the tax incentive in the State of Maranhão, granted by Law No. 9,463/2011, which consists of presumed ICMS credit on outlets for natural gas destined for the thermal power plant powered by this fuel.
- b. These refer to permanent additions/exclusions of the calculation of income tax and social contribution, such as Stock Options and respective charges, incentive to technological innovation, donations and sponsorships.
- c. This refers to the portion of deferred taxes of subsidiaries that was not recorded due to uncertainties regarding its recovery.
- d. The most relevant amount refers to the regional tax benefit granted by Sudene, which results in decrease of up to 75% of income tax in a 10-year period.
- e. The variation in the deferred expense in the year was substantially generated by the constitution of a deferred tax credit on the parent company's tax loss and negative base, due to the decrease in the dispatch of thermal plants in 2022.



11. Cash and cash equivalents

Accounting practice

These include cash in hand, deposits held at call with banks and highly liquid investments, with immaterial risk of change in value, being stated at the balance date that at fair value. The cash equivalents are held in order to comply with the short-term cash commitments. When the investments do not meet the criteria described above, they are classified as Marketable securities.

		Parent Company		Consolidated	
		2022	2021	2022	2021
Cash and banks		12,584	6,149	248,092	15,446
Investment funds	(a)	8,115	7,437	515,895	187,280
CDBs	(b)	25,919	588,556	527,308	789,564
		46,618	602,142	1,291,295	992,290

- a. It is the exclusive investments fund in quotas of FI Renda Fixa Crédito Privado Eneva managed by Banco Itaú. On December 31, 2022, the balance is just comprised of repurchase agreements underlied by Federal government securities registered at CETIP or SELIC. These operations have daily repurchase guarantee at a rate previously established by financial institutions.
- b. These represent amounts invested in CDBs issued by first-rate financial institutions all linked to floating rates and with an average annual yield of 103.65% of the DI CETIP rate (Interbank Deposit Certificate - CDI).



12. Marketable securities

Accounting practice

These refer to financial investments that do not characterize as cash and equivalents, according to note 11. Historically, the Company recovers its investments in short-term investments by receiving interest and principal, which is why they are initially recorded at transaction values and, subsequently, restated by accrued interest, based on the effective interest rate. Updates on financial investments are the Company's revenues presented in the Financial Result group, in the parent company and consolidated statement of profit or loss.

		Parent Company		Consolidated	
		2022	2021	2022	2021
Investment fund	(a)	11,565	13,161	731,310	331,447
Private debenture	(b)	-	354,000	-	354,000
		11,565	367,161	731,310	685,447

- a. The maturities of investment funds classified as marketable securities are between 2023 and 2030, with daily liquidity. These include various assets aimed at better profitability, such as fixed income securities, government bonds, among others, according to the Company's and its subsidiaries' investment policy. Furthermore, the investment funds are investments in quotas (FIC), managed by Banco Itaú, which allocate their resources in quotas of many open funds subject to change in value. The Company and its subsidiaries do not manage nor directly control exposure, rights, variable returns arising from their involvement and ability to use their power to affect the value of returns on these investments, nor they have relevant interest (maximum limit of 10% of Shareholders' Equity of the fund) in accordance with CPC 36 (R3) / IFRS 10 – Consolidated Financial Statements.
- b. This refers to private debentures issued by Focus Energia Holding Participações SA, maturing in December 2022, and subject to remuneration in accordance with the accumulated variation of 100% of the average daily rates of DI – One-day Interbank Deposit, plus a surcharge corresponding to 8% per year, pro rata temporis for business days until the date of actual payment, subject to a grace period of 6 months. The private debenture is part of the business combination operation, as shown in note 5, and was settled in the acquisition.



13. Trade receivables

Accounting practice

These correspond to the amounts billed for the sale of electricity in the ordinary course of the Company's business. They are recognized initially at fair value and subsequently measured at amortized cost, adjusted at present value less the expected credit loss (PCE).

	2022	Consolidated 2021
Energy trading agreements in the regulated environment (CCEAR):		
Azulão Geração de Energia S.A.	56,851	194
Parnaíba II Geração de Energia S.A.	91,253	124,199
Parnaíba Geração e Comercialização de Energia S.A.	79,431	175,911
Pecém II Geração de Energia S.A.	56,790	155,985
Itaqui Geração de Energia S.A.	65,673	148,944
Centrais Elétricas de Sergipe S.A.	272,627	-
Central Geradora Termelétrica Fortaleza S.A.	187,272	-
	809,897	605,233
Energy trading agreements in the free environment (ACL):		
Parnaíba II Geração de Energia S.A.	27,147	7,524
Eneva Comercializadora de Energia Ltda.	77,176	49,760
Pecém II Geração de Energia S.A.	3,511	6,060
Parnaíba Geração e Comercialização S.A.	143,327	58,741
Itaqui Geração de Energia S.A.	4	153
Tauá Geração de Energia Ltda.	297	9
Focus Energia Ltda	177,408	-
Focus Inteligência em Energia Ltda	759	-
FC One Energia Ltda	17,678	-
	447,307	122,247
Condensed gas trading contracts		
Eneva S.A.	12,933	1,718
	12,933	1,718
Expected Credit Loss		
Provision for expected credit loss	-	(10,363)
	1,270,137	718,835

Credit risk assessment

The energy market is a highly regulated environment, with mechanisms that mitigate the risk of default by its agents. The financial security of the market is based on the model of a multilateral and centralized clearinghouse.

Operations carried out within the scope of the Electricity Trade Chamber (CCEE) are accounted for and settled on a multilateral basis, with no indication of party and counter-party. This model is beneficial for individual agents and for the stability of the market as a whole, minimizing the likelihood of negative impacts. Thus, all agents are guarantors of the operations to be settled.

In addition, for bilaterally traded contracts, a risk analysis is carried out with the counterparties before the transaction, using audited information, market information and the company's current situation and, subsequently, through registration of the contract with the CCEE. The company is also monitored in relation to payments, so that, in the event of delay, the negotiated energy is not registered and the counterparty is left with an energy deficit, subject to the current energy price on the market (PLD) and the fine on Electricity Trading Chamber (CCEE).

The free energy contracting market also has other forms of risk mitigation, such as contractual clauses, letter of guarantee, guarantee insurance and others.

In addition, the Company performs an individual analysis per customer in order to assess whether there are any customers with credit risk, history and conditions of sale. After analysis, no risk of expected credit loss was identified.

The breakdown by type of receivable is described in note 7 - "Sales and services revenue".

14. Inventories



Accounting practice

The Company's inventories essentially comprise material or inputs to be consumed or transformed in the energy generation process and gas exploration. They are stated at the lower of cost and net realizable value. The measure of the inventories also includes any decrease at the net realizable value of these assets. Input inventories (mainly coal) are valued on a weighted moving average basis.

For 2022, due to the low dispatch of coal plants, the inventory turnover of this commodity was lower than that presented in previous years. We evaluated whether there was an indication of impairment for this item and concluded that the recorded cost value is lower than its realizable value (either through energy generation or through commercialization).

	Parent Company		Consolidated	
	2022	2021	2022	2021
Material, supplies and others	38,221	27,284	90,048	57,901
Coal	-	-	431,937	372,471
Electronic and mechanical parts	11,493	18,399	107,720	78,178
Lubricant and chemicals	4,833	4,418	16,363	11,483
Liquefied Natural Gas ("LNG")	-	-	26,997	-
	54,547	50,101	673,065	520,033

15. Leases



Accounting practice

Initially, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability adjusted for any payments made on or before the beginning date. Subsequently, the asset is depreciated on a straight-line basis over the contractual period or until the end of its useful life. The Company does not recognize right-of-use assets and liabilities for leases with a period of less than 12 months and/or for low-value leases. Payments associated with these contracts are recognized as an expense on a straight-line basis over the contractual term.

Initially, the lease liability is measured at the present value of the payments, discounted using the lease's implicit interest rate or, if that rate cannot be immediately determined, based on the Company's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest rate method and is remeasured when there is a change in future payments resulting from a change in an index or rate. When the lease liability is remeasured, a corresponding adjustment is carried out to the carrying amount of the lease contract asset or is recognized directly in profit or loss for the year if the carrying amount of the asset has already been reduced to zero.

Commercial leases include mainly machinery and equipment, the charter of a floating storage and regasification unit related to the exploration of natural gas and buildings. The changes in right-of-use lease agreements recognized in property, plant and equipment and as liability leases are as follows:

15.1 Right to use asset

Consolidated
2022

	Cars	Ships	Oil & Gas exploration	Properties	Machinery and equipment	Services	Total
At 12/31/2021	5,840	-	24,664	44,922	88,944	60,684	225,054
Additions for new contracts	1,912	-	3,982	20,825	74,250	-	100,969
Additions - Business combinations Celse	-	3,469,941	-	-	-	-	3,469,941
Remeasure adjustments	1,269	243,086	2,454	5,777	7,879	(567)	259,898
Write-offs	-	-	(1)	-	783	-	782
At 12/31/2022	9,021	3,713,027	31,099	71,524	171,856	60,117	4,056,644
Depreciation							
At 12/31/2021	(604)	-	(1,681)	(12,098)	(51,699)	(10,924)	(77,006)
Additions	(2,982)	(148,645)	(1,326)	(8,767)	(42,512)	(12,562)	(216,794)
Additions - Business combinations Celse	-	(241,562)	-	-	-	-	(241,562)
At 12/31/2022	(3,586)	(390,207)	(3,007)	(20,865)	(94,211)	(23,486)	(535,362)
At 12/31/2021	5,236	-	22,983	32,824	37,245	49,760	148,048
At 12/31/2022	5,435	3,322,820	28,092	50,659	77,645	36,631	3,521,282

15.2 Liability lease

Consolidated
2022

	Cars	Ships	Oil & Gas exploration	Properties	Machinery and equipment	Services	Total
At 12/31/2021	5,358	-	23,620	39,425	42,055	52,091	162,549
Interest for the period	591	184,470	3,505	6,961	6,123	4,719	206,369
Additions - business combinations Celse	-	3,492,948	-	-	-	-	3,492,948
Additions for new contracts	1,912	-	3,982	20,825	74,250	-	100,969
Remeasure adjustments and exchange variation	1,270	36,380	2,383	4,864	6,203	419	51,519
Considerations paid	(3,061)	(265,767)	(3,654)	(11,256)	(45,418)	(17,492)	(346,648)
Write-offs	-	-	-	-	-	98	98
At 12/31/2022	6,070	3,448,031	29,836	60,819	83,213	39,835	3,667,804
Current liabilities	3,523	84,044	2,677	7,598	24,479	13,800	136,121
Non-current liabilities	2,547	3,363,987	27,159	53,221	58,734	26,035	3,531,683

15.3 Term contracts and discount rate

The calculation of the discount rates was carried out based on the risk-free interest rates observed in the Brazilian market, considering the terms of their contracts, adjusted to the Company's reality ("credit spread"). The spread was obtained in two stages: first, through the difference between the average cost of Eneva's debt and standard Brazilian government bonds, and the second stage consisted of calculating the guarantee proxy, which is a negative spread on the discount rate because Eneva's debts have guarantees. The proxy calculation was made by the difference between US energy market interest rates on assets rated BBB versus assets rated BBB-. The rates practiced, vis-à-vis the terms of the contracts, are as follows:

Contracts terms	Rate % p.a.
> 1 year	9.49
> 3 years	11.03
> 5 years	11.76
> 10 years	12.35

15.4 Maturity of the contracts

The maturity analysis of the Company's lease liabilities is as follows:

Due date of installments	
2023	135,023
2024	137,371
2025	124,703
2026	123,040
2027	120,426
2028	116,134
2029	121,387
2030	125,273
2031	131,992
2032	138,270
2033 up to the last maturity	2,394,185
Balance of the lease liabilities in 2022	3,667,804

15.5 PIS/COFINS

Currently, the company has 15 lease agreements for properties, cars, services, oil & gas exploration and machinery and equipment, which are PIS/COFINS credit generators, based on current tax legislation. The credits to be recovered are as follows:

Cash flows	Nominal	Adjusted at present value
Lease consideration	156,156	113,212
Potential PIS/Cofins (9.25%)	14,444	10,472

16. Investments

[SUMÁRIO](#)

Accounting practice

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. They are accounting deconsolidated from the date that control ceases.

The acquired identifiable assets and liabilities, including the contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Investments in subsidiaries are accounted for using the equity method in the parent company's financial statements and are fully consolidated for purposes of presentation of the consolidated financial statements. Transactions, balances and unrealized gains on transactions between related parties are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The investments held by other investors in Eneva's subsidiaries are classified as "non-controlling interest".

For purchases from non-controlling interests, the difference between any consideration paid and the proportion acquired of the carrying value of net assets of the subsidiary is recorded in equity.

(c) Joint arrangements

Joint arrangements are all entities over which the Company shares control with one or more parties. These investments are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Joint ventures are accounted for in the parent company and consolidated financial statements in order to represent the Company's contractual rights and obligations. Therefore, the assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its parent company and consolidated financial statements.

Investments in joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's share of the profit or loss of its joint ventures is recognized in the parent company and consolidated statement of profit or loss and its share in changes in equity is recognized in the Company's equity. When the Company's share of losses equals or exceeds the carrying amount of the investment, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the jointly-controlled investee.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

16.1 Breakdown of the balances

	Parent Company		Consolidated	
	2022	2021	2022	2021
Equity interests*	17,789,643	6,433,877	9,387	9,532
Advance for future capital increase	585,170	61,852	-	-
	18,374,813	6,495,729	9,387	9,532

* In 2022, the Company carried out acquisitions that impacted equity interests, according to notes 16.2 "change in investment - carrying value" and 5 "business combinations".

The Company's equity interests include the (direct and indirect) subsidiaries, joint-ventures and the associated companies. On December 31, 2022 and 2021, the balances of the main accounts groups of the investees are as follows:

							2022
	Equity interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholder's equity	Result
Subsidiaries (direct and indirect)							
Gas thermal plants							
Azulão Geração de Energia S.A.	99.90%	95,569	2,377,602	198,956	1,079,593	1,194,622	5,477
Parnaíba Geração e Comercialização de Energia S.A.	100.00%	616,335	2,688,680	519,912	1,520,555	1,264,548	179,297
Parnaíba II Geração de Energia S.A.	100.00%	403,544	1,930,640	575,164	702,349	1,056,671	163,112
Parnaíba VII Geração de Energia S.A.	99.90%	-	55,098	-	-	55,098	-
Centrais Elétricas de Sergipe Participações	79.00%	200	2,138,924	1,015	-	2,138,109	60,136
Central Geradora Termelétrica Fortaleza S.A.	100.00%	531,464	607,252	351,593	18,442	768,681	132,752
Upstream							
Parnaíba B.V.	100.00%	1,093	-	980	-	113	(1,222)
Coal -fired thermal plants							
Itaqui Geração de Energia S.A.	100.00%	410,975	2,201,804	372,505	536,111	1,704,163	38,180
Pecém II Geração de Energia S.A.	100.00%	513,536	1,614,145	294,944	715,105	1,117,632	58,105
Pecém II Participações S.A.	100.00%	1,831	1,117,632	23,940	3,472	1,092,051	58,138
Energy trade							
Eneva Comercializadora de Energia Ltda.	100.00%	480,976	455,161	606,500	319,628	10,009	(78,884)
FC One Energia Ltda	100.00%	79,850	363,191	162,977	18,823	261,241	193,696
Solar							
Focus Futura Holding Participações S.A.	100.00%	48,793	2,408,673	18,558	13,252	2,425,656	(26,225)
Focus Futura Geração 1 S.A.	10.00%	2,750	1,437,849	9,026	29,580	1,401,993	(12,092)
Others							
Amapari Energia S.A.	100.00%	69,225	957	4,117	73,731	(7,666)	(2,253)
Eneva Norte S.A.	100.00%	1	-	-	-	1	(60)
Eneva Participações S.A.	100.00%	4,996	106,181	4,989	34,065	72,123	(82,420)
DC Energia e Participações	21.00%	711	451,109	-	-	451,820	12,629
Centrais Elétricas Barra dos Coqueiros S.A.	75.00%	281	8,432	283	5	8,425	-
Jandaíra Ventos S.A.	99.90%	16	-	-	-	16	(219)
Jandaíra II Ventos S.A.	99.90%	16	-	1	-	15	(85)
SPes Ventos	100.00%	143	892	15	195	825	(458)
Seival Geração de Energia Ltda.	100.00%	3,320	-	48	23,837	(20,565)	229
Sul Geração de Energia Ltda.	50.00%	14	13,091	-	1,014	12,091	(14)
Termopantanal Ltda.	66.67%	10	7,464	1	9,731	(2,258)	-
Termopantanal Participações Ltda.	66.67%	9	400	1	2,726	(2,318)	-
Tauá Geração de Energia Ltda.	100.00%	391	17,246	510	2,706	14,421	(1,000)
SPE Futura 2 Geração e Comercialização de Energia	10.00%	11,913	519,622	77,420	750	453,365	(3,342)
Sparta 300 Participações	100.00%	30	-	9	-	21	(1,236)
Nossa Senhora de Fátima	100.00%	-	16,817	7	4,181	12,629	(535)
Joint ventures							
MABE Construção e Administração de Projetos Ltda.	50.00%	1,682	2,378	1,722	2,415	(77)	(858)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	8,017	1,790	2,045	391	7,371	294
Porto do Pecém Transportadora de Minérios S.A.	50.00%	13,519	2,211	4,691	149	10,890	883

							2021
	Equity interest	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Shareholders' equity	Result
Subsidiaries (direct and indirect)							
Gas-fired thermal plants							
Azulão Geração de Energia S.A.	99.90%	3,321	2,101,275	156,015	982,165	966,416	(16,846)
Parnaíba Geração e Comercialização de Energia S.A.	100.00%	457,244	2,474,845	365,280	1,413,618	1,153,191	179,412
Parnaíba II Geração de Energia S.A.	100.00%	394,333	1,690,006	315,643	688,485	1,080,211	82,828
Nossa Senhora de Fátima	100.00%	3	16,816	-	4,483	12,336	2
Upstream							
Parnaíba B.V.	100.00%	1,893	-	471	-	1,422	(834)
Coal-fired thermal plants							
Itaqui Geração de Energia S.A.	100.00%	512,196	2,323,113	376,947	693,536	1,764,826	245,276
Pecém II Geração de Energia S.A.	100.00%	564,787	1,669,395	190,012	855,949	1,188,221	170,560
Pecém II Participações S.A.	100.00%	1,796	1,188,221	20	3,401	1,186,596	170,622
Energy trading							
Eneva Comercializadora de Energia Ltda.	100.00%	106,146	36,758	40,697	16,056	86,151	23,934
Others							
Amapari Energia S.A.	51.00%	61,774	1,207	2,447	65,947	(5,413)	(16)
Eneva Norte S.A.	100.00%	1	-	-	-	1	-
Eneva Participações S.A.	100.00%	5,002	197,981	4,958	34,050	163,975	40,632
Jandaíra Ventos S.A.	99.90%	-	-	-	-	-	(86)
Jandaíra II Ventos S.A.	99.90%	-	-	-	-	-	(65)
SPes Ventos	100.00%	2	1,873	25	418	1,432	(15)
Seival Geração de Energia Ltda.	100.00%	3,010	-	11	23,793	(20,794)	55
Sul Geração de Energia Ltda.	100.00%	13	13,105	-	1,013	12,105	(15)
Termopantanal Ltda.	50.00%	10	7,464	1	9,731	(2,258)	-
Termopantanal Participações Ltda.	66.67%	10	400	1	2,726	(2,317)	-
Tauá Geração de Energia Ltda.	66.67%	605	17,137	542	2,606	14,594	(1,786)
Sparta 300 Participações	100.00%	-	-	-	-	-	-
Joint ventures							
MABE Construção e Administração de Projetos Ltda.	50.00%	1,933	4,238	3,038	2,351	782	(1,491)
PO&M - Pecém Operação e Manutenção de Geração Elétrica S.A.	50.00%	6,399	2,900	1,486	300	7,513	514
Porto do Pecém Transportadora de Minérios S.A.	50.00%	12,379	3,161	4,029	742	10,769	797

Changes in investment - equity value

Investments	In 2021	Transfer of interest/unsecured liability	Capital payment/decrease	Advance for future capital increase	Equivalence	Amortization	Interest	Hedge accounting	Dividends*	Write-off of investment	Carrying value adjustments	Investment acquisition	In 2022
Azulão Geração de Energia S.A.	965,450	-	234,549	(12,042)	5,472	-	-	-	-	-	-	-	1,193,429
Parnaíba Geração e Comercialização de Energia	1,308,416	-	-	-	179,293	-	53,763	28	(150,346)	-	-	-	1,391,154
Parnaíba II Geração de Energia S.A.	996,817	-	-	-	163,112	-	-	(2,627)	(62,770)	-	-	-	1,094,532
Parnaíba VII Geração de Energia S.A.	-	-	-	55,044	-	-	-	-	-	-	-	-	55,044
Central Geradora Termelétrica Fortaleza S.A.	-	-	-	-	132,752	-	-	-	(280,693)	-	-	916,623	768,682
Parnaíba B.V.	3,539	-	-	-	(1,222)	-	-	-	-	-	(99)	-	2,218
Itaqui Geração de Energia S.A.	1,764,826	-	-	-	38,179	-	-	-	(98,841)	-	-	-	1,704,164
Pecém II Participações S.A.	1,186,596	-	-	-	58,138	-	-	-	(152,683)	-	-	-	1,092,051
FC One Energia LTDA	-	22,060	-	17,960	195,237	-	-	-	(41,132)	-	-	161,042	355,167
Focus Futura Holding Participações S.A.	-	-	-	1,032,857	(26,098)	-	54,322	46,086	(2,024)	(6)	-	1,419,323	2,524,460
Focus Futura Geração 1 S.A.	-	-	-	86	(12)	-	-	-	-	(50,195)	-	816	(49,305)
Tauá Geração de Energia	-	14,604	-	568	(752)	-	-	-	-	-	-	-	14,420
Eneva Participações S.A.	228,362	(14,604)	1,674	4,544	(82,420)	-	-	(1,047)	-	-	-	-	136,509
Centrais Elétricas de Sergipe Participações	-	-	-	-	47,507	-	-	-	-	-	-	1,641,599	1,689,106
DC Energia e Participações	-	-	-	-	12,628	-	-	-	-	-	-	436,374	449,002
	-	-	-	-	-	-	-	-	-	-	-	6,318	6,318
Nossa Senhora de Fátima	12,336	-	576	380	(535)	-	-	-	-	-	-	-	12,757
Others	6,148	903	1,406	358	(1,790)	-	-	-	-	-	-	-	7,025
Porto do Pecém Transportadora de Minérios S.A.	5,384	-	-	-	442	-	-	-	(475)	-	-	-	5,351
Pecém Oper. e Manutenção de Ger. Elétrica S.A.	3,757	-	-	-	147	-	-	-	(273)	-	-	-	3,631
MABE Construção e Administração de Projeto	391	-	-	-	(429)	-	-	-	-	-	-	-	(38)
	6,482,022	22,963	238,205	1,099,755	719,649	-	108,085	42,440	(789,237)	(50,201)	(99)	4,582,095	12,455,677
Gains and losses on assets													
Parnaíba Geração e Comercialização de Energia	9,549	-	-	-	-	(464)	-	-	-	-	-	-	9,085
Pecém II Participações S.A.	(159,520)	-	-	-	-	(6,456)	-	-	-	-	-	-	(165,976)
Central Geradora Termelétrica Fortaleza S.A.	-	-	-	-	-	(70,725)	-	-	-	-	-	(150,122)	(220,847)
Centrais Elétricas de Sergipe Participações S.A.	-	-	-	-	-	-	-	-	-	-	-	6,118,163	6,118,163
	(149,971)	-	-	-	-	(77,645)	-	-	-	-	-	5,968,041	5,740,425
Fair value													
Amapari Energia S.A.	-	-	-	-	-	-	-	-	-	-	21,804	-	21,804
Nossa Senhora de Fátima	8,027	-	-	-	-	-	-	-	-	-	-	-	8,027
	8,027	-	-	-	-	-	-	-	-	-	21,804	-	29,831
Right of use													
Parnaíba II Geração de Energia S.A.	29,406	-	-	-	-	(4,454)	-	-	-	-	-	-	24,952
Itaqui Geração de Energia S.A.	11,083	-	-	-	-	(511)	-	-	-	-	-	-	10,572
Eneva Participações S.A.	115,162	-	-	-	-	(1,806)	-	-	-	-	-	-	113,356
	155,651	-	-	-	-	(6,771)	-	-	-	-	-	-	148,880
Total investments	6,495,729	22,963	238,205	1,099,755	719,649	(84,416)	108,085	42,440	(789,237)	(50,201)	21,705	10,550,136	18,374,813

*Form the amount of R\$ 789,237, in 2022, R\$ 555,141 were paid as dividends.

16.2 Breakdown of equity in the results of investees

	Parent Company	
	2022	2021
Result in equity-accounted investments on investments	719,690	679,409
Result in equity-accounted investments on unsecured liabilities	(998)	(159)
Amortization of assets at fair value	(92,793)	(13,693)
	625,899	665,557

16.3 Breakdown of non-controlling interest

The non-controlling shareholders' interest in equity and in the result of the investees is as follows:

Investments	Interest	2022		2021	
		Shareholders' equity	Result	Shareholders' equity	Result
Amapari Energia S.A.	49.00%	-	-	(2,658)	(8)
Termopantanal Participações	33.34%	(773)	-	(773)	-
SPE Futura 2	90.00%	58,493	-	-	-
Total		57,720	-	(3,431)	(8)

17. Property, plant and equipment

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Accounting practice

Items of property, plant and equipment are measured at the historic cost of acquisition or construction, less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of assets built by the Company itself includes:

- (i) The cost of materials and direct labor;
- (ii) Any other costs to bring the asset to its location and condition necessary so it can be operated as intended by Management;
- (iii) The dismantling costs, and the restoration of the site where these assets are located; and
- (iv) Costs of loans and debentures that are capitalized as part of property, plant and equipment if these costs were directly related to the construction of a qualifying asset. Capitalization occurs until the qualified asset is ready for its intended use.

The gains and losses deriving from the sale of property, plant and equipment (determined by comparing the funds obtained through the sale against the book value of the property, plant and equipment), are recorded net amongst other revenue/expense figures in the parent company and consolidated statement of profit or loss.

Estimates and judgments

For the E&P assets, the natural gas reserves are calculated based on economic, geological and engineering information, such as well profiles and pressure data, among others. Reserve volumes are used to calculate depreciation/depletion/amortization rates in the units produced method. The determination of the estimate of the volume of reserves requires significant judgment and is subject to reviews, at least annually, carried out based on the reevaluation of pre-existing data and/or new information available related to the production and geology of the reservoirs, as well as to changes in prices and costs used. The reviews may also result from significant changes in the Company's development strategy or production capacity.

Subsequent costs

Subsequent costs are capitalized to the extent that it is probable that future benefits associated with these costs are accrued by the Company. Recurring repairs and maintenance are charged to the parent company and consolidated statement of profit or loss.

Depreciation

Depreciation of generation PPE

The depreciation is calculated on a straight-line basis during the assets' estimated useful lives, as from the beginning of the operation, as follows:

PPE items	Depreciation range
Civil constructions and improvements	From 25 to 50 years
Computer equipment	6 years
Machinery and Equipment	From 5 to 40 years
Furniture and utensils	16 years
Vehicles	7 years
Rights of use	From 1 to 28 years

Depreciation of PPE at the exploration and production stage - (E&P)

The E&P property, plant and equipment is depreciated as from the declaration of commerciality and beginning of the production by the produced units method.

Annually, the volume of 2P reserves of each field is certified by independent consulting company, and based on this information, the Company maintains its depreciation records for produced units.

17.1 Breakdown of the balances

	Consolidated 2022										
	Land	Buildings, civil constructions, improvements	Machinery and equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Loss	Provision for property, plant impairment and equipment in course	Right of use	Total
	Depreciation range	- From 25 to 50 years	From 5 to 40 years	6 years	7 years	16 years	By production	-	-	- From 1 to 28 years	
Cost											
At 12/31/2021	15,245	3,225,269	4,592,033	21,211	2,450	41,876	2,722,097	-	(60,466)	5,899,012	16,683,782
Additions (a)	72	57,867	90,868	76	644	51	141,957	-	-	1,929,646	2,221,181
Additions IFRS16	-	-	-	-	-	-	-	-	-	56,262	56,262
Additions Focus Energia– Business combination (b)	5,726	11,586	22,007	-	1,429	-	-	-	-	2,266,902	2,307,650
Additions CGTF – Business combination (b)	1,055	9,277	1,031,837	-	1,507	11,433	- (461,890)	-	-	121,279 (848)	713,650
Additions Celse – Business combination (b)	15,975	576,239	4,222,903	170	(1,286)	(7,196)	-	-	-	295,605 3,360,580	8,462,990
Reclassification Impairment Seival Geração	-	-	(60,466)	-	-	-	-	-	60,466	-	-
Write-offs	(6,104)	(6,894)	(11,300)	-	(1,976)	(30)	-	-	-	(77,827) (1,761)	(105,892)
MTM	-	-	(402)	-	-	-	-	-	-	-	(402)
Dry well	-	-	-	-	-	-	-	-	-	(27,751)	(27,751)
Supplier prepayment	-	-	-	-	-	-	-	-	-	383,902	383,902
Provision for decommissioning costs	-	-	(848)	-	-	-	-	-	-	-	(848)
PIS/COFINS credit	-	-	-	-	-	-	-	-	-	(4,653)	(4,653)
Transfers	-	730,197	1,687,493	1,838	94,958	3,140	90,554	-	-	(2,608,180)	-
Costs with qualified borrowings	-	-	-	-	-	-	-	-	-	719,775	719,775
At 12/31/2022	31,969	4,603,541	11,574,125	23,295	97,726	49,274	2,954,608	(461,890)	-	8,897,710	31,409,646
Depreciation (c)											
At 12/31/2021	-	(881,641)	(1,539,084)	(12,996)	(2,907)	(18,825)	(1,423,881)	-	(218)	-	(3,956,559)
Additions	-	(157,277)	(338,193)	(2,289)	(12,757)	(2,263)	(88,411)	-	-	-	(601,190)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(40,999)	(40,999)
Reclassification Impairment Seival Geração	-	-	(218)	-	-	-	-	-	218	-	-
Write-offs	1,623	2,578	7,108	-	414	-	-	-	-	-	11,723
At 12/31/2022	1,623	(1,036,340)	(1,870,387)	(15,285)	(15,250)	(21,088)	(1,512,292)	-	-	-	(4,587,025)
Carrying amount											
At 12/31/2021	15,245	2,343,628	3,052,949	8,215	(457)	23,051	1,298,216	-	(60,684)	5,899,012	12,727,223
At 12/31/2022	33,592	3,567,201	9,703,738	8,010	82,476	28,186	1,442,316	(461,890)	-	8,897,710	26,822,621

- a.** Changes are substantially represented by the equipment acquired for: (i) final measurements of the works on the Azulão-Jaguatirica and Parnaíba V project, (ii) acquisition of equipment and completion of the works on the Futura I solar project.
- b.** Changes are related to property, plant and equipment acquired in the business combinations with CGTF, carried out in 2022, recognized at fair value.
- c.** Property, plant and equipment are depreciated using the straight-line method in the parent company and consolidated statement of profit or loss based on the estimated economic useful life of each component, from the beginning of its operation, except for E&P fixed assets, which are depreciated from the declaration of commerciality and the start of production, by the unit-produced method.

	Consolidated 2021										
	Land	Buildings, civil constructions, improvements	Machinery and equipment	Computer equipment	Vehicles	Furniture and utensils	PPE E&P	Provision for impairment	Property, plant and equipment in course	Right of use	Total
Depreciation range	-	From 25 to 50 years	From 5 to 40 years	6 years	7 years	16 years	By production	-	-	From 1 to 28 years	
Cost											
At December 31, 2020	15,245	3,218,608	4,518,861	18,839	2,450	40,685	2,559,243	(237,030)	4,046,809	155,692	14,339,402
Additions	-	6,661	64,801	2,850	-	1,191	6,762	-	1,292,521	-	1,374,786
Additions IFRS16	-	-	-	-	-	-	-	-	-	135,338	135,338
Write-offs	-	-	(3)	(478)	-	-	-	176,564	(47,268)	(65,975)	62,840
Dry well	-	-	-	-	-	-	-	-	(56,289)	-	(56,289)
Supplier prepayment	-	-	-	-	-	-	-	-	202,374	-	202,374
Provision for decommissioning costs	-	-	(1,588)	-	-	-	-	-	-	-	(1,588)
PIS/COFINS credit	-	-	-	-	-	-	-	-	(40,314)	-	(40,314)
Transfers	-	-	9,962	-	-	-	156,092	-	(166,054)	-	-
Costs with qualified borrowings	-	-	-	-	-	-	-	-	667,233	-	667,233
At December 31, 2021	15,245	3,225,269	4,592,033	21,211	2,450	41,876	2,722,097	(60,466)	5,899,012	225,055	16,683,782
Depreciation											
At December 31, 2020	-	(768,657)	(1,293,028)	(11,192)	(2,630)	(16,803)	(1,257,165)	26,240	-	(69,492)	(3,392,727)
Additions	-	(112,984)	(246,056)	(1,804)	(277)	(2,022)	(166,716)	-	-	-	(529,859)
Additions IFRS16	-	-	-	-	-	-	-	-	-	(52,802)	(52,802)
Write-offs	-	-	-	-	-	-	-	(26,458)	-	45,287	18,829
At December 31, 2021	-	(881,641)	(1,539,084)	(12,996)	(2,907)	(18,825)	(1,423,881)	(218)	-	(77,007)	(3,956,559)
Carrying amount											
At December 31, 2020	15,245	2,449,951	3,225,833	7,647	(180)	23,882	1,302,078	(210,790)	4,046,809	86,200	10,946,675
At December 31, 2021	15,245	2,343,628	3,052,949	8,215	(457)	23,051	1,298,216	(60,684)	5,899,012	148,048	12,727,223

Certification of reserves

On February 1, 2023, the independent consultancy Gaffney, Cline & Associates, Inc (GCA) issued a new audit executive report of the natural gas reserves of the twelve fields declared as commercial in Parque dos Gaviões, in the Parnaíba, Amazonas and Solimões Basins. The new certification of these assets took into account the planned expansion of natural gas thermal generation capacity in Brazil, and the acceptance of contingent gas resources for the purpose of proving fuel in the process of qualifying new projects in energy bids.

According to the criteria of the Petroleum Resources Management System (PMRS), GCA certified the natural gas reserves as follows:

Natural gas reserves of the twelve fields of the Parnaíba Basin and one field of the Amazon Basin			
Reserves categories	Gas Reserves Parnaíba Basin (100% WI) (Bm ³)	Gas Reserves Amazonas Basin (100% WI) (Bm ³)	Eneva's Total Gas Reserves (100% WI) (Bm ³)
Proved developed (1P)	17.1	10.2	27.3
Proved not developed (1P)	10.5	-	10.5
Total (1P)	27.6	10.2	37.8
Proved developed (2P)	18.4	14.5	32.9
Proved not developed (2P)	14.7	-	14.7
Total (2P)	33.1	14.5	47.6
Total (3P)	41.7	18.3	60.0

Proven reserves: these are reserves that can be produced with a high level of guarantee.

Unproven reserves: these are based on geological and engineering data similar to those used to calculate proven reserves. However, due to technical, contractual or regulatory uncertainties, the proven reserves are not included.

Developed reserves: those reserves that are able to be recovered, whose necessary investments in infrastructure for production have already been carried out.

Not developed: those in which the entire development plan needs to be implemented.

The production guarantee levels are as follows:

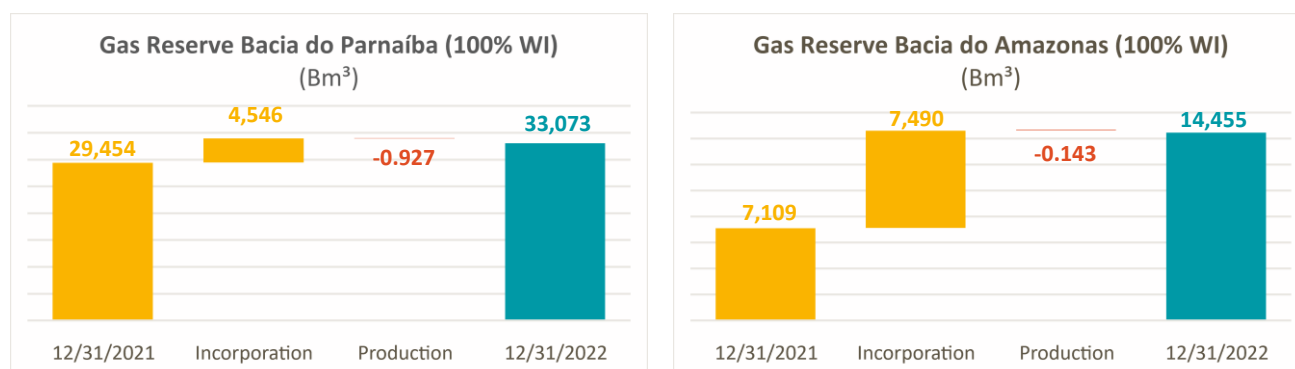
1P – High production guarantee level;

2P – Probable production reserves, attributable to 50% in the guarantee level;

3P – Probable production reserves, attributable to 10% in the guarantee level.

Evolution of Eneva's certified reserves between 2021 and 2022:

Evolution of the Certified Reserves (2P) in 2022



Parnaíba Basin – main effects/discoveries

Gavião Mateiro field (+4,387 Bm3 of natural gas 2P): Field discovered in the end of 2021 through the exploratory well 1- ENV-26-MA, and reserves assessed through the extension wells: 3-ENV-32-D-MA, 3-ENV-34-MA, 3- ENV-37D and 3-ENV-38 in 2022, with declaration of commerciality on November 10, 2022.

Amazonas Basin – main effects/discoveries

Azulão field (+7,490 Bm3 of natural gas 2P): The certification of reserves with base date of December 31, 2022 considers the positive result of the 5 development wells already drilled in the field (7-AZU-2D, 7-AZU-3, 7-AZU-4D, 7-AZU-5D and 7-AZU-6D) and the well 1-ENV-31D-MA drilled in the area.

17.2 Impairment assessment

The Company and its subsidiaries are required annually to carry out impairment tests on intangible assets with indefinite useful lives ('goodwill'). An assessment is also required as to the existence of any indication of loss due to impairment, as established by accounting standards. We did not carry out tests for impairment, as no indication was identified for these assets, except for assets with an indefinite useful life.

The intangible asset with indefinite useful life generated in the business combination carried out in 2015 after the corporate restructuring that took place in 2018, is recorded as investment in the subsidiary Parnaíba II were tested for impairment considering the value in use model based on present value of cash flow, per cash generating unit. There was no need to recognize any provision for impairment. The key assumptions of the recoverable value tests are described below, being uniform among the tested assets and having been approved by the Management.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (Cash-generating units (CGUs)). The Company considers that each thermal generation plant (gas and coal) and the natural gas production unit constitute the Cash Generating Units.

Approach

Operating cash flows were projected, expressed in nominal terms (considering the inflation effects of the economy) and presented in local currency, Reais (R\$).

Term

The projection starts in 2023 and extends until 2045 for Parnaíba II.

In energy generation assets, the useful life is defined by the operational capacity and economic viability of the plants. The Plants have Power Purchase Agreement in the Regulated Environment (CCEAR) with term between 15 and 20 years, ending in 2036 (Parnaíba II).

For the complementary period that goes up to the end of the projection period (2045), the assumption was the continuity of operations under the capacity system, based on the parameters defined in the capacity bid in 2021 to forecast the operational flows.

Sales price

The reference used for the first monetization cycle (period in which companies have CCEAR) is the current contractual conditions, indexed by inflation (IPCA).

The price assumption assumed for the second cycle of asset monetization, i.e., the period between the end of the Company's current CCEARs, and the end of the projected period, was based on the result of the capacity bid that took place in December 2021.

Maintenance CAPEX and overhaul

Maintenance investments were projected according to the budget cycle, indexed by the inflation (IPCA). These are expenditures with straight behavior along the years, except for overhaul expenditures that occur in in cycles predetermined by the turbine manufacturer.

Discount rate

The Company uses the Capital Cost approach (Ke) for Parnaíba II, considering inflation effects, as follows:

	Parnaíba II
Nominal CMPC and Ke (after tax)	8.07%
Nominal CMPC and Ke (before tax)	11.85%

The rates presented above were adjusted during the projection, considering the evolution of the specific indebtedness structure of the Cash Generating Unit (CGU) and the evolution of the tax rates and of the inflation assumptions.

Estimates and judgments

The Company and its subsidiaries review, at least annually, whether there are events that indicate deterioration in the recoverable value of non-current or long-term assets. If an indication of deterioration is observed, the Company performs the impairment test. These tests involve some variables and uncertainties with regard to cash flow projections, for evaluating assets in use, and definitions of the market values of assets, for those intended to be sold.

18. Intangible assets



Accounting practice

Intangible assets are measured at total acquisition cost less the amortization expenses and accumulated losses due to impairment.

Estimates and judgments

For the E&P assets, the natural gas reserves are calculated based on economic, geological and engineering information, such as well profiles and pressure data, among others. Reserve volumes are used to calculate depreciation/depletion/amortization rates in the units produced method. The determination of the estimate of the volume of reserves requires significant judgment and is subject to reviews, at least annually, carried out based on the reevaluation of pre-existing data and/or new information available related to the production and geology of the reservoirs, as well as to changes in prices and costs used. The reviews may also result from significant changes in the Company's development strategy or production capacity.

Breakdown of intangible assets

	Amortization range	2022			Consolidated 2021		
		Cost	Amortization *	Net amount	Cost	Amortization *	Net amount
Computer licenses and software	5 years	58,600	(31,449)	27,151	35,770	(31,449)	4,321
E&P Intangible assets	Produced unit	509,897	(42,832)	467,065	519,392	(42,832)	476,560
Right of use	From 15 to 33 years	92,893	(39,920)	52,973	86,235	(39,920)	46,315
Awards and CCEARs	15 years	171,226	(102,992)	68,234	183,449	(102,992)	80,457
Right of use in the acquisition of investments	From 1 to 30 years	1,158,435	(153,827)	1,004,608	720,196	(153,827)	566,369
Goodwill and fair value of undefined useful life assets	-	1,633,856	-	1,633,856	81,522	-	81,522
Gain	-	4,565,829	-	4,565,829	-	-	-
Intangible assets in course	-	58,962	-	58,962	58,535	-	58,535
		8,249,698	(371,020)	7,878,678	1,685,099	(371,020)	1,314,079

*The amortization is calculated on the assets value, recognizing in the result on a straight-line basis in relation to the estimated useful lives of the assets as from the date when these assets are available for use, except for the E&P assets for exploration of natural gas that are amortized based on the produced units. These methods are the best to reflect the consumption standard of future economic benefits incorporated into the different assets.

Changes in intangible assets

Consolidated

	Computer licenses and software	E&P intangible assets	Right of use	Awards and CCEARs	Right of use in the acquisition of investments	Goodwill and fair value of undefined useful life assets	Gain	Intangible assets in course	Total
At December 31, 2020	5,664	442,701	49,090	92,681	628,258	73,497	-	46,654	1,338,545
Additions	1,216	43,530	-	-	-	8,025	-	11,881	64,652
Write-offs	-	-	-	-	(34,375)	-	-	-	(34,375)
Amortization	(2,559)	(9,671)	(2,775)	(12,224)	(27,514)	-	-	-	(54,743)
At December 31, 2021	4,321	476,560	46,315	80,457	566,369	81,522	-	58,535	1,314,079
Additions	2,645	47	5,350	-	497,079	-	-	2,009	507,130
Additions Focus Energia business combination	956	-	-	-	52,572	-	-	-	53,528
Additions CGTF: business combination	-	-	3,400	-	-	-	-	12,310	15,710
Additions Celse: business combination	14,587	-	-	-	-	1,552,334	4,565,829	-	6,132,750
Write-offs	(6,104)	-	-	-	-	-	-	-	(6,104)
Transfers	13,893	-	-	-	-	-	-	(13,893)	-
Amortization	(3,147)	(9,542)	(2,092)	(12,223)	(111,411)	-	-	-	(138,415)
At December 31, 2022	27,151	467,065	52,973	68,234	1,004,609	1,633,856	4,565,829	58,961	7,878,678

Right of use

The right of use is due to the amount paid to obtain the concession of the area by the concessionaire that won the bidding for exploratory fields, better known as signature bonus.

Awards and CCEARs

Awards and CCEARs refer to the authorization to explore power trade agreements in the regulated environment.

Right of use in the acquisition of investments

This refers to the allocation of defined useful life goodwill generated in the business combinations that took place in 2015 arisen from awards and CCEARs.

Goodwill and fair value of undefined useful life assets

The balance corresponding the goodwill before 2022 arises from the business combinations carried out by the Company in 2015. This refers to the excess of the portion paid by Eneva (acquirer) due to the expectation of generating future profits by the acquired companies. It is worth noting that after the corporate restructuring carried out by the Group in recent years, the goodwill is recorded on the investment in the subsidiary Parnaíba II and the fair value of R\$ 8,025 related to the acquisition of 100% of the interest in Nossa Senhora de Fátima. Additionally, in 2022, the Company acquired 100% of interest in Celse, giving rise to a fair value of R\$ 1,552,334 in the acquisition, according to note 5 - "business combination".

The recoverable amount of goodwill is assessed annually, regardless of the existence of impairment indicators, as determined by CPC 01 (R1) - Impairment of assets. The key assumptions of the impairment tests are described in Note 17.2 - Impairment assessment". Based on the tests, impairment was not identified for 2022.

Gain

Gain arising from the business combination of Celse in the amount of R\$4,565,829, according to note 5 - "business combination".

19. Trade payables

[SUMÁRIO](#)

Accounting practice

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business, they are classified in the balance according to maturity (current and non-current). They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

		Consolidated
	2022	2021
Energy generation (a)	429,939	155,771
Construction of new plants (b)	118,354	100,225
Energy trading	249,994	49,237
Gas exploration and production (c)	147,696	94,802
Maintenance of plants (d)	428,381	94,993
Others (e)	219,814	61,385
	1,594,178	556,413
Current	1,296,155	526,582
Non-current assets	298,023	29,831

- a. The balance is substantially composed of obligations to suppliers of inputs for the energy generation, besides obligations assumed due to business combination with Focus, CGTF and Celse.
- b. These correspond to the investments connected to the acquisitions of projects Futura 3 and 6 and conclusion of the construction of the Azulão-Jaguatirica project and of the thermal power plant Parnaíba V.
- c. The balance comprises suppliers and service providers related to the natural gas exploration and production activity.
- d. The balance is substantially linked to the scheduled shutdowns of the plants, which aim to maintain machines and increase their useful life.
- e. The balance is made up of several suppliers, with emphasis on the Earn-out arising from the business combination with CGTF and holdback of the business combination with Celse, besides commitments with the contracting of financial consultancy for the acquisition of new companies.

20. Trade payables of projects in construction

[SUMÁRIO](#)

Accounting practice

The Company renegotiated the liabilities arising from obligations with the main suppliers of projects under construction. The purpose of this renegotiation was to extend the period for settling these obligations. The Company assesses whether modifications in the terms and conditions of the original liability substantially change the cash flow required to settle the obligation or not. If the original liability has been substantially modified, the Company derecognizes the original liability and recognizes a new liability, recording any gain/loss generated by changes in profit or loss or in property, plant and equipment. If the original liability has not been substantially modified, the Company maintains the original liability recognized. This evaluation considers qualitative and quantitative aspects, linked respectively to the nature and function of the liabilities and the quantitative impact on the change in the obligation's cash flows (on average, the difference between the original and renegotiated flows had a difference of 3.81%).

Additionally, for these specific liabilities, the Company performs the accounting record based on the present value of the obligations. The Adjustment to Present Value (AVP) is calculated taking into account the interest rates practiced in the operations and the DI x Pre interest rate curve at B3, a reference for mark-to-market of financial instruments and adopted as a discount rate for the remaining term of the open securities.

		Parent Company		Consolidated
	2022	2021	2022	2021
Trade payables of projects in construction	11,848	-	505,287	79,175
Suppliers' interest to incur - AVP	(1,347)	-	(38,176)	(848)
	10,501	-	467,111	78,327

The commercial conditions negotiated with the suppliers were aimed at aligning the cash flow of the projects under construction, either with the release or settlement of financing contracted for the projects or with the start of the cash generation stage of these assets, enabling the progress of the works with an adequate financial schedule and, naturally, ensuring the fulfillment of the Company's obligations with the regulatory body and its customers, in the sense of fulfilling its obligations within the scope of its commercial contracts in the electricity sector. The financial charges incurred in these situations of extension of term were approximately 2.92% per year (higher than the DI x Pre-reference interest rate curve) and the extension of the payment term was 335 days on average, compared to the 30-day ordinary billing term. Interest incurred in 2022 amounted to R\$21,802, of which R\$2,551 are recognized as financial expense in profit or loss for the year and R\$19,251 as construction cost of property, plant and equipment.

Securities discount operations

With the aim of strengthening commercial relations with some suppliers, and making their financial management alternatives viable, the Company authorized them to eventually carry out the assignment of credit with financial institutions, at its sole discretion. For situations in which invoices were negotiated with financial institutions, the Company, in its turn, was informed to make the payment to the new holder and beneficiary of the securities, on the due date and in the amounts previously agreed with its original suppliers, without any change in the terms and conditions of the original invoices, as well as the absence of guarantees and/or contractual conditions that provide for situations of early billing. It is worth mentioning that the Company does not manage any negotiations between suppliers and financial institutions, and the eventual negotiation of invoices is at the discretion of suppliers in managing their cash flows.

The assignment of securities does not change the commercial conditions previously established with suppliers.

21. Taxes and contributions payable



	Parent Company		Consolidated	
	2022	2021	2022	2021
Corporate Income Tax - IRPJ	1,167	47,274	163,120	40,071
Social contribution on Net Income - CSLL	-	25,990	77,984	58,582
	1,167	73,264	241,104	98,653
Current	1,167	73,264	224,122	98,653
Non-current assets	-	-	16,982	-

The group's companies are taxed on the Taxable Profit system, monthly prepaying Income Tax and Social Contribution, according to effective legislation.

Balances of the other taxes and contributions payable are as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Value-added Tax on Sales and Services (ICMS)	6,048	3,034	38,764	10,275
PIS, COFINS and IOF	4,936	10,877	58,771	16,421
Import taxes	2,245	856	1,480	987
Royalties	12,654	11,967	12,654	11,967
Others *	13,909	12,343	25,411	14,793
	39,792	39,077	137,080	54,443
Current	39,792	39,077	137,080	54,443

* Mainly comprised by the items Production share payable to landowners and federal taxes withheld from third parties.

22. Borrowings, financings and debentures



Accounting practice

Borrowings, financings and debentures are recognized initially at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the parent company and consolidated statement of profit or loss over the period in which the debts are open, using the effective interest rate method.

The Company's management evaluated that the best disclosure of the interest paid on borrowings, financing and debentures is through the cash flows of financings, because the cost of these financial liabilities is intrinsically linked to the funding for the construction of the Company's gas generating and production park.

The costs of debentures that are directly attributable to the construction of qualifying assets were recorded as part of the cost of these assets, in property, plant and equipment. The debentures that received this classification were the following: the third series, referring to the second issuance of simple debentures, which are directly attributable to the construction of "Parnaíba V", the third issuance and the fifth issuance of simple debentures in a single series, attributable to the issuance of the Parque dos Gaviões project, the sixth issuance of the first and second series, attributable to the construction of the Parque dos Gaviões project and "Parnaíba VI", the eighth issuance of the first and second series, attributable to the construction of "Parnaíba VI" and the costs of the ninth issuance of the first, second and third series, attributable to the construction of "Parnaíba VI" and "Futura 1".

Deposits linked to loans, financing and debentures

The Company evaluates whether the deposits linked to loans, financing and debentures meet the following criteria:

- a. they are not conditioned to future events; and*
- b. they are legally enforceable, in the normal course of business, in the event of default and of insolvency or bankruptcy.*

Accordingly, the value of these deposits is presented together with the borrowings, financings and debentures related to them, as well as it is presented within the financing cash flow in the parent company and consolidated statement of cash flow.

										Consolidated							
										2022				2021			
Company	Creditor	Currency	Interest rate	Effective rates*	Maturity	Funding costs to appropriate	Principal	Interest	Debentures' fair value	Total	Funding costs to appropriate	Principal	Interest	Total			
Borrowings and financings																	
Eneva	FINEP	R\$	TJLP+3.00%	9.62%	3/17/2025	-	26,166	100	-	26,266	-	37,516	133	37,649			
Eneva	FINEP	R\$	TJLP+1.00%	7.62%	12/15/2028	(179)	23,599	71	-	23,491	(235)	27,328	75	27,168			
PGC	BNB	R\$	IPCA + 1.9388%	8.48%	7/15/2036	(6,587)	842,048	173,347	-	1,008,808	(7,260)	753,482	98,605	844,827			
Azulão	BASA SubCredit A and B	R\$	IPCA + 1.6190%	8.18%	6/16/2036	(7,673)	563,431	3,404	-	559,162	(8,266)	600,000	3,509	595,243			
Azulão	BASA SubCredit C	R\$	IPCA + 1.3247%	7.89%	6/16/2036	(5,134)	375,646	2,271	-	372,783	(5,525)	400,000	2,274	396,749			
Azulão	FDA	R\$	IPCA + 2.335%	8.90%	2/1/2038	(2,640)	199,021	16,038	-	212,419	-	-	-	-			
SPE 3 Futura	BNB	R\$	IPCA + 2.0431%	8.60%	7/15/2045	-	200,000	6,200	-	206,200	-	-	-	-			
SPE 4 Futura	BNB	R\$	IPCA + 3.4906%	10.05%	8/15/2046	(1,423)	262,043	10,472	-	271,092	-	-	-	-			
SPE 5 Futura	BNB	R\$	IPCA + 2.0431%	8.60%	7/15/2045	-	150,000	4,650	-	154,650	-	-	-	-			
SPE 6 Futura	BNB	R\$	IPCA + 2.0431%	8.60%	7/15/2045	-	100,000	3,100	-	103,100	-	-	-	-			
Parnaíba II	FDNE	R\$	IPCA + 3.383%	9.94%	7/1/2041	(5,011)	100,057	1,961	-	97,007	-	-	-	-			
Celse	IFC	R\$	IPCA + 9.78%	16.34%	4/15/2032	(25,034)	907,454	17,985	-	900,405	-	-	-	-			
Celse	IDB	R\$	IPCA + 9.60%	16.16%	4/15/2032	(23,795)	750,748	14,605	-	741,558	-	-	-	-			
Celse	IDB USD	R\$	USD + Libor + 5.4%	9.94%	4/15/2032	(4,080)	177,290	3,818	-	177,028	-	-	-	-			
Celse	China Fund	R\$	USD + Libor + 5.4%	9.94%	4/15/2032	(5,369)	233,278	5,024	-	232,933	-	-	-	-			
						(86,925)	4,910,781	263,046	-	5,086,902	(21,286)	1,818,326	104,596	1,901,636			
Secured deposits						-	(192,610)	-	-	(192,610)	-	(114,499)	-	(114,499)			
						(86,925)	4,718,171	263,046	-	4,894,292	(21,286)	1,703,827	104,596	1,787,137			
Current						(12,247)	300,432	77,266	-	365,451	(1,783)	73,587	5,991	77,795			
Non-current assets						(74,678)	4,417,739	185,780	-	4,528,841	(19,503)	1,630,240	98,605	1,709,342			

* Calculation of effective rates takes into account accumulated indexes in the last 12 months:

Oct-22 - CDI of 11.54%, IPCA of 7.17% and TJLP of 6.47% and LIBOR of 4.54%.

Nov-22 - CDI of 12.02%, IPCA of 6.47%, TJLP of 6.62% and LIBOR of 4.54%.

Dec-22 - CDI of 12.46%, IPCA of 6.05%, TJLP of 6.78% and LIBOR of 4.54%.

											Consolidated			
											2022			
											2021			
Company	Creditor	Currency	Interest rates	Effective rates*	Maturity	Funding costs to appropriate	Principal	Interest	Debentures' fair value	Total	Funding costs to appropriate	Principal	Interest	Total
Debentures														
PGC	First issuance - first series	R\$	IPCA + 7.2227%	13.81%	11/15/2025	(2,290)	265,978	2,366	-	266,054	(3,685)	300,903	2,761	299,979
PGC	First issuance - second series	R\$	CDI + 2,50%	14.47%	11/15/2025	(3,237)	282,663	5,532	-	284,958	(5,581)	370,822	5,140	370,381
Parnaíba II	Third issuance - first series	R\$	CDI + 0,60%	0.00%	10/2/2022	-	-	-	-	-	(131)	100,000	1,940	101,809
Parnaíba II	Third issuance - second series	R\$	CDI + 1,01%	13.02%	10/2/2024	(420)	290,000	9,851	-	299,431	(754)	290,000	5,920	295,166
Parnaíba II	Third issuance - third series	R\$	CDI + 1,40%	13.41%	10/2/2026	(934)	360,000	12,576	-	371,642	(1,220)	360,000	7,692	366,472
Eneva	Second issuance - first series	R\$	CDI + 0,95%	12.95%	5/15/2024	(2,227)	750,000	13,201	-	760,974	(3,846)	750,000	8,880	755,034
Eneva	Second issuance- second series	R\$	CDI + 1,45%	13.45%	5/15/2027	(4,130)	750,000	14,014	-	759,884	(5,216)	750,000	9,371	754,155
Eneva	Second issuance - third series	R\$	IPCA + 5.05%	11.61%	5/15/2029	(3,309)	618,755	3,879	-	619,325	(3,910)	584,908	3,782	584,780
Eneva	Third issuance - first series	R\$	IPCA + 4.2259%	10.79%	12/15/2027	(9,577)	795,024	1,438	-	786,885	(11,915)	751,537	1,483	741,105
Eneva	Fifth issuance - first series	R\$	IPCA + 5.50%	12.06%	6/15/2030	(18,791)	788,130	1,844	-	771,183	(21,436)	745,019	1,902	725,485
Eneva	Sixth issuance - first series	R\$	IPCA + 4.127%	10.69%	9/15/2030	(13,952)	448,764	5,288	-	440,100	(15,206)	424,217	5,068	414,079
Eneva	Sixth issuance - second series	R\$	IPCA + 4.5034%	11.06%	9/15/2035	(22,959)	688,710	8,848	-	674,599	(24,199)	651,038	8,476	635,315
Eneva	Seventh issuance - first series	R\$	CDI + 1,35%	13.36%	5/24/2023	(2,482)	1,500,000	180,409	-	1,677,927	-	-	-	-
Eneva	Eighth issuance - first series	R\$	IPCA + 6.5254%	12.88%	7/15/2032	(21,001)	718,481	20,472	19,954	737,906	-	-	-	-
Eneva	Eighth issuance - second series	R\$	IPCA + 6.5891%	12.99%	7/15/2037	(13,064)	471,502	13,563	19,578	491,579	-	-	-	-
Eneva	Eighth issuance - third series	R\$	CDI + 1,70%	13.71%	7/15/2029	(13,327)	500,000	33,145	-	519,818	-	-	-	-
Eneva	Eighth issuance - first series	R\$	CDI + 2,00%	14.01%	7/15/2032	(9,518)	350,000	23,690	-	364,172	-	-	-	-
Eneva	Ninth issuance - first series	R\$	IPCA + 6.90%	13.48%	9/15/2032	(51,160)	762,757	13,241	39,987	764,825	-	-	-	-
Eneva	Ninth issuance - second series	R\$	IPCA + 7.00%	13.69%	9/15/2037	(33,057)	575,857	10,138	45,096	598,034	-	-	-	-
Eneva	Ninth issuance - third series	R\$	IPCA + 7.15%	14.15%	9/15/2042	(33,529)	580,907	10,440	64,051	621,869	-	-	-	-
Celse	First issuance - first series	R\$	9.85%	9.85%	4/30/2032	(562,277)	2,963,663	60,817	-	2,462,203	-	-	-	-
						(821,241)	14,461,191	444,752	188,666	14,273,368	(97,099)	6,078,444	62,415	6,043,760
Secured deposits						-	(705,625)	-	-	(705,625)	-	(83,447)	-	(83,447)
						(821,241)	13,755,566	444,752	188,666	13,567,743	(97,099)	5,994,997	62,415	5,960,313
Current						(138,701)	559,489	444,752	-	865,540	(15,220)	237,651	62,415	284,846
Non-current assets						(682,540)	13,196,077	-	188,666	12,702,203	(81,879)	5,757,346	-	5,675,467

* Calculation of effective rates takes into account accumulated indexes in the last 12 months:

Oct-22 - CDI of 11.54%, IPCA of 7.17% and TJLP of 6.47% and LIBOR of 4.54%.

Nov-22 - CDI of 12.02%, IPCA of 6.47%, TJLP of 6.62% and LIBOR of 4.54%.

Dec-22 - CDI of 12.46%, IPCA of 6.05%, TJLP of 6.78% and LIBOR of 4.54%.

The financial institutions usually do not require guarantees for borrowings and financings granted to the Parent Company. However, the borrowings got by the subsidiaries are guaranteed in the structure equivalent to Project Finance, mainly through the assets (machinery and equipment) as well as by the billing flow of the subsidiaries' CCEAR contracts. In addition, the financing is also guaranteed by the Parent Company for the subsidiaries.

The changes in borrowings and debentures are as follows (current and non-current):

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
In 2021	64,817	1,787,137	4,609,953	5,960,313
(+) New fundings	-	1,099,686	5,440,000	5,440,000
(+) Acquisition Focus/Celse – business combination	-	3,027,263	-	1,923,449
(+) Interest incurred	4,536	225,490	659,063	897,744
(+/-) Exchange variation	-	(16,303)	-	-
(+/-) Monetary variation	410	35,713	202,168	218,587
(-) Payment of principal	(15,488)	(883,334)	-	(267,308)
(-) Payment of interest	(4,575)	(301,617)	(344,415)	(650,458)
(+/-) Funding cost	57	(1,634)	(166,355)	(220,859)
(+/-) Debentures fair value	-	-	188,666	188,666
(+/-) Secured deposits	-	(78,109)	-	77,609
In 2022	49,757	4,894,292	10,589,080	13,567,743

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
In 2020	80,218	1,330,292	4,285,252	5,712,373
(+) New fundings	-	480,872	-	-
(+) Interest incurred	4,969	36,976	226,066	317,315
(+/-) Monetary variation	-	164,751	297,333	328,710
(-) Payment of principal	(15,447)	(15,447)	-	(100,628)
(-) Payment of interest	(4,995)	(115,441)	(209,706)	(288,132)
(+/-) Funding cost	72	1,099	11,008	16,208
(+/-) Secured deposits	-	(95,965)	-	(25,533)
In 2021	64,817	1,787,137	4,609,953	5,960,313

The installments of the borrowings, financings and debentures classified as non-current liabilities on December 31, 2022 have the following payment schedule:

	Borrowings and financings		Debentures	
	Parent Company	Consolidated	Parent Company	Consolidated
Maturity year				
2024	15,645	283,181	750,000	1,297,114
2025	6,809	514,953	2,015,008	2,680,409
2026	3,916	373,987	752,505	752,600
2027	3,916	399,476	978,766	1,321,327
2028	3,916	444,355	765,423	1,163,083
2028 up to the last maturity	-	2,780,177	5,532,187	6,687,170
	34,202	4,796,129	10,298,889	13,901,703
Secured deposits	-	(192,610)	-	(705,625)
Debentures fair value	-	-	188,666	188,666
Funding cost	(122)	(74,678)	(225,112)	(682,541)
	34,080	4,528,841	10,262,443	12,702,203

Strategy for contracting indebtedness

In order to contract new financing, elements such as availability of resources (existing and available sources), cost, term and indexation are considered. As most of the cases, the Company's revenues are adjusted annually by the IPCA, debts with the same indexation are those that naturally bring an alignment between financial income and expenses. However, since these are long-term financing, the various indexes available are evaluated comparatively considering expectations for the periods considered and not for the current cost. Finally, the indexing of financing is linked to types of instruments, with differentiated efficiencies, and target audience of investors. Therefore, the contracting of new financing still considers the alternative that is feasible due to market conditions. In 2022, the Company contracted Swaps to exchange the IPCA index for CDI to the Parent Company's debentures, with the objective of balancing the portfolio of debt indexes.

Financial and non-financial covenants

The financing and debentures contracts of the operating companies ("PGC", "Parnaíba II", "Celse", "Azulão" and "Eneva") have obligations that are regularly monitored to ensure that the contract is fulfilled. These clauses are as follows:

- (i) Obligation to periodically submit parent company and consolidated financial statements to creditors;
- (ii) Creditor rights to inspect and visit facilities.
- (iii) Obligation to keep up with tax, social security and payroll obligations;
- (iv) Obligation to maintain materially important contracts for its operations in force;
- (v) Comply with environmental legislation and keep any operating licenses necessary in force;
- (vi) Contractual restrictions on related-party transactions and sales of assets outside the normal course of business;
- (vii) Restrictions on the change of share control, corporate restructuring, except for those occurred within the economic group, and material changes to the core activities and Articles of Association of the borrowers; and
- (viii) Restrictions on debt ratios and the procurement of new debt in the subsidiaries.

The finance contracts and issuance of debentures have financial covenants in measure stage, which are fulfilled..

Company	Description of the Financial Covenants	Position on 12/31/2022	Position on 12/31/2021
PGC	Net debt of no more than 4.0* ¹ times the EBITDA Debt service coverage ratio equal to or greater than 1.2	Met	Met
Parnaíba II	Net debt of no more than 3.0 times the EBITDA	Met	Met
Eneva S.A.	Net debt of no more than 6.5* ² times the EBITDA	Met	Met
Celse	Debt service coverage ratio* ³	Met	Met

*¹ As resolved and approved at the meeting of debenture holders of the first issuance of debentures by PGC, the quotient of dividing Net Debt by EBITDA on December 31, 2022 may reach up to 4.0 (four integers). On December 31, 2023, the ratio of Net Debt divided by EBITDA may reach up to 3.5 (three point five). On December 31, 2024, the ratio of Net Debt divided by EBITDA may reach up to 3.0 (three integers). Additionally, it was resolved and approved that the debt service coverage ratio ("DSCR") will have its calculation suspended, for the years ended on December 31, 2023 and December 31, 2024.

*² As resolved and approved at the meetings of debenture holders of the second issuance, third issuance, fifth issuance, sixth issuance, seventh issuance of debentures by Eneva S.A., as well as in the third issuance of debentures by Parnaíba II, in the period between June 30, 2022 (inclusive) and June 30, 2023 (inclusive), the quotient of dividing Net Debt by EBITDA may reach up to 6.5 (six point five). In the period between September 30, 2023 (inclusive) and December 31, 2023 (inclusive), the ratio of the Net Debt divided by EBITDA may reach up to 5.5 (five point five). In the period between March 31, 2024 (inclusive) and June 30, 2024 (inclusive), the ratio of the Net Debt divided by EBITDA may reach up to 5.0 (five integers). After this period, the ratio of the Net Debt divided by EBITDA becomes up to 4.5 (four point five).

*³ As approved in the "Consent and waiver to the common terms agreement", in the period between July 29, 2022 (inclusive) and June 30, 2023 (inclusive), the Company will not calculate the debt service coverage ratio ("DSCR")

23. Financial instruments and risk management



A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Accounting practice

A financial asset and liability are recognized when an entity becomes part of the contractual provisions of a financial instrument. Except for trade receivables with no material financial component. In this case, financial assets and liabilities are initially measured at fair value and, if they are not classified as measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition or issuance are added or reduced.

Estimates and judgments

The derivative financial instruments are recognized at fair value in the parent company and consolidated financial statements. The definition of the fair value of the Company's derivatives requires the use of valuation methodologies that can be complex and involves the use of future estimates of exchange rates, inflation, long-term interest rates and energy prices.

Subsequent classification and measure

Financial assets and liabilities are often classified as subsequently measured at amortized cost, except in certain circumstances, which include certain financial assets and liabilities at fair value through profit or loss or fair value through other comprehensive income. When financial assets and liabilities measured at amortized cost have their contractual terms modified and such modification is not substantial, their accounting balances will reflect the present value of their cash flows under the new conditions, using the original effective interest rate. The difference between the book balance of the remeasured instrument at the time of a non-substantial change in its conditions and its book balance immediately prior to such change is recognized as a gain or loss in the parent company and consolidated statement of profit or loss for the period. Derivative financial instruments are subsequently measured at fair value through profit or loss.

The management of these financial instruments is done through operating strategies and internal controls, aimed at liquidity, profitability and security. Our control policy consists of permanently monitoring contract rates versus market rates. The Company and its subsidiaries do not invest in derivative financial instruments or any other risky assets on a speculative basis. This is a determination of the financial policy in force.

The fair values are determined based on the market prices, when available, or in their absence, on the present value of expected future cash flows. Characteristics of each classification are as follows:

- (i) Amortized cost: financial asset (debt financial instrument) whose contractual cash flow results only from the payment of principal and interest on principal on specific dates and whose business model aims at maintaining the asset in order to receive its contractual cash flows;
- (ii) Fair value through other comprehensive income: financial asset (debt financial instrument) whose contractual cash flow results only from the receipt of principal and interest on principal on specific dates and, whose business model aims at both the receipt of cash flows contractual terms of the asset as to its sale, as well as investments in equity instruments not held for trading or contingent consideration, which on initial recognition, the company irrevocably elected for presenting subsequent changes in the fair value of the investment in other comprehensive income; and
- (iii) Fair value through profit or loss: all the other financial assets. In the Company's case, this category includes the derivative financial instruments.

The hierarchy of the fair values of financial assets and liabilities recorded on a recurring basis is as follows:

- (i) **Level I:** they are quoted (unadjusted) prices in active markets for identical assets or liabilities to which the entity may have access on the measurement date;
- (ii) **Level II:** it is information, which does not include the prices quoted in Level 1, which are observable for the asset or liability, directly or indirectly;
- (iii) **Level III;** it is non-observable information for the asset or liability.

The consolidated accounting balances of the financial instruments are as follows:

	2022				Consolidated 2021			
	Amortized Cost	Fair value through comprehensiv e income	Fair value through profit or loss	Total	Amortized Cost	Fair value through comprehensiv e income	Fair value through profit or loss	Total
Financial assets								
Cash and cash equivalent	775,400	-	515,895	1,291,295	992,290	-	-	992,290
Marketable securities	-	-	731,310	731,310	-	-	685,447	685,447
Trade receivables	1,270,137	-	-	1,270,137	718,835	-	-	718,835
Derivative financial instruments	-	468	-	468	-	-	-	-
- Trades	-	-	-	-	-	-	-	-
Fair value of the energy contracts	-	-	1,669,258	1,669,258	-	-	91,245	91,245
Related-party transactions	390	-	-	390	51	-	-	51
	2,045,927	468	2,916,463	4,962,858	1,711,176	-	776,692	2,487,868
Financial liabilities								
Trade payables	1,594,178	-	-	1,594,178	556,413	-	-	556,413
Trade payables of projects in construction	467,111	-	-	467,111	-	-	-	-
Fair value of the energy contracts	-	-	1,197,883	1,197,883	-	-	53,822	53,822
Borrowings and financings	4,894,292	-	-	4,894,292	1,787,137	-	-	1,787,137
Debentures	10,353,527	-	3,214,216	13,567,743	5,960,313	-	-	5,960,313
Related-party transactions	-	-	-	-	169	-	-	169
Derivative financial instruments	-	125,060	(268,361)	(143,301)	-	3,211	-	3,211
- swap debentures	-	-	-	-	-	-	-	-
Trade payables - electric power sector	37,717	-	-	37,717	14,110	-	-	14,110
Provision for cost due to unavailability	77,920	-	-	77,920	54,963	-	-	54,963
Research and development	66,285	-	-	66,285	49,984	-	-	49,984
Leases	3,667,804	-	-	3,667,804	162,549	-	-	162,549
	21,158,834	125,060	4,143,738	25,427,632	8,585,638	3,211	53,822	8,642,671

Fair value estimate

The financial instruments recorded at fair value are classified and disclosed with the following hierarchy:

	2022				Consolidated 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment funds	-	515,895	-	515,895	-	-	-	-
Marketable securities	-	731,310	-	731,310	-	685,447	-	685,447
Derivative financial instruments - Trades	-	468	-	468	-	-	-	-
Fair value of the energy contracts	-	-	1,669,258	1,669,258	-	-	91,245	91,245
	-	1,247,673	1,669,258	2,916,931	-	685,447	91,245	776,692
Financial liabilities								
Derivative financial instruments - swap debentures	-	(143,301)	-	(143,301)	3,211	-	-	3,211
Debentures fair value	-	3,214,216	-	3,214,216	-	-	-	-
Fair value of the energy contracts	-	-	1,197,883	1,197,883	-	-	53,822	53,822
	-	3,070,915	1,197,883	4,268,798	3,211	-	53,822	57,033

There was no transfer of financial instruments between the fair value measure levels during the year.

Sensitivity analysis - level 3 hierarchy

	Valuation technique	Non-observable data	Fair value of the energy contracts	Sensitivity of the inputs at fair value (a)	
Financial asset	Discounted cash flow method	Projected energy price	1,669,257	+10%	1,418,813
				-10%	1,927,092
Financial liability	Discounted cash flow method	Projected energy price	1,197,883	+10%	1,003,171
				-10%	1,399,311

a. This 10% variation scenario represents a fluctuation considered reasonable by the Company.

Assessment methods and techniques

Due to its maturity in the short term, it is understood that the fair value of the balances of cash and cash equivalents, accounts receivable and trade receivables are equivalent to their book values.

Securities classified as measured at fair value through profit or loss refer mainly to investments in federal public securities through the Company's exclusive fund and, therefore, it is understood that their fair value is reflected in the value of the fund's quota.

Some financial instruments measured at amortized cost, due to their realization long-term cycle, may have fair value different from their accounting balance. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses judgment to choose the method and make assumptions that are mainly based on market conditions existing at the balance date. The fair value of the financial liabilities recognized at amortized cost is as follows:

	Consolidated	
	2022	
	Accounting balance	Fair value estimate - Level 2
Financial liabilities		
Debentures	10,353,527	9,953,204

For financing obtained through development banks and which are classified and measured at amortized cost, the Company understands that these are bilateral operations and do not have an active market or another similar source that has comparable conditions and that can serve as a model to determine their fair values, therefore, book values reflect the fair value of operations.

The debentures have a secondary market and are marked-to-market through new negotiations.

23.1 Market risk

Main market risks: exchange rate, commodity prices, electric power price and interest rates

Interest rate risk

The Company and its subsidiaries have foreign exchange exposure on its financial liabilities, arising from transactions in foreign currency, except those mentioned below.

23.1.1 Derivatives, hedge and risk management

In order to reduce cash flow volatility, the Company may contract Non-Deliverable Forwards (NDFs) operations to mitigate the exchange rate exposure arising from disbursements denominated in or indexed to foreign currency.

The Company has Non-Deliverable Forwards (NDFs) with the purpose of mitigating the exchange rate exposure arising from investments in foreign currency provided for in the following subsidiaries: (i) Parnaíba II in the implantation of Parnaíba VI project (closing of the cycle of UTE Parnaíba III), with conclusion foreseen for July 2024, and (ii) in the construction of Futura Project (Futura Solar Park), with conclusion foreseen for April 2023; (iii) Eneva Comercializadora, in dollar-denominated or indexed revenues and (iv) in the construction of the facilities of the LNG supply contract, Suzano and Vale (SSLNG); (v) hedge on CGTF dollar-denominated or dollar-indexed revenues. These programs were designated for hedge accounting and classified as cash flow hedge, therefore, measured at fair value through other comprehensive income.

Derivatives are used only for economic purposes of cash flow hedge, since the purpose of the hedge is to bring greater predictability to future cash flow, mitigating the risk of exchange rate on payment which are object of contracted hedges and not as speculative investments.

	Reference value (US\$ thousand)		Maturity (Year)	Fair value (R\$ thousand)		2022
	2022	2021		2022	2021	
Disbursement USD						
Sale term	121,565	-	2.022-2028	896	-	896
Purchase term	119,819	20,675	2.022-2024	(428)	(3,211)	2,783
Net exposure	1,746	20,675		468	(3,211)	3,679

As of December 31, 2022, the net amounts calculated from Market to Market ("MtM") for these derivative instruments represent gains of R\$ 468 million, which were fully recorded in equity (hedge accounting) in other comprehensive income. The gains and losses are recognized in shareholders' equity and transferred to property, plant and equipment when the hedged item, in the year ended December 31, 2022, accumulates losses of R\$ 56,202.

Risk of commodity's price variation

In the case of the Company, this risk is associated to the price of the coal, which forms the inventories necessary for the generation of energy in the thermoelectric plants Pecem II and Itaqui. The period between the purchase of the load and its use for the energy generation is set as the risk of price variation.

Risk of variation in electricity market prices

The Company and its subsidiaries operate in the energy purchase and sale market with the objective of achieving results with energy price variations, respecting the risk limits pre-established by the Company's management. This activity exposes the Company and its subsidiaries to the risk of future energy prices.

Future energy purchase and sale transactions are recognized at fair value through profit or loss, calculated as the difference between the contracted price and the future market price estimated by the Company. The estimated fair value of financial assets and liabilities of the Company's energy contracts was determined using information available in the market and appropriate valuation methodologies. However, certain judgment was required in the interpretation of the market data to estimate the most adequate realization value.

Interest rate risk

Risk related to floating interest

The Company and its subsidiaries have liabilities indexed to floating interest in the interbank deposit segment (DI), in the inflationary segment with restatement according to the IPCA price index and by the TJLP (long term interest rate) economic index.

The assets of the Company and its subsidiaries, represented by their income, will also be monetary restated by the same rates, which substantially decreases the mismatch between the assets and liabilities.

In order to verify the sensibility of the debts indexers to which the Company was exposed, 3 different scenarios were defined. As probable scenario, the Company used market projections to estimate what would be the gross financial expenses for the next 12 months. As alternative scenarios, the Company calculated which would be the financial loss for the next 12 months should the TJLP, CDI, IPCA and Libor curves be displaced in 25% and 50% respecting the payment term of each line.

	Scenario probable	Scenario I (25% increase)	Scenario II (50% increase)
Cash flow risk:			
Liabilities indexed to TJLP	5,620	6,445	7,155
Liabilities indexed to CDI	573,583	697,084	818,633
Liabilities indexed to IPCA	1,217,829	1,369,388	1,519,850
Liability indexed to TJLP	38,501	53,404	70,486
Expected financial costs	1,835,533	2,126,321	2,416,124
Increase in finance costs	-	290,788	580,591

Methodology: parallel displace above the interest curves in 25% and 50%.

IPCA 12M: 5.74% (Source: Boletim Focus)

TJLP 12M: 7.20% (Source: National Monetary Council)

Average CDI 12M: 13.41% (Source: Market Projection)

LIBOR 12M: 4.54% (Source: Bloomberg)

Hedge program for borrowings and financings in Reais indexed to the IPCA

For the purpose of economic and financial protection, the Company may contract swap operations in order to convert debts, borrowings or debentures originally contracted in IPCA to CDI. The Company assumes, in these swaps, liability positions in CDI and asset positions in IPCA, according to note 21 - "Borrowings, financings and debentures".

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

	Reference value (R\$ thousand)		Maturity (year)	Fair value (R\$ thousand)	
	2022	2021		2022	2021
Assets	3,366,298	-	2042	125,060	-
Liabilities	(3,509,599)	-	2042	(268,361)	-
Net exposure	(143,301)	-		(143,301)	-

23.2 Liquidity risk

The Company and its subsidiaries monitor their liquidity levels, based on expected cash flows versus the amount of cash and cash equivalents on hand. Managing the liquidity risk means maintaining cash, sufficient securities and capacity to settle market positions. The amounts recognized at December 31, 2022 approach the operations' settlement values, including estimated future interest payments.

	Consolidated				
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Liabilities					
Trade payables	90,702	1,205,453	298,023	-	-
Trade payables of projects in construction	125,666	379,621	-	-	-
Derivative financial instruments	(162,486)	(116,741)	(193,161)	(469,816)	3,484,637
Fair value of the energy contracts	446,009	428,279	211,206	112,389	-
Leases	68,054	68,066	254,605	366,447	2,910,631
Trade payables - electric power sector	-	37,717	-	-	-
Research and development - electric power sector	-	66,285	-	-	-
Borrowings and financings	340,802	286,190	1,006,206	2,373,213	6,128,891
Debentures	1,169,537	1,114,226	2,624,787	8,075,903	13,180,327
	2,078,284	3,469,096	4,201,666	10,458,136	25,704,486
					45,911,668
	Consolidated				
	Up to 6 months	From 6 to 12 months	From 1 to 2 years	From 2 to 5 years	Over 5 years
Liabilities					
Trade payables	106,550	498,359	29,831	-	-
Related-party transactions	-	-	169	-	-
Borrowings and financings	77,500	82,002	156,242	953,522	1,802,246
Debentures	311,107	446,256	792,259	1,956,467	-
	495,157	1,026,617	978,501	2,909,989	1,802,246
					7,212,510

23.3 Credit risk

This arises from the possibility of the Company and its subsidiaries suffering losses due to the default of their counterparties or of financial institutions where they have funds or financial investments. This risk factor could derive from commercial operations and cash management.

The Company understands that there is no credit risk in trade receivables, see assessment in note 13 - "Trade receivables". Furthermore, to mitigate these risks, we adopted a practice of analyzing the financial position of their counterparties, as well as constantly monitoring outstanding accounts.

The Company has a financial investment policy, which establishes investment limits for each institution and considers the credit rating as a reference for limiting the investment amount. The loans are exposed to low risk due to the classification of first-tier banks (AAA and AA), which the Company has a relationship with. The average terms are continually assessed, as are the indexes underlying the investments, in order to diversify the portfolio.

		Consolidated
	2022	2021
Credit risk positions		
Cash and cash equivalent	1,291,295	992,290
Marketable securities	731,310	685,447
Trade receivables	1,270,137	718,835
Fair value of the energy trade contracts	1,669,258	91,245
Secured deposits on borrowings and debentures	898,235	197,946
	5,860,235	2,685,763

23.4 Capital management

The Company's objectives when managing capital are to safeguard the business' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure for reduction of the cost of capital.

In order to maintain or adjust the capital structure of the Company, Management can or will propose, in the cases when shareholders' approval is required, to review the dividends payment policy, to return capital to shareholders, or to issue new shares or sell assets to reduce, for example, indebtedness level.

24. Provision for contingencies



The Company and its subsidiaries are a party in civil, tax, environmental and labor lawsuits, as well as in regulatory administrative proceedings, which are often evaluated by Management, its lawyers and legal advisors.

Accounting practice

The Company constitutes provisions related to lawsuits, administrative and arbitration proceedings, in amounts sufficient to guarantee possible losses considered probable.

Estimates and judgments

The Company is a party to several lawsuits and administrative proceedings, for which provisions are set up when it is probable that an outflow of funds will settle the contingency and a reasonable estimate can be made. Significant contingent liabilities assessed as possible and remote risk are not provisioned for. Lawsuits and proceedings assessed as a possible risk are disclosed in notes.

The probability of outflow of funds is based on risk assessment and qualification. This assessment is supported by Management's judgment and experience, together with its legal advisors, considering cases, decisions at lower and higher levels, the history of agreements and decisions, as well as other applicable aspects. Risk assessments and estimated amounts may differ from those incurred by the Company.

The consolidated balance of the provision for contingencies in the year ended December 31, 2022 is presented, as follows:

		2021				Consolidated 2022
		Accumulated balance	Additions	Reversal	Update	Accumulated balance
Civil	(a)	70,783	3,717	(2,589)	7,695	79,606
Labor	(b)	21,062	2,345	(8,073)	3,782	19,116
Tax		40	315	(316)	1	40
Total provisions		91,885	6,377	(10,978)	11,478	98,762

a. Civil risks

The main civil discuss refers to the common lawsuit filed by the subsidiary Amapari Energia S.A. ("Amapari") in the amount of R\$ 44,091, with request for advance custody, in order for Amapari to be included in the fuel cost reimbursement mechanism of CCC-ISOL. In September 2018, the appeal filed by Amapari was dismissed, annulling the sentence and upholding the demand, authorizing the company to use the fuel cost reimbursement mechanism instituted by the Fuel Consumption Account for the Isolated System - CCC-ISOL. Still through the ruling, it was determined the immediate reimbursement of CCC not received by Amapari from November 2008 to February 2009.

In 2019, fulfilling the decision, ANEEL paid the reimbursement claimed by Amapari. Against that judgment, ANEEL filed an appeal, which is still pending judgment, so that the provision for the amount received in advance was accounted for.

Also in 2019, Amapari initiated provisional execution, in the lower court, of the favorable judgment to collect from ANEEL the interest that had not been paid when the principal amount was received from CCC-ISOL. The lower court decision, corroborated by a decision by the First Regional TRF, recognized Amapari's right to receive interest and forced ANEEL to pay it. Accordingly, in April 2020, Amapari received interest in the amount of R\$ 20,216. A challenge analysis is awaited by the CCEE, which manages the CCC's resources, regarding the divergence of calculations. In the same way as occurred with the principal amount, considering the ongoing judicial discussion about the receipt of funds, contingent liability was provided for in the amount received in advance.

b. Labor risks

These include claims filed by former employees of the Company and outsourced employees of service providers, who claim, among others, the payment of severance pay, premium for hazardous work, employment relationship and subsequent equalization of rights to Company employees and, in some cases, any funds defaulted by its direct contractors. The reversal presented in the previous table is linked to the settlement of claims by the claimants and the closure of suits during 2022. There is no material individual suit.

Possible risk contingencies (do not require the constitution of provision)

The tax, civil, labor and environmental lawsuits that are not provisioned for involve a possible loss prognosis classified by Management, its lawyers and legal advisors, and are presented below:

		2022	Consolidated 2021
Environmental		35,404	22,449
Regulatory		9,554	12,749
Labor		47,987	42,143
Civil	(a)	1,284,139	202,728
Tax	(b)	459,553	239,332
Land	(c)	107,000	-
Total		1,943,637	519,401

a. Civil

Arbitral proceedings of the Company and its subsidiaries

The Company and its subsidiaries are parties to seven arbitrations, which are being processed by the Brazilian Center for Mediation and Arbitration (CBMA), the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada (CAM-CCBC), and the International Chamber of Commerce (ICC). The most relevant contingencies are related to contracts entered into with suppliers of construction and assembly services for thermoelectric power plants, in which the suitors claim against the Company

and its subsidiaries the economic rebalancing of the contracts. The Company and its subsidiaries, in turn, claim compensation for direct and indirect damages arising from non-compliance with the obligations set forth in the contracts.

The claim of the Company and its subsidiaries in the arbitration proceeding before the CBMA corresponds to R\$50,000 and there is no counterclaim against it.

The sum of the claims made against the Company and its subsidiaries in ongoing arbitration proceedings before the CCBC corresponds to R\$276,728, and the counterclaims in its favor amount to R\$314,000.

The sum of the claims made against the Company and its subsidiaries in ongoing arbitration proceeding before the ICC corresponds to R\$ 250,704, and the counterclaims in its favor amount to R\$ 230,000

Besides these, the subsidiaries CELSE - Centrais Elétricas de Sergipe S.A. ("CELSE") and Focus Futura Holding Participações S.A. ("Focus") are parties to arbitration proceedings before the ICC since a date prior to the acquisition operations carried out by the Company. In the arbitration involving CELSE, the Company has a right of recourse against the former shareholders of the subsidiary in case of conviction. The amounts involved in the arbitration involving Focus, in turn, are part of the contingent portion that makes up the redemption value of the business combination operation between the two companies.

All arbitration proceedings are confidential with an arbitral tribunal already constituted and are under probative procedure. There is no definitive decision on the merits until the publication of this Financial Statement.

Lawsuits of the Company and its subsidiaries

The subsidiary Pecém II Geração de Energia S.A. (Pecém II) together with Porto do Pecém Geração de Energia S.A. against ANEEL, files lawsuit requesting (i) the transfer, by ANEEL, of the amount charged by the State of Ceará, as Emergency Water Charge ("Encargo Hídrico Emergencial - EHE"), to CCEARs of Pecém II and Porto do Pecém, with the increase of the Unit Variable Cost ("Custo Variável Unitário - CVU") and of the sale revenue perceived by these companies; and (ii) the suspension of any penalties by ANEEL for eventual decrease and/or interruption of the generation of electric power of the UTEs Pecém II and Pecém I due to the decrease in the water supply.

On January 31, 2017, it was ruled by Federal Justice the decision that rejected the claim for summary judgment filed by the Plaintiffs. The plaintiffs filed an interlocutory appeal, which was distributed to Judge Souza Prudente on March 1, 2017. The advance custody required by the Companies was granted on May 5, 2017, and ANEEL was required to comply with the decision on the interlocutory appeal.

Thus, an official letter was sent to the President of ANEEL determining the fulfillment of the decision that granted the ANEEL's requests. On August 22, 2017, ANEEL's Board of Directors agreed to the methodology for calculating the reimbursement suggested by the plaintiff, authorizing the transfer of the EHE to the plaintiffs, which has been carried out regularly since 2018 up to the moment. ANEEL filed a petition informing compliance with the decision and filed an internal appeal against the rapporteur's monocratic decision. Currently, the appeal is pending judgment by the Federal Regional Court.

In other relevant lawsuit, the subsidiaries MABE Construção e Administração de Projetos Ltda. ("MABE"), Pecém II and the Company are parties to a condemnatory action filed by a former service provider, claiming the condemnation of the Company and its subsidiaries to the payment of amounts supposedly due and unpaid due to the provision of construction services for the project of the subsidiary Pecém II.

In August 2021, a sentence was rendered partially judging the plaintiff's requests and condemning the defendants to pay installments referring to the contract entered into between MABE and the plaintiff. Appeals were filed against the conviction, which were fully accepted for its annulment, determining the return of the process to the initial phase.

Finally, the subsidiary CELSE is a party to indemnity suits for damages filed by residents of the surroundings of the Porto de Sergipe I Thermoelectric Complex, through which they seek individual pecuniary reparations for alleged material and moral damages resulting from the installation of the project. Until the publication of this Financial Statement, no relevant decisions had been issued in any of the 59 cases.

Other contingencies

The remaining amounts are divided into lawsuits involving civil claims that individually do not represent material financial risk, described in the possible loss prognostic report. The change in values presented above refers to changes in the prognosis of the suits during the quarter.

b. Tax

The subsidiary Itaquí Geração de Energia S.A. ("Itaquí") has tax claims in which it appears as a defendant. The main demand is related to the tax assessment issued by the federal tax authorities to disallow financial expenses that are supposedly unnecessary because the hedge of a certain operation contracted to cover an unrealized foreign currency loan has not been proven.

Since 2019, the matter remains under discussion at the administrative level at the Board of Tax Appeals ("CARF"). At the beginning of 2020, at the request of the subsidiary, CARF determined that the judgment be converted into due diligence, and the subsidiary presented documents and clarifications to contribute to the tax due diligence report. This report was closed in 2021, when the subsidiary filed a new statement and the case was returned to CARF, where it awaits judgment.

In the event of an unfavorable final decision in the judicial sphere, the company will lose the right to offset future tax profits with the amount of tax loss and negative CSLL tax base disallowed by the tax authorities, in the amount of R\$ 195 million. There is no credit tax constituted on the mentioned tax loss. In the event of an unfavorable final decision, the effect would be a decrease of approximately R\$ 195 million in tax losses and CSLL negative calculation basis for in auxiliary tax controls (ECF), with no disbursement and immediate impact on the Company's cash.

The subsidiary Central Geradora Termelétrica Fortaleza S.A. ("CGTF") is a party to a tax foreclosure suit filed for the collection of PIS and COFINS tax credits for alleged underpayment of these taxes, in the periods of November 2003 and November 2004, arising from the application of the cumulative regime to revenues arising from the sale agreement of electricity and predetermined price entered into between CGTF and the electricity distribution company of the State of Ceará in August 2001. The estimated amount of the contingency is of R\$ 100 million. We clarify, however, that, in the event of an unfavorable outcome, the Company has the right of recourse against the seller of the subsidiary Central Geradora Termelétrica Fortaleza S.A, as established in a private instrument entered into.

c. Land

The subsidiary Azulão Geração de Energia S.A. ("Azulão") is a party to a lawsuit filed by sellers of land located in the municipality of Silves, in the state of Amazonas, acquired by the Company in 2018. The action seeks the annulment of the purchase and sale instrument regularly entered into by the parties, due to alleged defects of will. The suit is in the evidentiary stage and no decisions have yet been handed down.

25. Fair value of the energy trade contracts

SUMÁRIO 

Accounting practice

The energy purchase and sale operations are transacted in a bilateral market and meet the definition of financial instruments, due to the fact that they are settled in energy and readily convertible into money. Such contracts are accounted for as derivatives under IFRS 9/CPC 48 and are recognized in the financial information at their fair value on the date the derivative is entered into, and remeasured at fair value on the balance sheet date.

The fair value of the energy trade contracts considers: (i) prices established in recent purchase and sale transactions; (ii) risk margin in supply; and (iii) projected market price in the period of availability. Whenever the fair value at initial recognition for these contracts differs from the transaction price, a gain or loss will be recognized.

The Company, through its subsidiaries, operates in the Free Contracting Environment (ACL) and has signed bilateral energy purchase and sale agreements with different market participants. In this way, it is committed to short and long-term bilateral contracts that make up its portfolio. As a result of mismatched operations, it assumes positions of energy surpluses or deficits, which are measured at a future market price curve (forward curve).

The trading portfolio allows flexibility to manage contracts in order to obtain gains from variations in market prices, considering the policies and the risk limits established. The purpose is to generate profit from short-term price fluctuations or margin gain on long-term operations.

Estimates and judgments

The result of mark-to-market (MtM) of energy purchase and sale contracts for future delivery of the trading portfolio of the Energy Trader is calculated as the sum of the differences between the contracted value and the current market value of each open position, brought to present value at the corresponding discount rate. The market value of each open position is calculated by multiplying the amount of energy by the market price corresponding to the associated submarket, source and maturity (deadline for supply). The market price curves used for mark-to-market reflect the exit value of energy positions and are based on independent market price references and on the company's internal view.

The open positions are as follows:

		Consolidated
Fair value of the energy trade contracts	2022	2021
Current assets	993,052	9,336
Non-current assets	676,206	81,909
Current liabilities	(874,314)	(7,676)
Non-current liabilities	(323,569)	(46,146)
Net position	471,375	37,423

The actual result of financial instruments (futures contracts) may vary substantially, since the markings of these contracts were made considering the base dates of December 31, 2022 and December 31, 2021. The increase observed in the balance for 2022 mainly arises from the business combination with Focus.

26. Provision for obligation of decommissioning



Accounting practice

The costs of demobilization of generation assets are provided for based on the present value of the costs expected to fulfill the obligation, using expected cash flows, based on the best estimate on the reporting date, and the costs of the corresponding asset are recognized as a contra entry. The financial update of the provision is recognized in the statement of operations as incurred. The Company reviews its estimated costs for dismantling gas production areas on a quarterly basis, together with its annual reserve certification process and when there are indications of changes in its assumptions.

This provision refers to the expected costs for decommissioning of the gas production fields and for the demobilization of the assets of the UTE Pécem II Geração de Energia S.A. The calculations of these estimates are complex and involve significant judgments, since:

- (i) upon recognition of the provision, the corresponding cost is capitalized as part of property, plant and equipment and is depreciated over the useful life of the corresponding assets, resulting in an expense recognized in the result for the year.
- (ii) obligations will occur in the long run;
- (iii) the contracts and regulations have subjective descriptions of the removal and restoration practices and the criteria to be met at the time of the actual removal and restoration; and
- (iv) technologies and asset removal costs are constantly changing, along with environmental and safety regulations.

The Company is constantly conducting studies to incorporate technologies and procedures in order to optimize abandonment operations, considering the best practices. However, the terms and amounts of future cash flows are subject to significant uncertainties.

Estimates and judgments

The decommissioning costs of generation assets are provisioned based on estimates and assumptions related to discount rates and the present value of expected costs for decommissioning and removal of assets at the end of the authorization period of the plants and are recognized as a contra entry to costs of the active correspondent. Long periods up to the date of decommissioning and variations in the discount rate, however small they may be, can cause large variations in the amount recognized. This assessment is carried out for the assets of Eneva and Pecém II and are recorded in property, plant and equipment with a corresponding entry in provision for decommissioning.

The provision for decommissioning costs flows, recorded as non-current liabilities on December 31, 2022 and 2021, are as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Opening balance	83,457	70,650	83,075	75,109
Review of the provision	26,664	(7,967)	19,402	(14,324)
Interest update	18,800	20,774	25,820	22,290
Closing balance	128,921	83,457	128,297	83,075

27. Related parties



Accounting practice

The purchase and sale of energy, services and loan transactions are carried out under conditions and terms agreed upon between the parties and registered in accordance with the contracted terms, and are monetary restated by the charges established in the contracts.

On December 31, 2022 and 2021, the balances of assets, liabilities and effects on income of related-party transactions are as follows:

	Assets		Liabilities		Result	
	2022	2021	2022	2021	2022	2021
Loan						
Itaqui Geração de Energia S.A. (a)	706,867	832,387	-	-	69,623	69,191
Pecém II Geração de Energia S.A. (b)	845,835	852,017	-	-	88,851	71,178
Focus Holding Comercializadora Participações (c)	-	-	63,899	-	-	-
Parnaíba B.V.	-	-	-	-	-	1
Others	1,585	689	291	-	27	-
	1,554,287	1,685,093	64,190	-	158,501	140,370
Commercial operations						
Parnaíba Geração e Comercialização de Energia S.A. (d)	174,066	172,420	398	210	363,509	1,018,396
Parnaíba II Geração de Energia S.A. (d)	200,453	84,829	91,593	218	345,156	504,482
Itaqui Geração de Energia S.A.	7,053	14,728	2,480	2,600	8,944	9,896
Pecém II Geração de Energia S.A.	4,603	5,591	378	324	6,271	6,259
Parnaíba B.V.	-	-	-	-	-	3
Others	42,750	16,975	8,024	4,860	15,739	7,992
	428,925	294,543	102,873	8,212	739,619	1,547,028
Dividends and interest on capital receivable						
Itaqui Geração de Energia S.A.	50,020	39,999	-	-	-	-
Central Geradora Termelétrica Fortaleza S.A.	9,939	-	-	-	-	-
Parnaíba II Geração de Energia S.A.	62,770	-	-	-	-	-
Parnaíba Geração e Comercialização de Energia S.A.	82,378	-	-	-	-	-
FC One Energia Ltda	41,132	-	-	-	-	-
Pecém II Participações	23,929	-	-	-	-	-
Others	2,174	-	-	-	-	-
	272,342	39,999	-	-	-	-
	2,255,554	2,019,635	167,063	8,212	898,120	1,687,398

- The balance is comprised by two loan agreement entered into with Eneva (creditor) being the first one subject to interest of 104% of CDI and indefinite maturity and the second one subject to interest of 2.47% + IPCA and maturing in September 2026. The change in the asset balance corresponds to interest incurred, partially offset by payment of interest.
- The balance is comprised by two loan agreement entered into with the Company (creditor) being the first one subject to interest of 104% of CDI and indefinite maturity, and the second one subject to interest of 3.19% + IPCA and maturing in December 2027. The change in the asset balance corresponds to interest incurred, partially offset by payment of interest.
- This refers to the capital decrease of Focus Holding Comercializadora Participações Ltda., which has not been authorized by JUCESP yet. For this reason, it was considered a loan agreement. The Focus loan has a reference rate cost.
- These are balances basically comprised of the sale of natural gas and lease of the Gas Treatment Unit (UTG) mainly for the subsidiaries Parnaíba II Geração de Energia S.A. and Parnaíba Geração e Comercialização de Energia S.A..

27.1 Compensation of the Board of Directors and Executive Board members

The Company is managed by a Board of Directors and an Executive Board, pursuant to the duties and powers vested by its Bylaws. In accordance with Law No. 6,404/1976 and the Company's Bylaws, the shareholders will establish the managers' overall annual remuneration at the General Meeting. The Board of Directors will distribute the amount among the managers.

The total amounts of compensation of the Company's Executive Board and Board of Directors members for the years ended December 31, 2022 and 2021, accounted for on an accrual basis, are as follows:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Short term benefits (a)	36,255	27,457	40,590	31,567
Long-term benefits (b)	119,266	114,005	127,730	129,385
	155,521	141,462	168,320	160,952

- a. Key personnel compensation includes salaries and non-monetary benefits.
- b. As described in note 29 - "Share-based payments", the Company implemented a share-based payment for managers and statutory and non-statutory executives. This grant of shares will be granted upon the compliance with certain conditioners, within 3 to 5 years, as from the beginning of the plan.

The minimum, average and maximum compensation amounts of the Board of Directors and Executive Board are as follows:

	2022			Consolidated 2021		
	Minimum	Average	Maximum	Minimum	Average	Maximum
Board of Directors	600	662	1,032	119	454	864
Executive Board	279	11,688	63,503	825	11,213	59,382
	879	12,350	64,535	944	11,667	60,246

28. Shareholders' equity



28.1 Share capital

On December 31, 2022 and 2021, the Company's capital was of R\$ 13,075,688 and R\$ 8,894,086, respectively. The Company has 1,584,446,224 nominative common shares, with no par value. The Company is authorized to increase its capital share, regardless of statutory reform, up to the limit of 331,419,704 shares (authorized capital), of which 302,352,208 shares have already been issued, substantially related to the issuance of the primary public offering of shares, resulting in an amount of R\$ 4,200,000 of capital increase.

In March 2021, there was a split of the Company's shares in the proportion of 1 (one) common share for 4 (four) common shares, without changing the share capital or the rights conferred by the shares to the holders. Thus, the variation shown in the number of shares between the periods is basically related to this corporate changes.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction from the proceeds.

Shareholder	Parent Company 2022		Parent Company 2021	
	Number	%	Number	%
Banco BTG Pactual	336,479,153	21.24%	272,640,404	21.53%
Cambuhy	312,640,404	19.73%	289,640,404	22.87%
Dynamo	159,392,167	10.06%	79,108,721	6.25%
Atmos Capital Gestão de Recursos	-	-	67,189,176	5.31%
Treasury shares	2,671,432	0.17%	6,120,944	0.48%
Others	773,263,068	48.80%	551,639,534	43.56%
Total	1,584,446,224	100.00%	1,266,339,183	100.00%

28.2 Capital reserve

The Company's capital reserves consist of the stock option plan granted by the Company, goodwill on the issuance of shares and the capital reserve arising from the business combination with Focus. On December 31, 2022 and 2021, the Company's capital reserves are, respectively, R\$ 146,914 and R\$ 20,208.

28.3 Tax incentives reserve

SUDENE

The reserve is constituted by allocating the portion of the income for the year equivalent to the tax benefit granted by the Superintendence of Development of the Northeast (SUDENE). This benefit corresponds to a decrease of 75% of income tax in a 10-year period. For 2022 and 2021, the Company constituted, respectively, R\$ 43,996 and R\$ 112,112 of Sudene tax incentive.

Service Tax – presumed credit

Reserve constituted through the allocation of the portion of the income for the year equivalent to the tax incentive granted by the State of Maranhão, under the terms of Law No. 9,463/2011. Such incentive consists of presumed Service Tax credit on outlets of natural gas for the thermoelectric plant powered by natural gas. For 2022 and 2021, the Company constituted, respectively, R\$ 159,850 and R\$ 245,390 of ICMS tax incentive.

28.4 Treasury shares

Repurchase of own shares program

The repurchase programs aim at the acquisition of shares issued by Eneva S.A. to meet the obligations of the long-term share-based compensation incentive plans, aimed at managers and employees of Eneva S.A. and its subsidiaries.

In 2022, no shares were acquired, however they were substantially delivered to the beneficiaries in the amount of R\$ 58,486, as shown in the Statement of Changes in Shareholders' Equity.

28.5 Accumulated losses (allocation of profit or loss for the year)

The Company's profit for the year was fully to compensate the accumulated losses. When the accumulated losses are fully offset, the allocation of profit or loss will comply with the provisions of the Company's Bylaws.

29. Earnings per share



The diluted and basic earnings per share was calculated dividing the result for the year attributable to controlling and non-controlling shareholders of the Company on December 31, 2022 and 2021 by the respective weighted average of shares outstanding during the same period, as follows:

	2022	2021
Result for the year		
Numerator		
Profit attributable to the shareholders	375,774	1,173,300
Denominator		
Weighted average of shares	1,395,215,217	1,265,016,862
Profit per share (R\$) - basic	0.26933	0.92750
	2022	2021
Result for the year		
Numerator		
Profit attributable to the shareholders	375,774	1,173,300
Denominator		
Weighted average of shares	1,395,215,217	1,265,016,862
Effect of the options	389,707	9,956,371
Profit per share (R\$) - diluted *	0.26926	0.92025

* The dilution factor represented by the Company's share-based compensation programs represented no material change in the calculation of the diluted profit.



30. Share-based payment

Stock options awarded by the Company

The effective stock option program was approved by the Board of Directors on August 10, 2016. The beneficiaries are the members of the Board of Directors, of the Executive Board and selected employees.

The options may reach the maximum of 4% (four percent) of the Company's total shares at the options issuance date.

Characteristics of the options plan:

Plan	Date awarded	Award term (years)	Initial date of maturity	Maximum date rights expire	Original amount awarded	Remaining number	Original strike price	Strike price restated by IPCA + 3% p.a.
2016	10/3/2016	5	10/3/2016	11/12/2021	2,484,376	-	3.75	19.93
2016	10/3/2016	5	11/1/2017	2/1/2021	10,668,000	-	3.75	19.93
2016	4/3/2017	5	5/10/2018	9/8/2022	5,333,333	-	3.75	19.31
2016	8/3/2017	5	8/3/2018	12/1/2022	2,000,000	-	3.75	19.03
2016	2/11/2019	5	2/11/2020	6/10/2024	1,000,000	400,000	3.75	17.21
2016	1/10/2020	5	1/10/2021	5/12/2025	8,840,000	5,192,000	7.57	32.56
2020	2/11/2021	5	2/11/2022	6/13/2026	4,723,388	4,723,388	15.88	
2016	2/11/2021	5	2/11/2022	6/13/2026	240,000	240,000	15.88	
2016	5/1/2021	5	5/1/2022	9/3/2026	800,000	800,000	16.49	
2020	5/19/2021	5	5/19/2022	9/21/2026	1,106,600	1,106,600	15.98	
2020	11/30/2021	5	11/30/2022	3/30/2027	36,518	36,518	15.17	
2020	12/8/2021	5	12/8/2022	4/7/2027	243,450	243,450	14.82	
2020	2/25/2022	5	2/25/2023	6/25/2027	8,570	8,570	13.10	
2020	4/1/2022	5	4/1/2023	8/1/2027	2,669,338	2,669,338	13.36	
2020	4/26/2022	5	4/26/2023	8/26/2027	37,600	37,600	14.12	

Changes in the options plan in 2022:

Plan granted by the Company - Number of stock options	Number of options	Weighted average strike price of options
At December 31, 2021	15,800,616	11.48
Exercised	(3,058,668)	13.90
Awarded	2,715,508	13.37
At December 31, 2022	15,457,456	11.37

The Company is unable to measure the value of services provided by participants who are being remunerated via a share-based payment plan. Therefore, it decided to measure their respective fair values, based on the fair value of the equity instruments granted. According to the program's regulation, the Company will settle this obligation with the issue of new shares or using (when constituted) the account "Treasury Shares". The effect on the result for 2022 was R\$ 26,582, recorded in the parent company and consolidated statement of profit or loss under "general and administrative".

Restrict performance units

The Company granted two distinct long term compensation incentive plans based on shares. The first one was approved on July 12, 2018, with changes approved at the General Shareholders' Meeting held on March 11, 2021, and the second, called Long Term Compensation Incentive Plan Based on Shares (Performance Shares Plan), was approved at the Annual and Extraordinary Shareholders' Meeting on April 29, 2019. In these plans, the Company granted restricted performance units to the beneficiaries who provide services to it, however, the plans follow different rules for the acquisition of the right to transfer shares.

General characteristics of the units granted by the Company:

Plan	Grant date	Term (years)	Purpose	Date the right was acquired	Original amount granted
2018	7/13/2018	3	Retention	4/2/2021	868,724
2018	7/13/2018	3	Performance	4/2/2021	868,724
2018	4/1/2018	3	Retention	4/1/2022	756,436
2018	4/1/2018	3	Performance	4/1/2022	756,436
2020	4/29/2019	2.92	Performance Shares	3/31/2022	1,548,404
2018	4/1/2020	3	Retention	4/1/2023	453,288
2018	4/1/2020	3	Performance	4/1/2023	868,724
2018	4/1/2021	3	Retention	4/1/2024	316,476
2018	4/1/2021	3	Performance	4/1/2024	316,475
2021	4/1/2022	3	Retention	4/1/2025	466,273
2021	4/1/2022	3	Performance	4/1/2025	466,272

Changes in the units plan in 2022:

Units plan granted by the Company - Number of Units	Number of units	Shares' weighted average price
At December 31, 2021	4,430,144	16.47
Exercised	(1,386,596)	13.36
Awarded	932,545	13.36
Canceled	121,432	7.36
At December 31, 2022	4,097,525	16.54

The effect on the result for 2022 was R\$ 52,232, recorded in the parent company and consolidated statement of profit or loss under "general and administrative".

31. Insurance Coverage

SUMÁRIO 

It is the policy of the Company and its direct and indirect subsidiaries to take out insurance coverage for the assets subject to risk at amounts considered by management sufficient to cover any incidents, considering the nature of their activity. The policies are in force and the premiums have been paid.

The increase in coverage values between 2021 and 2022 is due to the acquisition of UTE Porto de Sergipe I, whose acquisition increased the values at risk of the Company's assets and, consequently, the amounts related to premiums for coverage of assets, as highlighted below:

On December 31, 2022 and 2021, the main risks covered are:

	2022	Consolidated 2021
Operating risks - onshore assets	3,165	1,674
Operating risks – offshore assets (a)	824	-
Operating risks – sabotage & terrorism (b)	1,600	-
Oil risks	313	335
Civil liability	920	420
Construction / project	1,249	2,414

a. The operational risk policy – offshore assets refers to the coverage of assets called “offshore” that connect UTE Porto de Sergipe I to the FSRU terminal, in addition to contingent loss of profit coverage arising from the operation of the FSRU.

b. The sabotage & terrorism policy refers to the coverage of UTE Porto de Sergipe I.



32. Commitments

Minimum Exploratory Program ("PEM")

The balance of PEM referring to Eneva's current concessions - that is, those purchased within the scope of the 13th and 14th Bidding Rounds and the First and Second Bidding Cycles of the Permanent Offer - is presented in the table below:

Concession	Basin	BID	Contractual PEM (UTs)	PEM met in 2022 (UTs)	Balance in 2022 (UTs)	Status
			[A]	[B]	[A]-[B]	
PN-T-69	Parnaíba	13	3,010	3,010	-	Met
PN-T-87	Parnaíba	13	2,061	2,061	-	Met
PN-T-103	Parnaíba	13	3,010	3,010	-	Met
PN-T-146	Parnaíba	13	7,003	7,003	-	Met
PN-T-163	Parnaíba	13	7,003	7,003	-	Met
PN-T-117	Parnaíba	14	400	943	-	Met
PN-T-118	Parnaíba	14	600	869	-	Met
PN-T-119	Parnaíba	14	600	448	-	Met
PN-T-133	Parnaíba	14	500	1164	-	Met
PN-T-134	Parnaíba	14	600	717	-	Met
PN-T-47	Parnaíba	OP1	1,897	623	1,274	To be met up to 11/2026
PN-T-48A	Parnaíba	OP1	1,448	1	1,447	To be met up to 11/2026
PN-T-66	Parnaíba	OP1	2,673	406	2,267	To be met up to 11/2026
PN-T-67A	Parnaíba	OP1	336	1,230	-	Met
PN-T-68	Parnaíba	OP1	1,336	1,265	71	To be met up to 11/2026
PN-T-102A	Parnaíba	OP1	1,121	1,121	-	Met
AM-T-62	Amazonas	OP2	3138	-	3,138	To be met up to 06/2029
AM-T-84	Amazonas	OP2	4138	-	4,138	To be met up to 06/2029
AM-T-85	Amazonas	OP2	4138	-	4,138	To be met up to 06/2029
PAR-T-86	Paraná	OP2	1,908	-	1,908	To be met up to 06/2027
PAR-T-99	Paraná	OP2	1,902	-	1,902	To be met up to 06/2027
PAR-T-196	Paraná	OP2	1,872	-	1,872	To be met up to 06/2027
PAR-T-215	Paraná	OP2	1,866	-	1,866	To be met up to 06/2027

Participation in bidding cycles

The exploratory blocks awarded within the scope of the 13th Bidding Round (PN-T-69, PN-T-87, PN-T-103, PN-T-146 and PN-T-163) and the Bidding Round (PN-T-117, PN-T-118, PN-T-119, PN-T-133 and PN-T-134) are characterized by an Exploration Phase that lasts 6 (six) years and demands the fulfillment of the work units (UT) committed in the PEM. Among seismic programs and well drilling campaigns, Eneva S.A. exceeded the amount of UTs required for these assets in advance.

Even so, it is worth mentioning the extension of the Exploration Phase of the aforementioned concessions until 2/22/2024 (for the R13 contracts) and 4/1/2026 (for the R14 contracts), regulatory request provided by ANP Resolution No. 878/ 2022 and motivated by the advent of COVID-19.

Of the exploratory blocks awarded within the context of the First Bidding Cycle of the Permanent Offer (PN-T-47, PN-T-48A, PN-T-66, PN-T-67A, PN-T-68 and PN-T-102A) and of the Second Bidding Cycle of the Permanent Offer (AM-T-62, AM-T-84, AM-T-85, PAR-T-86, PAR-T-99, PAR-T-196 and PAR-T-215), just PN-T-67A and PN-T-102A had already met PEM. The other assets have until at least 2028 to fulfill the work units (UT) committed in the PEM, which should occur based on the activities prospected for the coming years.

Similarly, it should be noted that the request to extend the Exploration Phase of the concessions in question is being analyzed by the ANP until 4/14/2028 (for OP1 contracts), until 11/26/2028 (for PAR-T-86, PAR-T-99, PAR-T-196 and PAR-T-215, all from OP2) and until 11/27/2030 (for AM-T-62, AM-T-84 and AM-T-85, all from OP2). Like the R13 and R14 blocks, this is a regulatory demand based on ANP Resolution No. 878/2022.



33. Events after the reporting period

Decision of the Federal Supreme Court (STF) on the effects of breaking the “res judicata”

On February 8, 2023, the Federal Supreme Court concluded unanimously the judgment on taxes collected on a continuous basis, the so-called “res judicata”, in which the effects of final and unappealable decisions are automatically lost if there is a divergent and contrary pronouncement, when it occurs under concentrated control or under a general repercussion regime.

The Company evaluated the reflex effects of this decision and did not identify lawsuits impacted by the aforementioned decision of the Supreme Court, as it does not have legal decisions that result in the suppression of its taxes, whose matter has subsequently been ruled against by the Supreme Court, in concentrated control action or under a general repercussion regime. The Company's Management continues to monitor the evolution of the matter.

Aneel approval for the incorporation of the CGTF by Eneva S.A.

On March 16, 2023, the incorporation of CGTF, holder of the award of Central Geradora Termétrica – UTE Fortaleza, was carried out, with Aneel approval published in official gazette.

Board of Directors

Jerson Kelman

President

Directors:

Elena Landau

Felipe Gottlieb

Guilherme Bottura

Marcelo Pereira Lopes de Medeiros

Renato Antônio Secondo Mazzola

Henri Philippe Reichstul

Executive Board

Lino Lopes Caçado

Chief Executive Officer

Marcelo Campos Habibe

Chief Finance Officer

Marcelo Cruz Lopes

Marketing, Commercialization and New Business Officer

Controllership

Ana Paula Alves do Nascimento


CRC-RJ 086983/O-0

Controller

Bruno Campelo de Azevedo

CRC-RJ 106648/O-9

Accountant

A series of white, irregular, angular lines that resemble a stylized, abstract map or a series of connected paths, set against a solid teal background. The lines start from the top right and extend downwards and to the left, creating a sense of movement and direction.

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Independent Auditors' Report on the Individual and Consolidated Financial Statements

*(A free translation of the original report in Portuguese, prepared in accordance with the accounting practices adopted
in Brazil and the International Financial Reporting Standards – IFRS)*

To the Shareholders and Management of Eneva S.A.

Rio de Janeiro - RJ

Opinion

We have audited the individual and consolidated financial statements of Eneva S.A. ("Company"), respectively referred to as parent company and consolidated financial statements, which comprise the balance sheets as of December 31, 2022, and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and related notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of Eneva S.A. as of December 31, 2022, its financial performance and its cash flows for the years then ended, in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Eneva S.A. as of December 31, 2022, its consolidated financial performance and cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the *International Accounting Standards Board* (IASB).

Basis for opinion

We conducted our audit in accordance with International and Brazilian 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements and are set forth on the Professional Code of Ethics for Accountants (*"Código de Ética Profissional do Contador"*) and on the professional standards issued by the Brazilian Federal Accounting Council (*"Conselho Federal de Contabilidade"*), and



we have fulfilled our 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.

Key audit matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgment, were of most significance in 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.

Measurement of the fair values of identifiable assets acquired and liabilities assumed in a business combination - Eneva S.A.

According to notes 4 (vii) and 5 to the individual and consolidated financial statements

Key audit matter	How our audit addressed this matter
<p>During the year ended December 31, 2022, Eneva S.A. acquired a controlling interest in Group Focus Energia Holding Participações S.A. and its subsidiaries, whose operation is focused on energy trading and renewable energy, as well as Central Geradora Térmica de Fortaleza S.A., Centrais Elétricas do Sergipe Participações S.A., Centrais Elétricas Barra dos Coqueiros S.A. and DC Energia S.A., which operate on energy generation based on natural gas.</p> <p>To account for the business combination, the Company applied the acquisition method that involves determining the consideration transferred, the recognition and measurement of the identifiable assets acquired, the liabilities assumed by the Company and the goodwill on expected future profitability or the gain from the bargain purchase.</p> <p>The estimates associated with the measurement of the fair values of the identifiable assets acquired and of the liabilities assumed by the Company involved significant judgments in determining the main assumptions that were used in the discounted cash flow method, such as: (i) discount rate; (ii) estimated revenue and (iii) estimated operating costs and expenses.</p> <p>Considering the judgments made by the Company and the high level of subjectivity related to the assumptions used in the measurement of the fair values of the identifiable assets acquired and of the liabilities assumed by the Company, as well as the size that the impact of possible changes could have on the individual and consolidated financial statements, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> - We inspected the share purchase agreements entered into in 2022, evaluated the documentation supporting the consideration transferred and the evidence that supported the acquisition of control over a business combination; - With the assistance of our corporate finance experts, we evaluated: <ul style="list-style-type: none"> (i) the methodology employed to measure the main intangible assets that were identified; (ii) the reasonableness and consistency of the main assumptions used to measure the fair values of the identifiable assets acquired and liabilities assumed; (iii) if the assumptions used are grounded in historical, contractual and regulatory data and/or market data in accordance with the acquisition date and/or are consistent with the Company's budget and come from reliable sources; (iv) whether the estimated cost and expense structures are consistent with the estimated revenue; (v) if the mathematical calculations support the determination of the fair values of the identifiable assets acquired, the liabilities assumed by the Company, the goodwill or the gain from the bargain purchase, which were realized according to the assumptions set by management and reviewed by us. - We analyzed whether the disclosures made in the

	<p>individual and consolidated financial statements with respect to the business combinations made consider relevant information.</p> <p>According to the evidence obtained by applying the procedures summarized above, we considered the fair values of the identifiable assets acquired, of the liabilities assumed and of the goodwill or of the gain from a bargain purchase and their related disclosures to be acceptable, in the context of the individual and consolidated financial statements for the year ended December 31, 2022.</p>
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Recoverable value of deferred tax assets of Eneva S.A., Itaqui and Celse

According to notes 4 (iv) and 10 to the individual company and consolidated financial statements

Key audit matter	How our audit addressed this matter
<p>The Company and its subsidiaries Itaqui Geração de Energia S.A. ("Itaqui") and Centrais Elétricas de Sergipe S.A. ("Celse") have deferred tax assets related to tax loss and temporary differences, which were recognized based on studies which include forecasts used to provide a basis for the availability of future taxable profit.</p> <p>Estimates of future taxable profit are prepared by the Company and grounded in a technical feasibility study, which includes significant assumptions related to: (i) the energy sales amount and the estimated energy sales prices; (ii) equipment maintenance expenses; (iii) input expenses; (iv) the industry's estimated economic growth; and (v) capital investments.</p> <p>Due to the complex judgments and the high level of subjectivity related to the assumptions used in the projections to estimate future taxable profit, which, if they were changed, could cause a material adjustment in the balances of the individual and consolidated financial statements, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> - Obtaining an understanding of the preparation of forecasts of future taxable profit, including: evaluating the policy for approving budgets, determining the assumptions and projections used by the Management of the Company and its subsidiaries. - With the assistance of our corporate finance experts, we evaluated: <ul style="list-style-type: none"> (i) the reasonableness and consistency of the main assumptions made in preparing projections, which support the value of future taxable profit. (ii) compliance with usual market practices for the methodologies and judgments used to estimate projections; (iii) whether mathematical calculations have been prepared consistently and are not miscalculations that may have an impact on estimated future taxable profit; - We analyzed whether the disclosures made in the individual and consolidated financial statements consider relevant information. <p>According to the evidence obtained by applying the procedures summarized above, we considered that the amounts of deferred tax assets and their related disclosures are acceptable in the context of the individual and consolidated financial statements for the year ended December 31, 2022.</p>

Other issues - Statements of added value

The individual and consolidated statements of added value (DVA) for the year ended December 31, 2022, prepared under the responsibility of the Company's Management, and presented as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. To form our opinion, we evaluated whether these statements are reconciled to the Company's financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria determined in Technical Pronouncement 09 (CPC 09) - Statement of Added Value, issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of added value have been prepared, in all material respects, in accordance with the criteria determined by the Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Other information that accompanies the individual and consolidated financial statements and the independent auditors' report

Management is responsible for the other information comprising the Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management's Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information 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 performed, we conclude that there is a material misstatement of this other information, we are required to report on such fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these individual financial statements in accordance with accounting policies adopted in Brazil and the consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the *International Accounting Standards Board (IASB)*, and for such internal control as Management 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, management 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 management either intends to liquidate the Company and its subsidiaries 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.

Auditors' Responsibilities for the Audit of the Individual Company 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 aggregate, they

could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

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. In addition, we also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
- Obtain 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' 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 and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a compatible manner with the objective of a true and fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the group's entities 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 regarding independence and communicate with them all relationships or matters that could considerably affect our independence, including, when applicable, related safeguards.

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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation prohibits public disclosure of 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 may reasonably be expected to outweigh the public interest benefits of such communication.

Rio de Janeiro, March 23, 2023

KPMG Auditores Independentes Ltda.
CRC SP-0144/O-6 F-RJ

(Original report in Portuguese signed by)

Luis Claudio França de Araujo
Accountant CRC RJ-091559/O-4