

(A free translation of the original in Portuguese)

Serena Energia S.A.
("formerly known as Omega Energia
S.A.")

Financial statements
December 31, 2022

(A free translation of the original in Portuguese)

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Balance Sheets as of December 31, 2022 and 2021

In thousands of Reais

Assets	Note	Parent company		Consolidated	
		2022 Restated	2021	2022 Restated	2021
Current					
Cash and cash equivalents	7	51	-	85,641	1,194,182
Financial investments	7	344,778	-	1,387,357	-
Clients	8	-	-	310,546	297,551
Recoverable taxes	9	2,278	-	118,900	100,649
Related parties	20	7,304	39	24,968	26,871
Energy futures contracts	29	-	-	513,024	175,966
Other credits	10	177	241	85,720	68,878
		354,588	280	2,526,156	1,864,097
Non-current					
Restricted cash	7	-	-	211,069	229,299
Clients	8	-	-	46,662	18,493
Recoverable taxes	9	-	-	12,906	5,191
Related parties	20	-	-	47,261	53,331
Deferred IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	18	-	-	1,239	3,597
Energy futures contracts	29	-	-	372,355	108,968
Other credits	10	-	-	10,252	25,032
		-	-	701,744	443,911
Investments	11	4,853,264	4,306,498	953,455	726,543
Property, plant, and equipment	12	-	-	9,686,033	7,355,875
Intangible assets	13	-	-	1,462,844	1,002,207
		4,853,264	4,306,498	12,102,332	9,084,625
		4,853,264	4,306,498	12,804,076	9,528,536
Total assets		5,207,852	4,306,778	15,330,232	11,392,633

Liabilities and Equity	Note	Parent company		Consolidated	
		2022 Restated	2021	2022 Restated	2021
Current					
Suppliers	15	-	-	236,734	219,251
Loans, financing, and debentures	14	-	-	1,724,473	482,088
Labor and tax obligations	16	11,190	39	102,535	62,373
Lease liabilities	19	-	-	17,485	16,794
Related parties	20	24,353	-	777	4,559
Energy futures contracts	29	-	-	502,078	190,584
Accounts payable - Acquisition of a company	17	-	-	64,653	88,205
Other obligations		1,035	490	12,547	55,505
		36,578	529	2,661,282	1,119,359
Non-current					
Suppliers	15	-	-	179,523	168,508
Loans, financing, and debentures	14	-	-	6,651,531	5,556,345
Lease liabilities	19	-	-	101,660	105,215
Deferred IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income)	18	-	-	54,947	63,832
Energy futures contracts	29	-	-	294,158	58,303
Accounts payable - Acquisition of companies	17	-	-	193,423	-
Other obligations		-	-	22,434	14,822
		-	-	7,497,676	5,967,025
Total liabilities		36,578	529	10,158,958	7,086,384
Equity					
Share capital	21	4,439,360	3,736,325	4,439,360	3,736,325
Capital reserves		170,023	-	170,023	-
Earnings reserve		590,198	598,231	590,198	598,231
Equity valuation adjustment		(28,307)	(28,307)	(28,307)	(28,307)
		5,171,274	4,306,249	5,171,274	4,306,249
Total equity		5,171,274	4,306,249	5,171,274	4,306,249
Total liabilities and equity		5,207,852	4,306,778	15,330,232	11,392,633

The notes are an integral part of the financial statements.

Statements of income for the year ended December 31, 2022 and for the period from May 27 (date of establishment) to December 31, 2021

In thousands of Reais

	Note	Parent company		Consolidated	
		2022 Restated	2021	2022 Restated	2021
Net operating revenue	22	-	-	2,383,580	220,218
Trading Portfolio – MTM	22	-	-	53,095	18,085
Operation, maintenance and purchase costs	23	-	-	(1,768,403)	(103,873)
Gross profit		-	-	668,272	134,430
Operating revenue (expenses)					
Administrative, personnel and general	24	(39,988)	(249)	(143,057)	(32,905)
Other operating revenues (expenses)	25	126	-	21,401	696,159
Income from equity accounting	11	18,254	598,480	44,854	(1,260)
		(21,608)	598,231	(76,802)	661,994
Operating income		(21,608)	598,231	591,470	796,424
Financial revenues	26	14,120	-	134,703	7,566
Financial expenses	26	(543)	-	(693,467)	(70,721)
		13,577	-	(558,764)	(63,155)
Income before income tax and social contribution		(8,031)	598,231	32,706	733,269
Income tax and social contribution	18	-	-	(40,737)	(135,038)
Profit (loss) for the year		(8,031)	598,231	(8,031)	598,231
Attributable to					
To the parent's shareholders				(8,031)	598,231
				(8,031)	598,231
Basic profit (loss) per share				(0.059)	19.5776
Diluted profit (loss) per share				(0.059)	19.5776

The notes are an integral part of the financial statements.

Statement of comprehensive income (loss) for the year ended December 31, 2022 and for the period from May 27 (date of establishment) to December 31, 2021

In thousands of Reais

	Parent company		Consolidated	
	2022 Restated	2021	2022 Restated	2021
Profit (loss) for the year	(8,031)	598,231	(8,031)	598,231
Other comprehensive income	-	-	-	-
Total comprehensive income	(8,031)	598,231	(8,031)	598,231
Controlling interest			(8,031)	598,231

The notes are an integral part of the financial statements.

Statements of changes in equity for the year ended December 31, 2022 and for the period from May 27 (date of establishment) to December 31, 2021

In thousands of Reais

	Note	Attributable to Parent company shareholders							Total Restated
		Share capital	Capital reserve	Legal reserve	Unrealized earnings reserve	Earnings reserve Statutory and investments	AVJ - Capital transaction	Accumulated losses	
As of January 1, 2022		3,736,325	-	29,910	142,080	426,239	(28,307)	-	4,306,247
Transactions with shareholders									
Capital increase		680,092	170,023	-	-	-	-	-	850,115
Merger of Omega Desenvolvimento 18	4.1.1	22,943	-	-	-	-	-	-	22,943
Loss for the fiscal year		-	-	-	-	-	-	(8,031)	(8,031)
Allocation of profit		-	-	-	(8,031)	-	-	8,031	-
Balances as of December 31, 2022		4,439,360	170,023	29,910	134,049	426,239	(28,307)	-	5,171,274

	Earnings reserve							Total
	Share capital	Legal reserve	Unrealized earnings reserve	Statutory and investments	AVJ - Capital transaction	Accumulated losses		
As of May 27, 2021	-	-	-	-	-	-	-	-
Transactions with shareholders								
Merger of Omega Geração shares	3,633,678	-	-	-	(50,711)	-	-	3,582,967
Merger of Omega Desenvolvimento shares	102,647	-	-	-	22,404	-	-	125,051
Profit for the period	-	-	-	-	-	598,231	-	598,231
Allocation of profit	-	29,912	142,080	426,239	-	(598,231)	-	-
Balances as of December 31, 2021	3,736,325	29,912	142,080	426,239	(28,307)	-	-	4,306,249

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Statements of cash flows for the year ended December 31, 2022 and for the period from May 27 (date of establishment) to December 31, 2021

In thousands of Reais

	Notes	Parent company		Consolidated	
		2022 Restated	2021	2022 Restated	2021
Cash flow from operating activities					
Profit or loss before income tax and social security contribution		(8,031)	598,231	32,706	733,269
Adjustments:					
Depreciation and amortization	12 / 13	-	-	409,660	35,172
Equity accounting income	11	(18,254)	(598,480)	(44,854)	1,260
Reversal of impairment of property, plant and equipment		-	-	-	(690,464)
Financial charges on loans, financing, and debentures	14	-	-	786,429	59,016
Charges on operating leases	19	-	-	12,262	-
Financial revenue from financial investments		(14,093)	-	(129,210)	(7,139)
Financial instruments - MTM trading portfolio	29	-	-	(53,095)	(18,085)
Gain on bargain purchase	5.1.1	(126)	-	(17,811)	-
Gain / loss on acquisition of investments	11	-	-	2,320	-
Amortization of transaction costs	14	-	-	7,749	16,452
		(40,504)	(249)	1,006,156	129,481
(Increase) decrease in assets					
Clients		-	-	(41,165)	(111,488)
Loan to employees		-	-	3,014	(38,326)
Other credits		(9,476)	(280)	(21,605)	-
Increase (decrease) in liabilities					
Suppliers		-	-	26,676	86,765
Labor and tax obligations		11,031	39	40,023	2,980
Other trade payables		24,892	490	(312,577)	24,602
Cash from operations		(14,056)	-	700,518	94,014
Dividends received	20	-	-	29,452	-
Interest paid on loans, financing and debentures	14	-	-	(598,637)	(47,009)
Income tax and social security contributions paid	16	-	-	(49,036)	(675)
Net cash from (used in) operating activities		(14,056)	-	82,297	46,330
Cash flow from investment activities					
Acquisition of companies, net of cash acquired	4.1.1, 4.1.2, 4.3, and 4.5	23,190	-	(352,178)	1,177,298
Acquisition of property, plant and equipment and intangible assets	12 / 13	-	-	(2,665,257)	(90,681)
Advance for future capital increase	11.1	(505,000)	-	-	-
Share capital reduction	11.1	-	-	13,500	30,000
Financial investments - restricted cash		(330,686)	-	(1,239,916)	(2,276)
Increase of capital in subsidiaries	11	(23,512)	-	-	-
Cash from (invested in) investment activities		(836,008)	-	(4,243,851)	1,118,893
Cash flow from financing activities					
Funding from loans, borrowings and debentures	14	-	-	2,773,870	55,000
Payments of principal - loans, financing and debentures debentures	14	-	-	(551,439)	(24,272)
Capital increase	4.2	850,115	-	850,115	-
Dividends paid	20	-	-	(625)	-
Leases paid	19	-	-	(18,908)	(1,769)
Cash from financing activities		850,115	-	3,053,013	28,959
Net increase (decrease) in cash and cash equivalents		51	-	(1,108,541)	1,194,182
Cash and cash equivalents at the beginning of the year		-	-	1,194,182	--
Cash and cash equivalents at the end of year		51	-	85,641	1,194,182

The notes are an integral part of the financial statements.

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Statements of value added for the year ended December 31, 2022 and for the period from May 27 (date of establishment) to December 31, 2021

In thousands of Reais

	Parent company		Consolidated	
	2022 Restated	2021	2022	2021
Revenues	-	-	2,463,604	239,481
Sales of goods, products, and services	-	-	2,439,593	239,831
Other revenues	-	-	24,011	(350)
Inputs acquired from third parties	(10,083)	(249)	(1,412,298)	583,976
Costs of products, goods and services sold	-	-	(1,143,389)	(83,372)
Material, third party services and others	(10,218)	(249)	(265,492)	(29,017)
Loss/recovery of assets	126	-	(2,126)	695,545
Other inputs	9	-	(1,291)	820
Gross value added	(10,083)	(249)	1,051,306	823,457
Depreciation and amortization	-	-	(409,660)	(35,172)
Net value added	(10,083)	(249)	641,646	788,285
Value added received in transfer	32,366	598,480	177,750	6,083
Income from equity accounting	18,254	598,480	44,854	(1,260)
Financial revenue	14,112	-	132,896	7,343
Total added value	22,283	598,231	819,396	794,368
Distribution of value added	22,283	598,231	819,396	794,368
Personnel	28,235	-	78,659	(12,137)
Direct compensation	27,983	-	66,120	(13,005)
Benefits	-	-	8,353	521
Government Severance Indemnity Fund for Employees (FGTS)	252	-	4,186	347
Taxes, fees and contributions	2,233	-	63,674	137,891
Federal	2,233	-	61,992	137,917
State	-	-	915	(56)
Municipal	-	-	767	30
Compensation of third parties' capital	(154)	-	685,094	70,383
Interest	(154)	-	685,094	70,383
Equity compensation	(8,031)	598,231	(8,031)	598,231

The notes are an integral part of the financial statements.

1. OPERATING ENVIRONMENT

Serena Energia S.A. ("Company" or "Serena"), formerly known as Omega Energia S.A., was incorporated on May 27, 2021, as a publicly traded company with registered offices at 68 Rua Elvira Ferraz 12th floor, units 123 e 124, Vila Olímpia in São Paulo, State of São Paulo. The shares have been traded since December 27, 2021, on the Novo Mercado, the corporate governance segment of the Brazilian stock exchange, B3 S.A. - Brasil, Bolsa, Balcão, ("B3"), under ticker symbol MEGA3.

The Company's corporate purpose includes: (a) participation and development, directly or through a joint venture, consortium or any other company in which capital the Company holds interests, of renewable energy assets, including, but not limited to, small hydropower plants (SHP), wind farms (CGE), solar plants (CGS) and biomass-fired thermoelectric plants (UTE), as well as in companies that operate in the trading of electric energy and energy efficiency; (b) holding of equity interests in other companies as partner, shareholder or member, in Brazil or abroad; and (c) ancillary activities necessary to fulfill the Company's corporate purpose.

Serena is a holding company and does not carry out any development, implementation or operating activities for renewable energy assets or sale of electric energy itself, these activities being conducted wholly by Omega Geração S.A. and Omega Desenvolvimento S.A., both wholly owned subsidiaries of the Company.

The activities of Serena Energia, as well as those of all companies operating in the sector, are regulated and supervised by Brazil's National Agency for Electric Energy ("ANEEL"). Any change in the regulatory environment may have an impact on Serena Energia's activities. The business information by segment and Omega Energia assets operational details are presented in Note 6.

The terms listed below are used throughout these consolidated financial statements in their abbreviated form:

- ACR - "Ambiente de Contratação Regulada" - Regulated contract market;
- ACL - "Ambiente de Comercialização Livre" - Unregulated contract market;
- CCEAR - "Contrato de Comercialização de Energia no Ambiente Regulado" - Energy trading agreement in regulated market;
- CCEE - "Câmara de Comercialização de Energia Elétrica" - Brazil's Electric Energy Trading Chamber;
- MCP - "Mercado de Curto Prazo" - Spot Market;
- LER - "Leilão de Energia de Reserva" - Reserve power auction;
- MRE - "Mecanismo de realocação de energia" - Energy reallocation mechanism;
- PLD - "Preço de Liquidação das Diferenças" - Difference settlement price;
- Proinfa - "Programa de incentivo às fontes alternativas de energia elétrica" - Program to foster alternative sources of energy;
- PCH - "Pequena Central Hidrelétrica" - Small Hydropower Plant;
- EOL - Central Geradora Eólica - Wind Power Plant;
- UFV - Central Geradora Fotovoltaica - Photovoltaic Power Plant;
- I-REC'S - Certificados internacionais de energia renovável - International Renewable Energy Certificate.

Serena Energia's activities substantially comprise the following operations that were considered in these financial statements:

(a) Omega Geração S.A. ("Omega Geração")

Omega Geração S.A. is a publicly held company headquartered in Belo Horizonte (State of Minas Gerais), at Avenida Barbacena, no. 472, 4th floor, registered with the Brazilian Securities Commission ("CVM") as a publicly held company category "B", under certificate No. 23426.

Founded in 2008, the company holds interests in electric power generation assets focused on clean and renewable energy, exclusively for the production and sale of electricity, with no exposure to the development and implementation of assets. Its scope of operations includes wind, water, and solar power sources.

At December 31, 2022, Omega Geração and its direct and indirect subsidiaries operated 94 ventures with a total installed capacity of 2,056 MW (1,863.2 MW in 2021) of renewable energy (considering the proportional interest held in the joint ventures Hidrelétrica Pipoca ("Pipoca"), solar power plant Pirapora Complex ("Pirapora") and Ventos da Bahia 1 and 2 Complex ("Ventos da Bahia 1 and 2"), located in the states of Bahia, Maranhão, Mato Grosso do Sul, Minas Gerais, Piauí, Rio de Janeiro and Rio Grande do Sul.

The energy produced is sold through long-term agreements, at fixed prices indexed to inflation, in the regulated contract environment obtained at auctions held by ANEEL, whether in the unregulated contract environment or directly with purchasers. Part of the energy produced is sold through short-term fixed-price agreements.

(b) Omega Desenvolvimento S.A. ("Omega Desenvolvimento")

A privately held corporation, founded on June 18, 2021, headquartered in São Paulo (State of São Paulo), at Rua Elvira Ferraz, no. 68, 12th floor, units 123 e 124, Bairro Vila Olímpia. The Company's corporate objective is to participate in other companies, as a partner or shareholder, in Brazil or abroad.

The portfolio currently includes projects with a high potential for generation from solar and wind sources, especially in regions of northeastern Brazil and the state of Texas, United States.

1.1 ESG - Sustainable Development Goals agenda

Serena Energia is committed to the principles of sustainability and equality. By working exclusively with renewable energy since 2008, 200clean, affordable and simple energy to Brazil's low-carbon economy goals.

Hence, between 2021 and 2022, the Company created the Sustainability, ESG and Government Relations department, aligned with the five Sustainable Development Goals (SDG - UN). These SDGs, guide Omega's business plan and integrate the concepts and practice of sustainability permeating the Company's strategy. They are: SDG 4 - Quality Education; SDG 7 - Clean and Affordable Energy; SDG 8 - Decent Work and Economic Growth; SDG 9 - Industry, Innovation and Infrastructure; and SDG 13 - Climate Action.

ESG focus in 2022 was on (i) launch of the project Window to the World Institute and the measurement of its SROI (for each BRL 1.00 invested, BRL 6.51 in social benefits to communities are generated); (ii) strengthening the health and safety culture; (iii) the continued development of leadership, through Leadership Sessions, Team Buildings and Coaching; (iv) strengthening the portfolio of decarbonization products (RECs and Carbon Credits); (v) obtaining the Gold Seal in the Brazilian GHG Protocol Program, the approval by our Board of Directors of our Decarbonization Plan, obtaining a B in the Carbon Disclosure Project - CDP and adherence to the Task Force on Climate-Related Financials - TCFD; in addition to (vi) institutional advances in opening the Free Market Energy to consumers.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The parent company (individual) and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the provisions established by Law No. 6404/76 ("Corporation Law"), as amended; the rules and regulations issued by the Brazilian Securities Commission ("CVM"), and the accounting pronouncements, interpretations and guidance issued by the Accounting Pronouncements Committee (CPC - Comitê de Pronunciamentos Contábeis - "CPC"), as approved by the Brazil's National Association of State Boards of Accountancy ("CFC") and by CVM, and which are in conformity with the International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) (currently denominated by the IFRS Foundation as "IFRS accounting standards").

2.2 Basis of preparation, statement of relevance and continuity

The parent and consolidated financial statements were prepared based on historical cost and adjusted to reflect (i) the fair value of financial instruments measured at fair value through profit or loss; and (ii) fair value of assets acquired and liabilities assumed in a business combination.

All information of significance to the individual and consolidated financial statements is being disclosed, being consistent with the information used by management in the performance of its duties, as per Accounting Guidance OCPC 07.

Full 12 month comparative financial information is not being presented in the individual and consolidated financial statements, given the fact that the Company was established on May 27, 2021 and as part of the implementation of the Group's corporate restructuring plan whereby it received contributions from shareholders represented by their equity interests in Omega Geração S.A and Omega Desenvolvimento S.A., on December 19, 2021, as per the minutes of the Board of Directors meetings.

Management has assessed Omega Energia's ability to continue operating as a going concern and is confident that it will generate sufficient resources to support the sustainability of the business in the future. Management is not aware of any material uncertainty that could significantly impact the Company's operation capacity. Therefore these financial statements were prepared on the principle of going concern. The Company presents negative working capital at December 31, 2022 of R\$ 135,126 which is consistent with the Group's business plan. In January 2023, the Company renegotiated the tenures of offshore loans of US\$ 35,000 and US\$ 15,000 (totaling R\$ 260,885) maturing originally in

January 2023 and now with due dates deferred to August 2024 (Note 32.2).

The issuance of these individual and consolidated financial statements was authorized by Management on March 16, 2024. Subsequent events were evaluated up to March 16, 2024, the date on which the disclosures of the individual and consolidated financial statements were authorized by Management, as per Note 32.

The presentation of the Statement of Value Added (SVA) is required by accounting practices in Brazil applicable to publicly held companies. IFRS does not require the presentation of this statement, which is considered as supplemental information.

2.3 Functional and presentation currency

The individual and consolidated financial statements are prepared based on the currency of the Company's economic environment ("functional currency"), which is the Brazilian Real/Reais ("BRL" or "R\$"). The financial statements are presented in thousands of R\$ except where otherwise indicated. For subsidiaries abroad which operate with the US Dollar ("USD") translation gains or losses are recorded in income (statement of operations).

2.4 Consolidation and investments

The individual and consolidated financial statements reflect the assets, liabilities and transactions of the Company and its direct and indirect subsidiaries.

The direct, indirect, joint ventures interest and respective activities by segment are listed below:

Companies domiciled in Brazil	State	Subsidiary Consolidation	Interest		
			2022	2021	
Trading					
Omega Comercializadora de Energia Ltda. ("OMC")	São Paulo	Controlled - Indirect	Full	100%	100%
Omega Geração Comercializadora de Energia Ltda. ("OMGC")	São Paulo	Controlled - Indirect	Full	100%	100%
Omega Geração S.A. ("Omega Geração") (i)	São Paulo	Controlled - Direct	Full	100%	100%
Generation					
Omega Geração S.A. ("Omega Geração") (i)	São Paulo	Controlled - Direct	Full	100%	100%
Assuruá 1 Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 1 I Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 1 II Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 1 III Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 3 Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 3 I Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 3 II Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Centrais Eólicas Assuruá II SPE S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Consórcio Omega GD 1 (v)	São Paulo	Controlled - Direct	Full	100%	-
Consórcio Omega GD 2 (v)	São Paulo	Controlled - Direct	Full	100%	-
Consórcio Omega GD 3 (v)	São Paulo	Controlled - Direct	Full	100%	-
Consórcio Omega GD 4 (v)	Piauí	Controlled - Direct	Full	100%	-
Consórcio Omega GD 5 (v)	Bahia	Controlled - Direct	Full	100%	-
Consórcio Omega GD 6 (v)	Minas Gerais	Controlled - Direct	Full	100%	-
Consórcio Omega GD 7 (v)	Ceará	Controlled - Direct	Full	100%	-
Delta 1 Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Delta 1 I Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Delta 1 II Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Delta 1 III Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Delta 2 Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Delta 3 I Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 II Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 III Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 IV Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 V Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 VI Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 VII Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 3 VIII Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 5 I Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 5 II Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 6 I Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 6 II Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 7 e 8 Holding S.A.	Maranhão	Controlled - Indirect	Full	76%	-
Delta 7 Energia S.A. (ii)	Maranhão	Controlled - Indirect	Full	-	100%
Delta 7 I Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 7 II Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Delta 8 Energia S.A. (ii)	Maranhão	Controlled - Indirect	Full	-	100%
Delta 8 I Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	100%
Indaiaí Grande Energia S.A.	Mato Grosso do Sul	Controlled - Indirect	Full	100%	100%
Indaiazinho Energia S.A.	Mato Grosso do Sul	Controlled - Indirect	Full	100%	100%
Musca Energia S.A.	Minas Gerais	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 15 S.A. (iii)	Bahia	Controlled - Indirect	Full	100%	-
Serena Energia e Implantação 2 S.A. ("Delta 3")	Maranhão	Controlled - Indirect	Full	100%	100%
Omega Geração 1 S.A.	São Paulo	Controlled - Indirect	Full	100%	100%
Omni Energia S.A.	Minas Gerais	Controlled - Indirect	Full	100%	100%
Parque Eólico Assuruá III S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Assuruá IV S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Capoeiras III S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Curral de Pedras I S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Curral de Pedras II S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Diamante II S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Diamante III S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Laranjeiras I S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Laranjeiras II S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Parque Eólico Laranjeiras V S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Porto do Delta Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Serra das Agulhas Energia S.A.	Minas Gerais	Controlled - Indirect	Full	100%	100%
Testa Branca I Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Testa Branca III Energia S.A.	Piauí	Controlled - Indirect	Full	100%	100%
Hidrelétrica Pipoca S.A.	Minas Gerais	Joint Venture	Equity method	51%	51%
Pirapora II Solar Holding S.A.	Minas Gerais	Joint Venture	Equity method	50%	50%
Pirapora III Solar Holding S.A.	Minas Gerais	Joint Venture	Equity method	50%	50%
Pirapora Solar Holding S.A.	Minas Gerais	Joint Venture	Equity method	50%	50%
Ventos da Bahia 1 Geração de Energia S.A.	Bahia	Joint Venture	Equity method	50%	50%
Ventos da Bahia 2 Geração de Energia S.A.	Bahia	Joint Venture	Equity method	50%	50%
Ventos da Bahia 3 Geração de Energia S.A. ("VDB3") (iv)	Bahia	Joint Venture	Equity method	50%	-
Development					

Companies domiciled in Brazil	State	Subsidiary Consolidation	Interest		
			2022	2021	
Omega Desenvolvimento S.A. ("Omega Desenvolvimento")	São Paulo	Controlled - Direct	Full	100%	100%
Assuruá 5 Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 Holding Energia S.A. ("Assuruá 5")	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 I Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 II Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 III Energia S.A.	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 IV Energia S.A. ("Assuruá 5 IV")	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 V Energia S.A. ("Assuruá 5 V")	Bahia	Controlled - Indirect	Full	100%	100%
Assuruá 5 VI Energia S.A. ("Assuruá 5 VI")	Bahia	Controlled - Indirect	Full	100%	100%
CEA VI - Centrais Elétricas Assuruá VI SPE S.A.	Bahia	Controlled - Indirect	Full	100%	-
Centrais Eólicas Assuruá IV S.A. ("Assuruá IV")	Bahia	Controlled - Indirect	Full	100%	100%
Delta Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	-
Delta MA Energia S.A.	Maranhão	Controlled - Indirect	Full	100%	-
NK 173 Empreendimentos e Participações	São Paulo	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento Comercializadora Energia Ltda. ("OMDC")	São Paulo	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 3 S.A. ("OD3")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 4 S.A. ("OD4")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 5 S.A. ("OD5")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 6 S.A. ("OD6")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 7 S.A. ("OD7")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 8 S.A. ("OD8")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 9 S.A.	Maranhão	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 10 S.A.	Maranhão	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 11 S.A.	Maranhão	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 12 S.A.	Maranhão	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 13 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 14 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 16 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 17 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 19 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 2 S.A. ("OD2")	Bahia	Controlled - Indirect	Full	100%	100%
Omega Desenvolvimento de Energia 21 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia 22 S.A.	Bahia	Controlled - Indirect	Full	100%	-
Omega Desenvolvimento de Energia do Maranhão S.A.	Maranhão	Controlled - Indirect	Full	100%	-

Companies domiciled in the United States	State	Subsidiary Consolidation	Interest		
			2022	2021	
Development					
FGE Goodnight I	Texas	Controlled - Indirect	Full	100%	-
FGE Goodnight I LLC	Texas	Controlled - Indirect	Full	100%	-
FGE Goodnight II LLC	Texas	Controlled - Indirect	Full	100%	-
FGE Goodnight LLC	Texas	Controlled - Indirect	Full	100%	-
FGE Goodnight Wind Project	Texas	Controlled - Indirect	Full	100%	-
Goodnight I Class B Member LLC	Texas	Controlled - Indirect	Full	100%	-
Goodnight I TE Partners LLC	Texas	Controlled - Indirect	Full	100%	-
Omega Digital Renewable Energy LLC	Texas	Controlled - Indirect	Full	100%	100%
Omega US Holding I LLC	Texas	Controlled - Indirect	Full	100%	-
Omega US Holding II LLC	Texas	Controlled - Indirect	Full	100%	-

- (i) Omega Geração is a holding company that operates in both generation and market energy.
- (ii) Companies contributed (Note 4.4).
- (iii) Company acquired on December 1, 2022 by Omega Geração, formerly a Omega Desenvolvimento company.
- (iv) Acquisition of 50% of Ventos da Bahia 3 Geração de Energia S.A. (Note 4.9).
- (v) Companies formed for the purpose of coordinating and controlling of electricity generation and transmission.

2.5 Significant accounting policies

The Company has not early adopted any accounting standards or interpretations that that are not yet effective. The accounting policies of the subsidiaries and joint ventures are adjusted, when applicable, to ensure consistency with the policies adopted by Serena Energia.

Details of accounting policies are included in the respective notes, with a summary of the policies for accounting recognition and measurement basis used by Serena Energia.

2.6 Current versus noncurrent classification

The Company presents assets and liabilities in the balance sheet based on their classification as current or noncurrent. An asset is classified as current when: (i) it is expected to be realized, or it is intended to be sold or consumed in the normal course of the entity's operating cycle; (ii) it is maintained essentially for the purpose of being traded; (iii) it is expected to be held for less than 12 months after the reporting date; and (iv) it is cash or cash equivalent (as defined in Accounting Standard CPC 26 - Presentation of finance statement). All other assets are classified as noncurrent.

A liability may, at the option of the counterparty, be settled through the issuance of equity instruments without affecting its classification. Serena Energia classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

2.7 Critical accounting estimates and use of judgment

The preparation of the financial statements requires the use of certain critical accounting estimates and judgments by the Company's Management. These estimates and the respective assumptions are based on the best knowledge existing in each fiscal year. Changes in facts and circumstances may lead to a revision of estimates, whereby actual future results may differ from those estimated.

Estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in future periods if the revision affects both current and future periods.

The significant estimates and judgments used by Serena Energia in the preparation of these financial statements are presented in the following notes:

Note	Significant estimative and judgment
5	Business combination and Shareholders' transactions
13	Intangible
18	Federal deferred tax (IR/CS) – asset
28	Legal proceedings
29	Energy futures contract

2.8 New accounting standards and interpretations

The IASB and CPC issued new standards and amendments to current standards. The significant amendments are listed below:

- **Change in IAS 1/CPC 26(R1) and IFRS Practice Statement 2 – Disclosure of accounting policies:** change in the term “significant accounting policies” to “material accounting policies”. The amendment also defines what is "material accounting policy information", explains how to identify them and clarifies what non-material accounting policies information do not need to be disclosed, but if they are, which should not obscure relevant accounting information. The "IFRS Practice Statement 2 Making Materiality Judgments", also amended, provides guidance on how to apply the concept of materiality to accounting policy disclosures.
- **Change in IAS 8/CPC 23 – Accounting policies, change of estimate and rectification of error:** amendment clarifies how entities should distinguish changes in accounting policies of changes in accounting estimates, since changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to transactions and other past events, as well as the current period.
- **Change in IAS 12/CPC 32 – Taxes on profit:** the change requires that entities recognize deferred taxes on transactions that, upon initial recognition, originate equal amounts of taxable and deductible temporary differences. This normally applies to leasing transactions (right-of-use assets and liabilities) and decommissioning and restoration obligations, for example, and requires the recognition of additional deferred tax assets and liabilities.
- **Change in IAS 12/CPC 32 – Taxes on profit:** in December of 2021, the Organization for Economic Cooperation and Development (OECD) published the rules for the Pillar Two model aiming to reform the international corporate taxation to ensure that multinational economic groups within the scope of these rules pay tax on the minimum effective profit at a rate of 15%. The effective tax rate on the profit for each country, calculated in this model, was denominated “GloBE effective tax rate”. These rules must be approved by the local legislation of each country, with some of them already having enacted new laws or in the process of discussing and approval.

The amendments that became effective on January 1, 2023 described above did not have a material impact on the financial statements. In relation to the regulations under discussion in the IASB or with an effective date established in future years, Serena Energia is following the discussions and so far has not identified any possibility of occurring significant impacts.

2.9 Restatement

The Company is restating its financial statements as of December 31, 2022, originally approved by the Board of Directors on February 27, 2023, due to the following matters mentioned below:

(i) The Company changed the measurement and recording of positions in the energy trading contracts portfolio to an approach considering only the mark-to-market valuation (contracted volume multiplied by the difference between the contract price and the future price based on the energy forward curve) for the same settlement period. Previously, the Company adopted the approach of presenting the contracted flow plus the mark-to-market valuation. The change in approach aims to align the Company with the most common market practices and with IFRS 9/CPC 48 and does not generate variation in the net position between assets and liabilities, nor does it impact equity or the effect on the result from the mark-to-market valuation of contracts previously presented.

(ii) For a better presentation, the Company opened a new item in the balance sheet specifically for "Recoverable Taxes", previously presented under the "Other assets" item.

(iii) For a better presentation, the Company identified a correction in the cash flow of investments and consequently opened the item "Financial Investments" in the balance sheet, for better presentation. The change does not affect the comparative balances, including the correction of the investment cash flow in the cash flow statement.

(iv) In accordance with the best corporate governance practices, the management approved the change in classification of right-of-use assets, from Intangible to Fixed Asset

(v) The Company changed the equity equivalence balance in the amount of R\$2,983, thus affecting profit and loss and subsequently the basic and diluted earnings per share, in the amount of R\$ 0,22 cents per share.

(vi) For better presentation, the Company has highlighted a specific line in the balance sheet for the item "Related Parties," previously presented under the "Other Assets" and "Dividends Receivable" items.

The effects of the restatements are presented below:

	Parent Company		
	2022		
	Presented previously	Adjustment	Restated
Asset			
Cash and cash equivalents	344,829	(344,778)	51
Financial investments (iii)	-	344,778	344,778
Recoverable taxes (ii)	-	2,278	2,278
Related parties (vi)	-	7,304	7,304
Other credits	9,759	(9,582)	177
Current	344,588	-	354,588
	Consolidated		
	2022		
	Presented previously	Adjustment	Restated
Asset			
Cash and cash equivalents	1,472,998	(1,387,357)	85,641
Financial investments (iii)	-	1,387,357	1,387,357
Recoverable taxes (ii)	-	118,900	118,900
Dividends receivable (vi)	4,040	(4,040)	-
Related parties (vi)	-	24,968	24,968
Energy futures contract (i)	960,488	(447,464)	513,024
Other credits	225,548	(139,828)	85,720
Current	2,663,074	(447,464)	2,215,610
Recoverable taxes (ii)	-	12,906	12,906
Related parties (vi)	-	47,261	47,261
Energy futures contract (i)	1,472,260	(1,099,891)	372,355
Other credits	70,405	(60,153)	10,252
Fixed assets (iv)	9,582,976	103,057	9,686,033
Intangible (iv)	1,565,901	(103,057)	1,462,844
Non current	12,691,542	(1,099,891)	11,591,651
Liabilities			
Energy futures contract (i)	949,542	(447,464)	502,078
Current	949,542	(447,464)	502,078
Energy futures contract (i)	1,394,063	(1,099,905)	294,158
Non current	1,394,063	(1,099,905)	294,158

The adjustments did not have effects on other parts of the individual and consolidated financial statements, except for the adjustment in item (v) which affects the result of the year in the line "Equity in earnings," changing from R\$ 18,254 to R\$ 15,271, net worth in a reclassification between lines, and in the cash flow, as summarized below:

	Parent Company		
	2022		
	Presented previously	Adjustment	Restated
Cash Flow Statements			
Net cash provided by (used in) operating activities (iii)	36	(14,092)	(14,056)
Cash provided by (used in) investing activities (iii)	(505,322)	(330,686)	(836,008)
Cash generated from financing activities	850,115	-	850,115
Net increase (decrease) in cash and cash equivalents	344,829	(344,778)	51
Cash and cash equivalents at beginning of the year	-	-	-
Cash and cash equivalents at end of the year	344,829	(344,778)	51

	Consolidated		
	2022		
	Presented previously	Adjustment	Restated
Cash Flow Statements			
Net cash provided by (used in) operating activities (iii)	43,433	38,864	82,297
Cash provided by (used in) investing activities (iii)	(2,817,616)	(1,426,235)	(4,243,851)
Cash generated from financing activities	3,053,013	-	3,053,013
Net increase (decrease) in cash and cash equivalents	278,830	(1,387,371)	(1,108,541)
Cash and cash equivalents at beginning of the year	1,194,182	-	1,194,182
Cash and cash equivalents at end of the year	1,473,012	(1,387,371)	85,641

3. RISK MANAGEMENT

Serena Energia carries out risk management to support the achievement of its goals and to ensure the Company's financial strength and flexibility and business continuity. In the governance structure, the Board of Directors has an Audit and Risk Committee, which, among other attributions, is responsible for supporting the Board of Directors in decisions regarding risk management through recommendations and monitoring. The Company also has an internal audit processes.

Serena Energia's risk management strategy aims to provide an integrated view of the risks that the Company is exposed, through a matrix of risks and impacts, reviewed and updated periodically, which covers the operational, financial, technology, legal, regulatory, people management areas and others.

Several risks are mapped, classified by their relevance, as below:

- Operational risk: related to the operational efficiency of assets, availability of systems, energy generation deviations, people and internal processes;
- Risks of development and implementation of new projects: related to the research and development phases, civil and engineering works for the construction of renewable energy assets;
- Hydrological and climatic risks: related to the energy reallocation mechanism (ERM) and estimated affluence, solar light and wind incidence in the climatic subregions where the assets are located;
- Market risk: related to prices, inflation and interest rates;
- Credit risk: related to customer loans and financial investments;
- Liquidity risk: related to the nonfulfillment of financial obligations.

Risk	Exposure	Methodology	Management
Operational risk	Operating revenue and cost, maintenance and energy purchases	Monitoring available energy production	ERP
Risk of development and implementation of new projects	Cash and cash equivalent	Cash flow forecast	Operational efficiency insurance Assets development contracts
Hydrological and climate risks	Gross profit	Energy reallocation mechanism (ERM), estimated affluence, solar light and wind incidence in the climatic subregions where the assets are located	Energy sales contract in regulated and free market
Market risk - rate fluctuation	Future commercial transactions	Cash flow forecast Sensitivity analysis	Fixed terms future contracts
Market risk - interest rate	Assets and liabilities in foreign currency Long term loan with variable interest rates	Sensitivity analysis	Interest rate Swaps
Credit risk	Cash and cash equivalent, trade account receivable, investment in debt instrument and contract assets	Due date analysis Credit assessment	Multiple financial companies Credit/ratings limit monitoring Guidelines investment in debt instruments
Liquidity risk	Loans and other liabilities	Cash flow forecast	Available credit lines

3.1 Operational risks

Certain subsidiaries of Serena Energia hire professional service providers for the operation and maintenance ("O&M") activities of its power generation plants, usually the equipment supplier; if these services are not properly rendered, Serena Energia may suffer a relevant adverse effect. The management of this risk is carried out in order to guarantee the operational efficiency of the plants with maintenance plans on weekly basis, as well as preventive maintenance plans and routine inspection of the assets on a semester basis and timely monitoring of energy generation in the plants, in order to carry out necessary interventions, including service providers, to correct deviations.

Serena Energia depends on technical professional service in the execution of the activities; should these professionals leave the Company, there will be an additional cost to hire and train new employees. Serena Energia's people management area has a structured process for hiring and/or replacing key people for the organization's technical and leadership positions, as well as maintaining objectives and programs for the continuous development and retention.

Serena Energia's processes and systems operate an ERP that ensures the integration of the business area information with Serena Energia's accounting and management systems which are updated periodically to capture relevant procedural changes and advances in the technology environment. The Company has several lines of insurance contracted, all in accordance with the best market practices and with the objective of transferring and/or mitigating the risks to which the company is exposed.

3.2 Risks of development and implementation of renewable energy projects

The risks of development and implementation of new energy projects arise from the need of liquidity/capital to carry out the project implementation phases to the risks involving the development phase, such as: land risk, predictability of production resources, environmental licenses and authorizations, risks of accidents involving third parties and Serena Energia's employees, among others directly linked to the activity of developing and implementing new renewable energy projects.

3.3 Hydrological and climatic risk

The energy generated by Small Hydropower Plants ("SHPs") depends on the hydrological state of the rivers of the regions where they are located. Due to regulatory requirements in Brazil, the revenue from the sale of energy from SHPs may not be recognized according to the energy generated, but by the physical guarantee of each plant, determined by the granting authority, in an optional mechanism called ERM, which shares energy, transferring the surplus energy from those that have generated energy beyond their individual physical guarantees to those who have generated energy below such guarantee. The option is made annually.

Any differences between the generation and physical guarantee of the ERM are adjusted proportionally among the participants, and the amount of this adjustment is evaluated at the Settlement Price of Differences ("SPD"), by applying an adjustment factor known as Generation Scaling Factor (GSF). As a result, there is a systemic risk related to ERM operations.

SHP Serra das Agulhas and SHP Pipoca (non-consolidated joint venture) participate in this mechanism and with an exposure of approximately 2.2% of the Company's portfolio with exposure to this risk, considering the installed capacity of the plants. This is a potential risk, but with a low impact to the Company.

For Serena Energia's wind assets, most energy sales agreements in the regulated market have a structure that mitigates

the financial impact of intermittent wind resource. The agreements are contracted under an availability model, with monthly payments, but no monthly obligation to deliver energy. In addition, for quadrennial range contracts, for annual obligations lower and higher generation ranges are defined so that there is no economic impact on the assets if energy generation is within those ranges (lower being -10% and higher limits being 30% for the 1st year, 20% for the 2nd year, 10% for the 3rd year and 0% for the 4th year; stabilizing the financial flow). Changes in generation are necessarily equalized only every four years, when any negative or positive change is settled. Among Serena Energia's ACR-contracted wind farms, only CGU Delta 5 and CGU Delta 6 are not subject to this mechanism, as the generation changes are adjusted annually.

The solar assets present in Serena Energia's portfolio, through participation in the Pirapora Complex (Joint Venture), include energy sales contracts in the regulated market with a structure that mitigates the financial impact of intermittent solar resources, in which the contracts are carried out under a reserve power model, with monthly payments, but no monthly obligation to deliver energy. However, the contracts have annual obligations that are defined based on lower and higher generation bands, equalizing the annual delivery of the contract. The generation surplus or deficit impacts the cash flow of the subsequent year in the form of variable revenue applied to fixed revenue, being valued as follows for energy deviations:

- energy variation lower than -10%, valued at the contract price plus 15% penalty;
- energy variation less than 0% and greater than -10%, valued at the contract price plus 6% penalty;
- positive energy variation between 0% and 15%, valued at contract price;
- positive energy variation above 15%, valued at 30% of the contract price.

3.4 Market risk

3.4.1 Interest rate

The risk related to interest rates arises from fluctuations in market rates. Serena Energia's exposure is mainly from its loans and financing and short-term investments with fixed or floating interest rates, linked to the TLP, CDI and inflation indexes. The financial instruments portfolio is monitored monthly, enabling for finance income (expenses) and their impact on cash flow. Inflation could accelerate affecting the current long-term energy sales agreements with inflation adjustment clause; these serve as a natural hedge for debts and obligations indexed to inflation rates. A sensitivity analysis on the impacts arising from this risk is presented in Note 29.2.

Serena Energia trades energy in the Regulated Contract Environment ("RCE") and the Unregulated Contract Environment ("UCE"). In the RCE, sales occur through contracts from energy auctions, in which prices are predetermined, adjusted by an inflation rate. In this environment, the risk of market prices and PLD fluctuations arise from energy balance adjustments, when the generation is different from the energy sold, settled in the short term by the Electric Energy Sales Chamber ("EESC"), as per the rules of each contract and the respective bands, as described in the hydrological and climate risk item above. A substantial portion of the traded energy is linked to the contracts in RCE, which reduces Serena Energia's exposure to price changes. In order to strategically adjust the position to market, Serena Energia may adopt the energy de-contracting option, which consists of removing the generated energy from RCE to trade it in UCE, according to the rules of ANEEL.

In the UCE, Serena Energia sells available energy in short, medium, and long-term contracts, optimizing prices and minimizing the risk of exposure to short-term prices (spot or PLD). In general, the portion of assets linked to the UCE is the difference between generation and sales settled in the short-term market by CCEE. Factors related to liquidity of the energy market may affect market prices.

3.4.2 Rate exchange

Omega is exposed to foreign exchange risk arising from the international exposure of its subsidiary Omega Digital Renewable Energy to the local currency of operation, as the company maintains its development and future operations projects in the United States, its net assets are exposed to the U.S. Dollar. This exposure is mainly mitigated by loans in the same currency as the investments.

Omega Digital Renewable Energy is exposed to U.S. Dollar loans which bear interest, payments and amortization U.S. Dollars. The Company has hedges to protect this operation.

Omega's policy is that Group companies manage their foreign exchange risk in relation to their functional currency through hedging operations, conducted under the guidance of the Group's Treasury. Foreign exchange risk occurs when future trading operations, assets or registered liabilities are held in currency other than the entity's functional currency.

3.5 Credit risk

Credit risks arise from Serena Energia's commercial operations, including future sale commitments already contracted, or from financial investments.

In order to minimize credit risk in the energy sales agreements for free consumers, traders and generators in UCE, Serena Energia performs an analysis and establishes, in accordance with its Credit Policy, the guarantees required from these counterparties. All loans from customers and their exposure to various sectors of the economy are evaluated periodically to maintain portfolio diversification and to reduce exposure to sector-specific risk.

In the RCE, customers agreements are signed in auctions held by ANEEL, through EESC, which contractual standard set in the Energy Trading Agreement in ANEEL Rule No. 109/2004 requires financial guarantees as a requirement for executing the agent market transaction within EESC. This mechanism minimizes the credit risk of the counterparty in these agreements in operations settled in the short term.

For financial investments, credit limits are assessed and applied for each counterparty to which the Company has credit exposure. Serena Energia seeks to diversify the portfolio and requiring different solvency and liquidity indicators of the various counterparties.

The book value of financial assets represents the maximum credit exposure at the balance sheet dates and is summarized below:

	Note	Consolidated	
		2022	2021
Cash and cash equivalent	6	1,472,998	1,194,182
Trade account receivables	7	357,208	316,044
Restricted cash	6	211,069	229,299
Energy futures contract		885,379	229,299
Total		2,926,654	2,024,459

In management's assessment, there is no concentration risk in customers or suppliers since the Company has a diversified portfolio of energy purchase and sale contracts involving all regions and most industries in Brazil.

3.6 Liquidity risk

The liquidity risk refers to the possibility of Serena Energia not fulfilling its contractual obligations on the due dates and experiencing cash flow difficulties due to market liquidity restrictions. The more significant financial liabilities are with BNB, BNDES, debentures issued, RCE-related accounts payable and operating leases. The contractual maturities are detailed in Notes 14, 15 and 19.

Serena Energia monitors the expected level cash inflows and outflows by subsidiary, to ensure sufficient cash is available. Capital advance or reserve accounts linked to the projects may be used for specific cash coverages.

The risk of debt acceleration could arise in Serena Energia subsidiaries which have financing agreements with covenants normally requiring compliance with economic and financial ratios, cash generation and others. These covenants have been fully complied with and do not limit the Company's ability to conduct its operations in the normal course of business (Note 14.5). Management continually monitors the Group's forecast liquidity requirements and covenant limits to ensure sufficient cash will be available to meet its operational and contractual needs. These forecasts take into account Omega's debt financing plans, compliance with clauses, compliance with the internal goals of the balance sheet quotient and, where applicable, external or legal regulatory requirements - for example, currency restrictions.

Any surplus cash generated by operating entities is applied in short-term securities of high liquidity, subject to insignificant risk of change in value, to assist meeting forecast cash obligations. At the balance sheet date, Omega maintained short-term funds of R\$ 1,473,012 (2021 R\$ 1,194,182) and other net assets of R\$ 314,586 (2021 R\$ 305,064) that are expected to generate cash inflows to help manage liquidity risk. Certain investments are carried out in the long term, restricted cash, to meet guarantees linked to the financing obtained from BNDES, BNB and Debentures of the projects (Note 14).

3.7 Technology and Information Risks

The risk is associated with failures, unavailability or obsolescence of IT equipment, communication, logistics and operational management systems at Serena Energia offices as also at its main turbine supplier. This could impair or interrupt the Group's regular activities, including the generation of energy from wind, solar and hydro sources, affecting its entire value chain (customers, suppliers, partners and regional units). Risk also arises from errors or fraud, internal or external, in computerized systems when capturing, recording, monitoring and correctly reporting transactions or positions. Risks arise from cyber attacks which may attempt to restrict availability of assets, confidentiality, integrity, availability of data or computer systems.

The 24x7 Security Operations Center (SOC) is the core of the organization's cybersecurity program and responsible for identifying and responding to cybersecurity incidents. Threat Intelligence is collected from sources experiencing current or potential attacks. Information is analyzed and organized to minimize and mitigate cybersecurity risks.

3.8 Capital management

The Company manages its capital with the objective of maximizing investor returns, optimizing the capital structure considering the economic conditions, competitive environment and financial covenant requirements. In order to maintain or adjust the capital structure, the Company may adjust the payment of dividends to shareholders, return capital or issue new shares.

The Company's capital structure comprises third party debt and shareholders' equity, which includes capital and income reserves. The net debt-to-equity ratio was as follows:

	Note	2022	Consolidated 2021
Loans, financing and debentures ^(*)	14	8,438,308	6,106,193
(-) Deposits related to debt service	7	(211,069)	(229,299)
(-) Cash, cash equivalents and restricted cash	7	(1,472,998)	(1,194,182)
Consolidated net debt		6,754,241	4,682,712
Equity	20	5,171,274	4,306,249
Net debt /Equity		1.31	1.09

(*) Excluding debt issuance costs.

The Company and its subsidiaries' loans specify debt ceilings, some of which calculated based on EBITDA, the most restrictive currently being 4.5x the net debt-EBITDA for Omega Geração. For SPEs already operating commercially, an usual covenant is the Debt Service Coverage Ratio (DSCR), and the most restrictive financing stipulates a minimum DSCR of 1.3x. The details of the covenants on December 31, 2022 are disclosed in Note 14.5.

3.9 Insurance coverage

The Company maintains civil and property liability insurance that covers, among other risks, fire or damage to Serena Energia and its subsidiaries' properties, such as electric/material damages, machine breakdown, theft of property, windstorm, hurricane, cyclone, tornado, hail, lightning strike, explosion, implosion, and strike of aircraft, as well as damages caused to third parties. In addition, Serena Energia also has coverage of loss of profits covering also fixed expenses as a result of material damages incurred in interrupting its business for a period up to 12 months. Serena Energia understands that risks of interruption to its business are low because of the diversification of its portfolio. The total amount of insurance coverage is approximately R\$ 9.9 billion. Management believes that insurance is adequate.

Serena Energia has engineering insurance for risks for all assets under construction (Assuruá 5 and part of Assuaruá IV - R\$ 1.9 billion). Insurances covers the entire period of construction and commissioning of the assets consistent with best market practices.

4. SIGNIFICANT CORPORATE EVENTS

The following events had a significant impact on the Group's financial position, either due to their nature or because of the amounts involved:

4.1 Acquisition of the remaining portion of Assuruá 4, Assuruá 5 and expansion projects

On March 7, 2022, the Company released a Material Fact Notice to the market advising that it had executed a binding agreement to acquire all the rights and obligations related to the Assuruá project. As a result, the Company (i) increased its interest in the units under implementation - Assuruá 4 (211.5 MW) and Assuruá 5 (243.6 MW) to 100% through the convertible debentures; and (ii) acquired all assets and rights related to the wind and solar expansion projects that, together, may generate up to 617.6 MW in additional installed capacity with the right to a 50% discount on transmission tariffs under the Federal Law no. 14,120.

4.1.1 Acquisition of debentures from Assuruá 4 and Assuruá 5 and payment of development premiums

The operation involves: (i) the acquisition of convertible debentures issued by Assuruá 4 and Assuruá 5 via (a) payment in cash of R\$ 57,200 within 90 days of the acquisition, and (b) merger of the company that will hold the remaining debentures (Omega Desenvolvimento de Energia 18 S.A. ("OD18")), followed by an issuance by Omega of 14,484,007 new shares to be provided to the current debenture holders and (ii) payment of two installments of R\$ 51,250 in 2022 and 2023, and two installments of R\$ 3,990 in 2024 and 2025, plus interest based on the CDI rate to cover development premiums.

On April 29, 2022, an Extraordinary General Meeting approved the capital contribution of OD18 to the Company and subsequent extinction of OD18, the Company having assumed all its rights and obligations. Omega's share capital was increased by R\$ 22,943, with the issuance of 14,484,077 new shares at a share issue price of R\$ 1.5840182560, to be allocated to the former owners of OD18 upon completion. The accounting effects of this operation were recorded in the second quarter.

The book balance of assets and liabilities in the capital contribution process are as follows:

Consolidated balance on April 30, 2022	
Cash and cash equivalents	23,190
Assets	23,190
Labor and tax obligations	121
Liabilities	121
Total net assets	23,069
Equity at March 31, 2022	22,943
Gain in net income	126

4.1.2 The CEA VI - Centrais Eléctricas Assuruá VI SPE S.A. ("CEA VI") Acquisition

On March 7, 2022, the Company released a Material Fact Notice to the market advising that it had acquired expansion projects of the Assuruá complex for R\$ 92,562. The transaction was not treated as a business combination because, following an assessment, management concluded that it had acquired the assets rather than the business. The accounting effect was in intangible assets of R\$ 90,800.

The purchase price was split into 2 installments, as detailed below:

Item	R\$
Installment to be paid on March 6, 2024	45,302
Installment to be paid on March 6, 2025	47,260
Total acquisition amount to be paid (¹)	92,562

(¹) Bearing CDI interest.

4.2 The Actis Transaction

On June 27, 2022, the Company released a Material Fact Notice advising the market of the conclusion of a shareholders' agreement between the controlling shareholders of the Company and Alpha Brazil Fundo de Investimento em Participação Multiestratégia, an investment fund held by investors under the management of Actis LLP ("Actis"). The shareholders' agreement became effective on June 30, 2022, when Actis acquired over 10% of the Company's total share capital.

Actis and the Company also executed, on the same date, an Investment Commitment, whereby the Company could require Actis to subscribe an increase in the Company's capital for new shares issued in the amount of up to R\$ 850 million, for an issue price of up to R\$ 16.00 per share.

On December 16, 2022, 53,132,188 shares were subscribed and paid at the price of R\$ 16.00 per share, totaling R\$ 850,000 representing 26.82% of the Company's capital. On this same date, other shareholders paid in R\$ 115.

4.3 The Goodnight acquisition

On June 30, 2022, the Company acquired projects for the implementation of a wind complex in the state of Texas, United States, for R\$ 408,570 (USD 78,001). The transaction was not considered to be a business combination, as following a concentration test, management concluded that it had acquired a set of intangible assets, comprising wind data, wind turbine layout and transmission network and a technical capacity factor study. This was recorded as an increase in intangible assets of R\$ 408,570.

The purchase price was split into four installments as below:

Item	R\$
Installment paid in the first semester of 2022	179,538
Installment paid in the second semester of 2022	93,917
Installment to be paid in 2023	51,674
Installment to be paid in 2024	83,441
Total purchase consideration (1)	408,570

(1) Includes balance payable.

4.4 Commercial agreement with M. Dias Branco and merger of companies

On June 10, 2022, Serena Energia signed a commercial agreement with M. Dias Branco, granting that company a non-controlling interest in the Delta 7 and 8 wind farms, located in Maranhão, with a contracted volume of 18 MW. The partnership agreement terminates after 15 years and expects to avoid approximately 300,000 tons of carbon dioxide (CO₂) being released into the atmosphere. The closing of the transaction was subject to certain conditions precedent, including, among others, the approval of the Administrative Council of Economic Defense - CADE. These conditions precedent were met in the second half of 2022, and the transaction completed on July 18, 2022, when the share transfer was completed.

The July 2022 Annual General Meeting of Delta 7 and 8 Holding S.A. approved the merger of Delta 7 Energia S.A and Delta 8 Energia S.A and Delta 7 Energia S.A. Both companies were then extinguished and Delta 7 and 8 Holding became clusters of the Delta 7 and 8 owners.

On August 30, 2022, Omega Geração completed the sale of 24.5% interest in Delta 8 Energia S.A and Delta 7 Energia S.A. The total to be paid by M Dias Branco to Omega for the acquisition of the shares is R\$ 9,000 in two installments. In August and December 2022, the Company received the 1st and 2nd installments in the amount of R\$ 4,715 and R\$ 4,712 with interest. Omega Geração now present a balance of non controlling interest in its financial statements.

4.5 Option exercised to Purchase Omega Desenvolvimento do Maranhão S.A. ("ODMA")

On June 30, 2022, the Company exercised the option to purchase Omega Desenvolvimento do Maranhão S.A., for amount corresponding to all proven costs and expenses incurred to date. As there were no expenses between the dates of subscription of the option and its exercise, no amount was assigned to the purchase price.

As a result of this transaction, the Company recognized an unsecured liability in the amount of R\$ 2,446 against an expense "Other operating income and expenses".

The assets and liabilities are presented below:

Consolidated balance on June 30, 2022	
Cash and cash equivalents	42
Other assets	507
Property, plant and equipment	(2,653)
Assets	(2,104)
Trade account payable	2
Labor and tax obligation	4
Other Liabilities	335
Liabilities	341
Total unsecured liability	2,446

4.6 Offshore loan

In June 2022, Omega Digital Renewable Energy contracted offshore loans of US\$35,000,000 and US\$15,000,000, equivalent to the date of disbursement to R\$182,749 and R\$79,713, respectively, which bears interest of 3.70% p.a.

Both loans originally matured in September 2022; following a renegotiation this was deferred to January 2023, accruing interest of 6.15% p.a. between September 2022 and January 2023. In January 2023 maturity was further deferred to August 2024 bearing interest at 7.50% p.a. The principal is denominated in US Dollars and is payable in a single bullet installment at maturity, interest being payable every six months from August 2022.

In August 2022, Omega Digital Renewable Energy contracted US\$100,000,000 offshore loan, equivalent at that date to R\$ 512,470,000. Interest accrues at 5.65% p.a. being payable every six months from February 2023. The maturity date for the US Dollar denominated principal is August 2024.

4.7 Reorganization of Assuruá 5 Holding and OD4

On August 1, 2022, the Extraordinary General meeting approved, the transfer of all shares of Assuruá 5 Holding S.A., held by Omega Desenvolvimento S.A., to Omega Desenvolvimento de Energia 4 S.A. The net assets at the date of the transfer were R\$ 188,383, represented by 298,269,600 common shares.

4.8 Financing arrangement

On December 20, 2022, the Company released a Material Fact Notice advising the market of the execution of an agreement with Goldman Sachs Lending Partners LLC, for a binding investment commitment for underwriting a shareholding, under certain conditions, in Goodnight I TE Partners, LLC, a special purpose entity that holds the Goodnight I project. The total estimated investment will be between US\$ 180 million and US\$ 200 million under a Tax Equity investment model.

In addition to the tax equity model investment, a subsidiary of the Company entered into a financing agreement with a syndicate of banks comprising MUFG Bank, Ltd, Sumitomo Mitsui Banking Corporation and Cooperative Rabobank U.A., New York Branch. The amount raised will be approximately US\$ 40 million. As part of the contract, the banking syndicate will grant a loan to support the construction of the project through to completion. Goodnight 1 is expected to have a capacity to generate the first 265.5 MW of the windfarm complex that could reach an installed capacity of 531 MW by 2023.

4.9 Acquisition of 50% of VDB 3

On December 23, 2022, the Company released a Material Fact Notice complementing the Omega Geração Material Fact Notice of July 28, 2021, advising of the acquisition of 50% of the shares of the Windfarm Ventos da Bahia 3, held by EDF Renewables do Brasil. Ventos da Bahia 3 has an installed capacity of 181.5 MW.

The purchase consideration was R\$ 203,7 million, of which R\$ 196,6 million was paid in cash and R\$ 7,2 million through assumed indebtedness. A price adjustment of R\$ 7,155 was recorded as an accounts payable due to differences arising in the level of projected net indebtedness and working capital acquired between the closing date and the effective balance sheet date (Note 5.1.1).

5. ACQUISITION OF SHARES

Accounting policy

The acquisition method is used to register each business combination conducted by Serena Energia and consists in four steps:

- Determining the acquisition date;
- Determining the acquirer and the acquiree;
- Determining the consideration transferred due to control acquisition (purchase consideration) and
- Measuring the goodwill or gain from bargain purchase.

The acquisition date is the date on which Serena Energia takes control of the assets.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, which is valued based on the fair value at the acquisition date, and the value of any noncontrolling interest in the acquiree.

For each business combination, the acquirer measures the noncontrolling interest in the acquiree at fair value or based on its participation in the net assets identified in the acquiree. Costs directly attributable to the acquisition are recorded as an expense when incurred.

When acquiring a business, Serena Energia assesses the financial assets and liabilities assumed for the purpose of classifying them and allocating them in accordance with the contractual terms, economic circumstances and the pertinent conditions at the acquisition date, which includes segregation, on the part of the acquiree, of embedded derivatives existing in host contracts with the acquiree.

The consideration transferred for the acquisition of a business is the fair value of the assets transferred, including cash, liabilities incurred, and equity instruments issued by the Company on the acquisition date. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at fair value at the acquisition date, and the value of any noncontrolling interests in the acquiree.

Any contingent consideration to be transferred by the acquirer is recognized at the fair value at the date of acquisition. Subsequent changes in the fair value of the contingent consideration deemed as an asset or as a liability are recognized in accordance with accounting standard CPC 48 in profit or loss.

Costs related to an acquisition are recognized in the statement of operations for the year incurred.

Goodwill or gain on bargain purchase is measured by the difference between the fair value of assets acquired and liabilities assumed in relation to the consideration transferred and is recognized on the acquisition date. When the consideration transferred is greater than the fair value of assets, goodwill is recognized as an asset and tested for impairment. When it is lower, a gain on a bargain purchase is recognized in the statement of operations.

Intangible assets recognized under the business combination are accounted for in accordance with the accounting policy described in Note 13.

When a transaction involves the assumption of business control by Serena Energia, but without a change in the final interests of the controlling parties, the transaction is recorded at its book value, without any gain or goodwill.

The acquisition of participation in shared control businesses is also accounted for by the acquisition method, taking into account the proportion of the stake acquired in the assets and liabilities of the jointly controlled business.

Critical accounting estimative and judgment

Recognition of business combination requires Serena Energia to exercise critical judgment in determining the fair value of the assets and liabilities of the businesses being acquired. Therefore, Serena Energia analyzes assumptions about future conditions that are uncertain, including future energy prices, interest rates, inflation, weather conditions, operating costs and useful lives of assets. Changes in these assumptions may impact the business and the expected results may differ materially from the amounts estimated on the acquisition of control date.

5.1 Transactions in 2022

5.1.1 Acquisition of share in joint venture: Ventos da Bahia 3

On December 23, 2022, the Company acquired a 50% interest in Ventos da Bahia Complex 3 from EDF Renewables do Brasil (EDF EN do Brasil Participações Ltda.) (Note 4.9).

The transaction was executed by a purchase and sale agreement ("PSA"), dated July 28, 2021, under customary closing conditions, including approval by creditors and CADE; all conditions had been fulfilled or waived by December 23, 2022, the date on which the transaction was effected by the parties.

The transaction financial payment occurred on the agreement date with R\$ 196,6 million disbursement to the sellers.

Upon completion of the transaction, the Company and EDF concluded a shareholders' agreement, by which substantive decisions of the business must be made by mutual consent. The Company and EDF are entitled to appoint an equal number of members of the Board of Directors and the Executive Board.

The Company classified the investment as a joint venture, pursuant to CPC 18, recording its interest on the equity method, without full consolidation of its assets, liabilities and results. The transaction is initially being measured by the acquisition method as per CPC 18 and CPC15.

The Ventos da Bahia 3 complex is located in Mulungu do Morro (BA) and consists of four projects, totaling 181,5 MW of installed capacity and are fully operational.

Transaction costs of R\$ 919 were recognized in the statement of operations as administrative expenses.

In December 2022, the date of acquisition, the Ventos da Bahia 3 Complex had contributed a loss of R\$ 1,081 to the Company's results.

The Ventos da Bahia 3 Complex is composed of one holding company and four companies for special purpose entities. When allocating the transaction values, the Company concluded that there was only one cash generating unit using common utilities such as transformation substation and transmission lines.

(a) Consideration transferred by the interest acquisition

The transaction value was R\$ 203,724, of which R\$ 196,6 million was paid in cash and R\$ 7,155 is to be paid in 2023, as a price adjustment.

(b) Acquired assets and assumed liabilities

A summary of the acquired assets and assumed liabilities of the Ventos da Bahia Complex 3, at book values, adjusted to fair values at the date of acquisition, is as follows:

Consolidated on November 30, 2022	Balance Sheet	Fair value adjustment (i)	Adjusted Balance Sheet
Cash and cash equivalents	170,909	-	170,909
Trade account receivables	14,887	-	14,887
Other assets	3,935	-	3,935
Property, plant and equipment	732,772	-	732,772
Intangible	91	250,955	251,046
Total assets	922,594	250,955	1,173,549
Loans and financing	608,378	-	608,378
Trade account payable	9,012	-	9,012
Other liabilities	27,762	-	27,762
Total liabilities	645,152	-	645,152
Net holdings	277,442	250,955	528,397
Acquired percentage			50%
Share of equity			264,199

(i) Fair value adjustment

The Company contracted independent valuers to prepare fair value appraisals, as follows:

- **Cash, cash equivalents, receivables, liabilities, other assets and other operating liabilities:** represented by contracts performed under normal market conditions. Hence book values approximate fair values. There is no

expectation of loss for receivables;

- **Property, plant and equipment:** the assets of The Winds of Bahia Complex 1 and 2 are new, with construction completed on a date close to the acquisition; Hence book values approximate fair values under the replacement cost methodology;
- **Intangible:** the preliminary assessment resulted in the allocation of the excess purchase price to wind energy marketing contracts, as well as government authorization for wind energy exploration, as shown below:

Item	R\$	Average useful life	Assessment method	Assessment assumptions
Government authorization	125,477 (*)	51	<i>Income approach:</i> analysis of the company's projected results, before taxes, considering the volumes and prices contracted, as well as the costs of operation and maintenance, as well as other projected operating expenses. The charges on the contributory assets directly linked to the assets in question (CCS) were considered.	Projective period: up to 51 years Nominal rate 16.6%p.a. (real terms) Installed capacity: 181.5W EBITDA margin: 54.3%
Deferred federal tax (IR/CS)	(42,664)			
Total intangible assets	82,813			

(*) Equivalent to participation of 50%.

(c) Recognition of gain on advantageous purchase

Pursuant to item 32.b of CPC 18, an advantageous gain on the purchase of R\$17,813 of Ventos da Bahia Complex 3 was recognized at the date of acquisition corresponding to the amount by which the fair value of the assets exceeded the purchase consideration, as shown below:

	R\$ thousand
Transferred consideration (item (a))	(196.569)
Fair value of acquired assets and assumed liabilities - 50%	264.199
Purchase price adjustment	(7.155)
Taxes (IR/CS)	(42.662)
(=) Gain on advantageous purchase	17.813
Deferred tax liability - 34%	(6.056)
Deferred tax asset - PF/BN (30%)	1.815
Net effect on income	13.572

According to Law 12.973/14 and subsequent amendments, the purchase price for tax purposes reflects corporate transactions under commercial legislation, excluded from the calculation basis of federal tax (IRPJ and CSLL). Therefore, any accounting effect arising from the valuations to the fair value of assets, liabilities and equity instruments issued by the entity, as those required by standard CPC15(R1), are recognized only at the time of the sale or a corporate reorganization assuming the assets have not been written off.

Consequence, the advantageous purchase gain is treated as being a deferred tax timing difference. Therefore, the advantageous purchase gain of R\$ 17,813 generated a deferred tax liability of R\$ 6,056.

(d) Price adjustment

The PSA contains a purchase price adjustment clause that determines an additional payment to the transaction price should a difference arise between the net debt considered in the valuation of the companies and the net debt recorded at the close of the transaction. The preliminary amount calculated on the base date of December 31, 2022 was R\$ 7,155.

6. OPERATIONAL INFORMATION BY BUSINESS SEGMENT INFORMATION

The Company has been reporting its results, since 4Q22, divided into three segments aligned with the Company's strategy and consistent with management's vision of the business. These are: i) power generation operations, ii) sale of energy and iii) project development. The segments are consistent with management's basis of evaluation of the Group's performance and with internal reports used for monitoring and decision making. The chief operating decision maker for resource allocation and performance evaluation is the Executive Board and the Board of Directors, which use key information on energy generation average MWh and MW sale revenues, operations and maintenance expenses (O&M), general and administrative expenses (G&A). EBITDA is used, as is information on the capital structure and net income, as well as the Internal Rate of Return of each enterprise. For project development, a management and monitoring tool is used for physical and financial timetables.

The information presented shows the respective performance of each segment as derived from the records maintained according to accounting practices, with some relocations between the segments. The operational information on the assets for each segment follows:

		Number of operating sites	Location	Start date of long term contract	End date of long term contract	Installed capacity (MW)	Main contract term
Generation							
Omega Geração - Filial Chuí	Wind	23	Rio Grande do Sul	may-17	feb/47 e jun/49	582,8	ACL
Assuruá 1 e II	Wind	13	Bahia	apr/16 e apr/18	feb/49 e apr/50	303,0	LER
Delta 3	Wind	8	Maranhão	jan-18	apr-51	220,8	ACR - Auction A-3 2015
Ventos da Bahia 1 e 2 (*)	Wind	7	Bahia	sep/17 e sep/18	sep/49 e jun/51	182,6	ACR - Auction A-5 2013 e ACR - LER 2015
Ventos da Bahia 3 (*)	Wind	4	Bahia	jan-19	jan-54	181,5	LER 2015
Delta 2	Wind	3	Piauí	jan-18	aug/41, jul/49 e mar/51	74,8	ACR - Auction A-5 2013
Delta 7 e 8	Wind	3	Maranhão	oct-19	jan-54	97,2	ACL
Delta 1	Wind	3	Piauí	jul-14	apr-47	70,0	ACR - Auction A-3 2011
Delta 5	Wind	2	Maranhão	jan-19	mar-53	54,0	ACR - Auction Energia Nova no. 05/2017
Delta 6	Wind	2	Maranhão	jan-19	mar-53	54,0	ACR - Auction A-6 2017
Assuruá 3	Wind	2	Bahia	apr-19	jul-50	50,0	LEN
Omega Geração - Filial Gargaú	Wind	1	Rio de Janeiro	oct-10	oct-32	28,1	PROINFA
Indaiás	Hydro	2	Mato grosso do Sul	jul-12	mar-39	32,5	ACL
Serra das Agulhas	Hydro	1	Minas Gerais	jan-18	jul-43	30,0	ACR - Auction A-5 2013
Pipoca (**)	Hydro	1	Minas Gerais	oct-10	sep-31	20,0	ACL
Pirapora (*)	Solar	11	Minas Gerais	nov-17	may/50 e may/51	329,0	LER
Sale of energy							
Omega Geração Comercializadora de Energia Ltda	Trading	N.A.	São Paulo	N.A.	N.A.N.A.	N.A.	N.A.
OMC	Trading	N.A.	São Paulo	N.A.	N.A.N.A.	N.A.	N.A.
Omega Geração - Holding	Trading	N.A.	São Paulo	N.A.	N.A.N.A.	N.A.	N.A.
OMDC	Trading	N.A.	São Paulo	N.A.	N.A.N.A.	N.A.	N.A.
In development							
Assuruá 5	Project in progress	6	Bahia	jan-22	jan-57	243,6	ACL
OD4	Project in progress	4	Bahia	aug-21	aug-56	211,5	ACL
Project Goodnight	Project in progress	-	Texas (USA)	-	-	265,5	-

(*) Interest of 50%.

(**) Interest of 51%.

6.1 Statement of operations

The tables below show the Company's consolidated results distributed among the three reportable segments; corporate expenses and eliminations were presented in a single column, as follows:

	2022				
	Wind (1)	Trading (2)	Project development (3)	Corporate	Consolidated
Net operating revenue	1,311,066	1,069,872	2,642	-	2,383,580
MTM trading portfolio	-	53,095	-	-	53,095
Operating, maintenance and purchases cost	(586,437)	(1,181,457)	(509)	-	(1,768,403)
Gros profit (loss)	724,629	(58,490)	2,133	-	668,272
Selling, general and administrative expense	(89,596)	(3,169)	(10,934)	(39,358)	(143,057)
Other operating income (expense)	24,086	283	(3,094)	126	21,401
Equity method impact	44,854	-	-	-	44,854
Total operating income (expense)	703,973	(61,376)	(11,895)	(39,232)	591,470
Finance income	122,659	1,452	1,293	9,299	134,703
Finance cost	(672,452)	(43)	(20,429)	(543)	(693,467)
Net Income before tax	154,180	(59,967)	(31,031)	(30,476)	32,706
Tax (IRPJ e CSLL)	(36,951)	(2,589)	(1,197)	-	(40,737)
Net income (loss) for the period	117,229	(62,556)	(32,228)	(30,476)	(8,031)

	2021 (*)				
	Wind (1)	Trading (2)	Project Development (3)	Corporate	Consolidated
Net operating revenue	162,615	57,603	-	-	220,218
MTM trading portfolio	-	18,085	-	-	18,085
Operating, maintenance and purchases cost	(47,890)	(55,983)	-	-	(103,873)
Gros profit (loss)	114,725	19,705	-	-	134,430

Selling, general and administrative expense	(20,353)	(28,465)	4	15,909	(32,905)
Other operating income (expense)	695,188	(433)	(16)	1,420	696,159
Equity method impact	(1,251)	(9)	-	-	(1,260)
Total operating income (expense)	788,309	(9,202)	(12)	17,329	796,424
Finance income	4,145	139	-	3,282	7,566
Finance cost	(56,103)	(41)	-	(14,577)	(70,721)
Net Income before tax	736,351	(9,104)	(12)	6,034	733,269
Taxes (IRPJ e CSLL)	(63,813)	4,451	(263)	(75,413)	(135,038)
Net income (loss) for the period	672,538	(4,653)	(275)	(69,379)	598,231

(*) Period from December 19 to December 31, 2021, being the period of completion of the corporate reorganization (Note 2.2).

¹ Including Wind, Solar and Hydro segment companies.

² Including Omega Geração and OMC.

³ Including OD4, Assuruá 5 and Goodnight.

7. CASH, CASH EQUIVALENTS AND RESTRICTED MARKETABLE SECURITIES

Accounting policy

Cash and cash equivalents include cash, cash deposits and short-term temporary investments redeemable within 90 days from the investment date, with immediate liquidity and readily convertible into a known cash amount, subject to an insignificant risk of change in value, and recorded at cost plus income earned through the balance sheet date, which do not exceed their market or realizable value.

If the redemption of marketable securities are restricted because they are linked to loans or were assigned as a collateral in commercial transactions, they are recorded as short-term investments held to maturity, recorded at amortized cost and classified in noncurrent assets when maturity is greater than 12 months.

	Consolidated	
	2022	2021
Bank and operations with daily liquidity	85,641	87,155
Cash and cash equivalents	85,641	87,155
Marketable securities	1,387,357	1,107,027
Marketable securities - Restricted cash	211,069	229,299
Total	1,684,067	1,423,481

On December 31, 2022 cash and cash equivalents include bank accounts, Bank Deposit Certificates, , with daily liquidity.

Marketable securities classified as restricted cash and maintained in non-current assets include fixed income instruments, contracted under normal market conditions and rates, as a guarantee and linked to financing obtained from BNDES, BNB and Project Debentures (Note 14).

8. TRADE ACCOUNT RECEIVABLE

Accounting Policy

These are financial instruments classified as financial assets measured at amortized cost and represent the amounts receivable from the sale of energy by Serena Energia. Amounts receivable are initially recorded at fair value and subsequently measured at amortized cost, less any estimated losses to cover possible losses on their realization, when applicable.

Serena Energia uses a provision matrix to calculate the expected credit loss on accounts receivable. Provision are made for delinquent accounts grouped for multiple customers with similar characteristics. The provision matrix is based initially on the historical loss rates and is revised prospectively in order to reflect current and prospective information about macroeconomic factors that affect customers' ability to settle receivables.

	2022	Consolidated 2021
Surplus regulated contracts	59,161	45,852
LER Contracts	24,357	22,672
Proinfa contracts	12,220	1,232
MCP - CCEE	19,579	20,987
Free market consumers and distribution companies	230,860	202,697
Other account receivable	13,200	23,276
Expected credit loss allowance	(2,169)	(672)
Total	357,208	316,044
Stated in asset:		
Current	310,546	297,551
Non Current	46,662	18,493

Trade accounts receivable - regulated (LER, Proinfa and distributors): represented by accounts receivable from distributors and LER under contracts acquired in auctions, as well as contracts under PROINFA that are billed exclusively to Eletrobras. The prices are set in auction, adjusted by inflation rates. Balances are due in less than 45 days.

Free market consumers: represented by trade accounts receivable related to the energy generated by wind power and SHP assets and settled in the short term, at market price, traded by Serena Energia and its customers freely. Balances are due in less than 45 days.

MCP - CCEE: receivable from the energy position closing mechanism at CCEE, that adjusts the revenue billed monthly through physical guarantee recorded by Serena Energia in CCEE to the physical quantity generated and may represent an amount receivable or payable. In accordance with CCEE rules, these amounts are generally settled within 45 days. The credit risk of this asset is CCEE.

The balance receivable recorded in noncurrent assets results from CCEE recognition, whose contractual mechanics provides for settlement in a period exceeding 12 months.

MTM trading portfolio: Trading operations comprise forward positions, are traded in an active market and, for accounting purposes, comply with the definition of financial instruments at fair value.

Aging list of receivables:

	2022	Consolidated 2021
IRRF/CSLL (Social Contribution on Net Income)	94,651	65,618
PIS/COFINS (Social Integration Program/Social Contribution on Billings)	20,341	33,692
ICMS	3,460	2,694
Deferred taxes	10,806	3,836
FINANCIAL TRANSACTION TAX (IOF)	2,548	-
Total	131,806	105,840
Presented in assets:		
Current	118,900	100,649
Non-current	12,906	5,191

9. RECOVERABLE TAXES

	Consolidated	
	2022	2021
IRRF/CSLL	94,651	65,618
PIS/COFINS	20,341	33,692
ICMS	3,460	2,694
Deferred taxes	10,806	3,836
IOF	2,548	-
Total	131,806	105,840
Presented in assets:		
Current	118,900	100,649
Non-current	12,906	5,191

Recoverable taxes: include tax credits calculated at the federal (PIS, COFINS, IR and CSLL) and state (ICMS) levels arising from Serena Energia's commercial operations, financial investments and the acquisition of equipment. The IRPJ and CSLL balances include withholdings related to financial investments withdrawals. Commercial operations within the scope of PROINFA also have withholding of federal taxes.

10. OTHER CURRENT AND NONCURRENT ASSETS

	Consolidated	
	2022	2021
Advance to suppliers	12,590	22,836
Advance for the acquisition of companies	5,000	-
Expenses to allocate	51,297	16,866
Indemnity assets in the acquisition of companies	8,814	8,814
Court deposits (i)	583	15,377
Other (ii)	17,688	30,016
Total	95,972	93,909
Presented in assets:		
Current	85,720	188,885
Non-current	10,252	83,554

- (i) In December 2021, the Company deposited R\$ 15,000 in court as escrow for CER. This judicial deposit was released following a settlement negotiation with CER.
- (ii) In December 2021, the Company estimated contractual availability fine for wind turbines and insurance receivable. In the six months ended on December 31, 2022 these estimated amounts were received.

A summary of accounts is described below.

Advances to supplier: substantially related to equipment purchases for development.

Prepaid expense: related to prepaid insurance.

Indemnification assets on acquisition of company: indemnification rights arising from the acquisition of Assuruá 1 and Assuruá II related to contingent tax liabilities.

11. INVESTMENTS

Accounting policy

Serena Energia controls an entity when it can unilaterally affect its financial and operating policies, exposing itself to the variable returns arising from its involvement with the entity. The financial statements of subsidiaries are included in the consolidated financial statements as from the date control is acquired through to the date it ceases to exist. In the Company's individual parent company financial statements, the subsidiaries' financial information is recognized under the equity method.

Investments in joint ventures arise from interests in companies whose control is shared with one or more parties and neither party unilaterally carries out its financial and operating policies, and Serena Energia is only entitled to the net assets of that entity. These investments are accounted for using the equity method and are not consolidated.

Serena Energia's investment in subsidiaries and joint ventures includes the gains arising from the fair value of tangible and intangible assets recorded in interest acquisition under the acquisition method, in accordance with its accounting policy (Note 5). Gains or losses resulting from changes in equity interest in subsidiaries, which do not result in loss of control, are accounted for directly in equity.

11.1 Year ended on December 31, 2022

	Parent		
	Omega Geração	Omega Desenvolvimento	Total
Balance on December 31, 2021	4,188,717	117,781	4,306,498
Advance for future capital increase	-	505,000	505,000
Equity in results of investee	55,304	(37,050)	18,254
Loss on sale of interest in Delta 7 and 8 Holding	-	-	-
Capital increase with debenture assignment	-	23,512	23,512
Acquisition of OD15	21	(21)	-
Balance on December 31, 2022	4,244,042	609,222	4,853,264

	Consolidated								
	Surplus Pipoca		Surplus Pirapora		Surplus Ventos da Bahia 1 and 2		Surplus Ventos da Bahia 3		Total
Balances as of December 31, 2021	45,881	1,034	117,747	233,336	169,386	159,159	-	-	726,543
VDB3 Acquisition	-	-	-	-	-	-	138,721	82,814	221,535
Equity accounting income	17,011	(106)	30,171	(13,425)	20,536	(8,252)	(1,081)	-	44,854
Share capital reduction	-	-	-	-	(13,500)	-	-	-	(13,500)
Dividends declared	(14,240)	-	(3,981)	-	(7,756)	-	-	-	(25,977)
Balances as of December 31, 2022	48,652	928	143,937	219,911	168,666	150,907	137,640	82,814	953,455

Main transactions during 2022 fiscal year

- I. **Advance for future capital increase:** In November and December 2022, the Company made an advance for future capital increase to subsidiary Omega Desenvolvimento totaling R\$ 505,000.
- II. **Acquisition of VDB3:** On December 23, 2022 the Company acquired 50% on Ventos da Bahia 3 complex from EDF Renewables do Brasil (EDF EN do Brasil Participações Ltda.) (Note 4.9).
- III. **Capital reduction:** On December 28, 2022 the investee Ventos da Bahia 2 approved a return of capital of R\$ 27,000. The Company's 50% interest was R\$13,500.

11.2 Year ended on December 31, 2021.

	Parent company		
	Omega Geração	Omega Desenvolvimento	Total
Balances on May 27, 2021	-	-	-
Merger of shares	3,582,967	125,051	3,708,018
Equity accounting income	599,755	(1,275)	598,480
Capital increase	5,995	(5,995)	-
Balances as of December 31, 2021	4,188,717	117,781	4,306,498

	Consolidated							Total
	Pipoca	Surplus value	OMC	Pirapora	Surplus value	Ventos da Bahia 1 and 2	Surplus value	
Balances on May 27, 2021	-	-	-	-	-	-	-	-
Merger of Omega Geração shares	47,629	1,043	1,709	148,026	234,377	174,395	159,847	767,026
Equity accounting income	1,017	(9)	-	1,048	(1,041)	1,587	(688)	(1,260)
Share capital reduction	-	-	-	(30,000)	-	-	-	(30,000)
Dividends declared	(2,765)	-	-	(1,327)	-	(3,422)	-	(7,514)
Spin-off of interest	-	-	(1,709)	-	-	-	-	(1,709)
Balances as of December 31, 2021	45,881	1,034	-	117,747	233,336	169,386	159,159	726,543

Main transactions in 2021

(i) **Capital reduction:** On December 21, 2021, the investee Pirapora Solar Holding approved a return of capital of R\$ 60,000. The Company's 50% interest was R\$ 30,000.

11.3 Joint Venture - Hydroelectric Pipoca

Pipoca is a shared control investment (joint venture) with Cemig Geração e Transmissão de Energia S.A. ("Cemig") through an indirect 51% interest held by Omega Geração S.A.

Pipoca owns a SHP, located in Rio Manhuaçu, between the cities of Ipanema and Caratinga, which began energy generation in October 2010 with an installed capacity of 20 MW. The operating period is for 30 years, extendable by an additional 30 years, according to Law No. 13360/2016.

A summary of selected information assets and liabilities on this joint venture is presented below:

Balance sheet	2022	2021	Statement of operations	2022	2021 (*)
Total asset	118,368	118,797	Net operating revenue	44,807	3,777
Current	19,753	17,461	Operating and maintenance cost	(9,207)	(1,438)
Noncurrent	98,615	101,336	Gross Profit	35,600	2,339
Long term receivable	4,055	3,546	SG&A	(1,402)	(312)
PP&E and Intangible	94,560	97,790	Net finance income (loss)	1,607	92
Total Liability	118,368	118,797	Income before tax (RPJ e CSLL)	35,805	2,119
Current	15,782	14,973	Taxes (IRPJ e CSLL)	(2,451)	(125)
Non Current	7,191	13,861	Net income	33,354	1,994
Equity	95,395	89,963			

(*) Period from December 19 to December 31, 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

11.4 Joint Venture - Pirapora Complex

Pirapora Complex is a shared control investment (joint venture) with EDF Renewables in Brazil through a 50% direct interest.

Pirapora is a solar photovoltaic complex composed of 11 plants connected to the national grid through a shared connection infrastructure, all located in the state of Minas Gerais.

The plants are all operational and have 20-year PPA, which were traded at ANEEL's Reserve Energy Auctions (LER) in August 2015, November 2015 and August 2014, respectively, with a total contracted energy of 747 GWh/year.

A summary of selected information assets on this joint venture is presented below:

Balance sheet	2022	2021	Statement of operations	2022	2021 (*)
Total asset	1,713,421	1,715,549	Net operating revenue	301,784	25,545
Current	233,546	203,851	Operating and maintenance cost	(98,898)	(20,502)
Noncurrent	1,479,875	1,511,698	Gross Profit	202,886	5,043
PP&E and Intangible	1,479,875	1,511,698	SG&A	(2,145)	12,384
			Net finance income (loss)	(124,610)	(14,184)
Total Liability	1,713,421	1,715,549			
Current	79,691	83,726	Income before tax (RPJ e CSLL)	76,131	3,243
Noncurrent	1,321,296	1,339,933	Taxes (IRPJ e CSLL)	(15,610)	(1,146)
Equity	312,434	291,890	Net income	60,521	2,097

(*) Period from December 19 to December 31, 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

11.5 Investment held in the consolidated statements – Joint Venture – Ventos da Bahia 1, 2 and 3

The Ventos da Bahia Wind Farm was financed by BNDES and BNB, has 3 phases: phase 1 (66 MW), phase 2 (116.6 MW) and phase 3 (181.5 MW) in operation since 2017, 2018 e 2022. In December 2020, Omega Geração acquired 50% of phases 1 and 2 and in December 2022 acquired 50% of phase 3.

A summary of selected information assets on VDB 1 and 2 is presented below:

Balance sheet	2022	2021	Statement of operations	2022	2021 (*)
Total asset	1,113,504	1,132,497	Net operating revenue	190,949	10,423
Current	175,717	163,190	Operating and maintenance cost	(76,584)	(11,272)
Noncurrent	937,787	969,307	Gross Profit	114,365	(849)
PP&E and Intangible	937,787	969,307	SG&A	(3,361)	3,813
			Net finance income (loss)	(59,694)	(5,601)
Total Liability	1,113,504	1,132,497			
Current	18,070	67,414	Income before tax (RPJ e CSLL)	51,310	(2,637)
Noncurrent	758,108	726,314	Taxes (IRPJ e CSLL)	(10,240)	(538)
Equity	337,326	338,769	Net income (loss)	41,070	(3,175)

(*) Period from December 19 to December 31, 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

A summary of selected information assets on VDB 3 is presented below:

Balance sheet	2022	Statement of operations	2022 (*)
Total asset	832,542	Net operating revenue	11,240
Current	103,105	Operating and maintenance cost	(8,925)
Noncurrent	729,437	Gross Profit	2,315
PP&E and Intangible	729,437	SG&A	(270)
		Net finance income (loss)	(3,479)
Total Liability	832,542		
Current	97,511	Income (loss) before tax (IRPJ e CSLL)	(1,434)
Noncurrent	459,751	Taxes (IRPJ e CSLL)	(727)
Equity	275,280	Net Income (loss)	(2,161)

(*) Period from December 23 to December 31, 2022, relating to the period of completion of the acquisition . (Note 4.9).

12. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment items are measured at historical acquisition or construction cost, less accumulated depreciation. Cost includes the cost of replacing part of the property, plant and equipment item and borrowing costs for long-term construction projects if the recognition criteria are met. When significant portions of property, plant and equipment items have different useful lives, they are recorded as separate items (major components) of property, plant and equipment. Subsequent expenses are capitalized to the extent that it is probable that future benefits associated with the expenses will flow to Serena Energia. Costs with minor periodic and routine maintenance services are recognized in profit or loss as incurred.

The residual value and useful life of the assets as well as the depreciation methods are reviewed at year end, and adjusted prospectively, when applicable.

Projects in progress are classified into appropriate categories of property, plant and equipment in use when completed and ready for the intended use.

The decommissioning costs of the energy farms are recorded in the initial cost of property, plant and equipment based on projections of the costs that are expected to be incurred to dismantle the wind farms and restore the location carried out by Serena Energia. The amounts are amortized based on farm authorization periods and the liabilities, recorded at present value, are restated by the discount rate initially estimated, over a finance cost.

The depreciation of assets in operation is calculated by the straight-line method based on the annual rates established by ANEEL, used for companies in the Brazilian electricity sector and represent the estimated useful lives of the assets, limited to the term of the operating authorizations for the plants.

Critical accounting estimates and judgments

The estimates of assets useful lives are periodically evaluated and adjusted. Calculation of useful life requires Serena Energia to make assumptions about uncertain future conditions. Changes in assumptions may have a significant impact on Serena Energia's assets.

In determining the value of the decommissioning provision, assumptions and estimates are made in relation to the discount rates, the expected cost for the decommissioning and removal of the entire wind farm, and the expected time of respective costs.

12.1 Year ended on December 31, 2022

	Consolidado							
	Machinery and equipment	Reservoirs, dams and water mains	Buildings	Right-of-use assets	Project implementation	Project development	Others	Total
Balance on December 31, 2021	6,211,809	287,489	370,607	109,404	260,850	33,872	81,845	7,355,876
Additions and capitalizations (i)	34,672	1,076	6,260	-	2,593,177	16,241	1,587	2,653,013
Vehicles additions	-	-	-	3,782	-	-	-	3,782
Acquisition CEA VI	-	-	-	-	856	-	-	856
Acquisition ODMA (Note 4.5)	-	-	-	-	(2,653)	-	-	(2,653)
Acquisition of Project Goodnight	-	-	-	-	29,635	-	-	29,635
Depreciation	(316,872)	(3,629)	(23,076)	(10,128)	-	-	(764)	(354,469)
Write offs	(6)	-	-	-	-	-	-	(6)
Transfers	37,462	2,179	1,980	-	-	(48,816)	7,195	-
Balance on December 31, 2022	5,967,065	287,115	355,771	103,058	2,881,865	1,297	89,863	9,686,034
Historical cost	6,310,197	291,045	380,801	113,893	2,881,865	1,297	90,732	10,069,830
Accumulated depreciation	(343,132)	(3,930)	(25,030)	(10,835)	-	-	(869)	(383,796)
Balance on December 31, 2022	5,967,065	287,115	355,771	103,058	2,881,865	1,297	89,863	9,686,034

- (i) Substantially implementation projects for Assuruá 4, 5 and Goodnight. Capitalization of costs linked to wind farm constructions, as examples: labor, service, finance income (loss) and others. When the construction is concluded these costs will be allocated and transferred to the respective asset accounts.

In accordance with the best corporate governance practices, the Management approved the change in classification of the right-of-use assets, from Intangible to Property, plant and equipment.

12.2 Year ended on December 31, 2021

	Machinery and equipment	Reservoirs, dams and water mains	Buildings	Right-of-use assets	Project implementation	Project development	Other	Consolidated
								Total
Balances on May 31, 2021	-	-	-	-	-	-	-	-
Addition by the merger of Omega Geração shares	5,545,813	287,514	372,265	110,111	-	30,940	79,202	6,425,845
Addition by the merger of Omega Desenvolvimento shares	-	-	-	-	186,920	-	-	186,920
Additions	1,791	276	296	-	73,930	2,932	2,858	82,083
Depreciation	(26,260)	(301)	1,954	(707)	-	-	(105)	(29,327)
Reversal of impairment of assets	690,464	-	-	-	-	-	-	690,464
Write-offs	-	-	-	-	-	-	(110)	(110)
Balances as of December 31, 2021	6,211,808	287,489	370,607	109,404	260,850	33,872	81,845	7,355,875
Historical cost	6,238,068	287,790	372,561	110,111	260,850	33,872	81,950	7,385,091
Accumulated depreciation	(26,260)	(301)	1,954	(707)	-	-	(105)	(29,327)
Balances as of December 31, 2021	6,211,808	287,489	370,607	109,404	260,850	33,872	81,845	7,355,875

There was no capitalization of finance income related to hedge exchange contract linked to equipment purchase in year ended on December 31, 2022.

Loans and financing require fiduciary disposal or liens on Company's assets. Note 14.1 provides details of loans with such guarantee.

The balance of assets arising from the provision of decommissioning as of December 31, 2022 was R\$ 849 (R\$ 785 in 2021). Serena Energia estimates that costs will be realized within approximately 50 years, at the time of the expiration of the authorizations, and calculates the provision using the cash flow method discounted to the present value based on internal estimates of costs.

The depreciation rate defined by ANEEL for the Company's windfarm assets useful lives is presented below:

CGU	Machinery and equipment	Depreciation rate		
		Reservoir, dams and water mains	Buildings	Furniture and fixtures
Omega Geração - Chuí	4.30%	-	3.20%	11.80%
Omega Geração - Gargaú	4.40%	-	4.00%	10.30%
CGU Assuruá 1 e II	4.00%	-	4.00%	14.60%
CGU Assuruá 3	4.20%	-	3.50%	8.90%
CGU Delta 1	4.00%	-	4.00%	8.40%
CGU Delta 2	4.40%	-	3.80%	8.70%
CGU Delta 3	3.20%	-	3.00%	5.60%
CGU Delta 5	4.20%	-	3.30%	14.30%
CGU Delta 6	4.30%	-	3.40%	8.40%
CGU Delta 7	4.40%	-	3.30%	9.70%
CGU Delta 8	4.30%	-	3.30%	7.70%
CGU Indaiás	4.00%	2.30%	3.80%	10.80%
CGU Serra das Agulhas	3.90%	2.30%	3.50%	7.90%
CGU Trading	-	-	3.30%	16.70%

The Company did not modify any assets useful lives in the period ended December 31, 2022.

The Company assesses indicators of impairment of its assets based on external and internal data sources, including changes in interest rates and market conditions, among others. In 2022 no indicators of impairment were identified which would require a test of recoverability of assets.

13. INTANGIBLE ASSET

Accounting policy

Intangible assets are recorded at acquisition cost or at the fair value of intangible assets acquired in a business combination, reduced by the accumulated amortization calculated using the straight-line method. These intangible assets have finite useful lives based on trade agreements or government authorizations.

Intangible assets related to electricity sales contracts are amortized over a period of 20 years. Authorization rights are amortized over the legal term, usually 35 years, extendable by for another 20 years when the Company has a vested right to renew the authorizations.

Critical accounting estimates and judgments

The intangible assets arise from energy sales agreements and government authorizations acquired in business combinations and were recognized based on their fair value. Fair value measurement at the time of acquisition involves a high degree of judgment from management and estimates in determining the assumptions, such as availability of natural resources, market prices, useful lives and discount rate; these could significantly change the fair value of the asset at initial recognition.

13.1 Year ended on December 31, 2022

	Energy Agreement - PPA	Authorization rights	Transmission system	Research and projects	Software	Others	Total
Balance on December 31, 2021	582,124	338,224	5,166	-	61,090	15,603	1,002,207
Addition	-	-	-	-	9,856	2,387	12,243
Addition Vehicle lease (Note 20)	-	-	-	-	-	-	3,782
Acquisition - CEA VI (Note 4.1.2)	-	-	-	90,800	-	-	90,800
Acquisition - Goodnight (Note 4.3)	-	-	-	412,785	-	-	412,785
Amortization	(36,867)	(9,632)	(21)	-	(7,672)	(1,000)	(55,192)
Balance on December 31, 2022	545,257	328,592	5,145	503,585	63,274	16,990	1,462,843
Historical cost	585,196	338,696	5,168	503,585	70,946	20,289	1,523,880
Accumulated amortization	(39,939)	(10,104)	(23)	-	(7,672)	(3,299)	(61,037)
Balance on December 31, 2022	545,257	328,592	5,145	503,585	63,274	16,990	1,462,843

13.2 Year ended on December 31, 2021

	Electric power agreement - PPA	Authorization rights	Transmission system	Other	Total
Balances on May 27, 2021	-	-	-	-	-
Addition by the merger of Omega Geração shares	585,196	338,696	5,168	70,394	999,454
Additions	-	-	-	8,598	8,598
Amortization	(3,072)	(472)	(2)	(2,299)	(5,845)
Balances as of December 31, 2021	582,124	338,224	5,166	76,693	1,002,207
Historical cost	585,196	338,696	5,168	78,992	1,008,052
Accumulated amortization	(3,072)	(472)	(2)	(2,299)	(5,845)
Balances as of December 31, 2021	582,124	338,224	5,166	76,693	1,002,207

Power Purchase Agreement - PPA: these arise from intangible assets related to long-term energy sales agreements existing on the date of acquisition of assets.

Authorization rights: these are related to intangible assets of the Indaiás, Gargaú, OE&I2 Assuruá 1 and II and Chui complexes resulting from governmental authorizations for the operation of the acquired sites.

Transmission systems: these are related to the operating rights of the lines of the Serra das Agulhas and the Delta 3 site.

Research and projects: At December 31, 2022 the balance of R\$ 412,785 refers to acquisition price R\$ 408,570 related to Goodnight Project formed by: wind data base, wind turbine layout, transmission system and technical study of capacity factor.

Software: composed of the development of proprietary systems for the sale of energy and acquisition of financial and administrative management systems of the Company.

The Company assesses indicators of impairment of its intangible based on external and internal data sources including changes in interest rates and market conditions, among others. In 2022 no indicators of impairment were identified which would require a test of recoverability of assets.

14. LOANS, FINANCING AND DEBENTURES

Accounting policy

Loans and financing are financial liabilities initially recognized at fair value, net of transaction costs incurred, and are subsequently measured at amortized cost adjusted by the effective interest rate method and charges. Interest is recorded as finance cost over the lives of the loans, using the effective interest rate method. Any debt issuance fees are recognized as transaction costs.

Interest on loans and financing is capitalized as part of property, plant and equipment if these costs are directly related to a qualifying asset under construction. Capitalization occurs until such time as the qualifying asset is ready for its intended use. Interest on non-capitalized loans is recognized in profit or loss in the period it was incurred.

14.1 Balance

	Consolidated					
	Current Liability		Non Current Liability		Total	
	2022	2021	2022	2021	2022	2021
In local currency (BRL)						
BNDES	133,142	128,364	1,917,817	2,024,060	2,050,959	2,152,424
BNB	164,508	74,640	987,737	733,223	1,152,245	807,863
Debentures	983,024	144,109	3,016,024	2,799,209	3,999,048	2,943,318
Promissory note	163,313	-	-	-	163,313	-
FDNE	-	219,075	219,075	-	-	-
CCB	20,648	150,921	31,667	51,667	52,315	202,588
	1,464,635	498,034	6,172,320	5,608,159	7,636,955	6,106,193
In foreign currency						
Offshore Loan	279,583	-	521,770	-	801,353	-
	279,583	-	521,770	-	801,353	-
	1,744,218	498,034	6,694,090	5,608,159	8,438,308	6,106,193
Transaction cost	(19,745)	(15,946)	(42,559)	(51,814)	(62,304)	(67,760)
Total	1,724,473	482,088	6,651,531	5,556,345	8,376,004	6,038,433

A summary of agreements, deadlines, types, costs and guarantees of each of the Omega Energia's CGUs is presented below:

	Instrument	Final maturity	Payment method	Cost of debt (p.a.)	Guarantees	Consolidated	
						2022	2021
Local currency							
				CDI (Interbank Deposit Certificate) +			
CGU Indaiás	CCB	July/2025	monthly	2.90%	Corporate accommodation, assignment of rights	52,315	70,656
Assuruá 5 Omega	CCB	February/2022	bullet	CDI + 4.00%	Shareholders guarantee	-	30,902
Desenvolvimento	CCB	January 2022	bullet	CDI + 2.00%	-	-	101,031
						52,315	202,589
				IPCA (Amplified Consumer Price Index) +			
CGU Delta 2	Debentures	December/2026	semi-annual	7.38%	Partial bank guarantee, reserve account, BNDES guarantee sharing	29,594	32,253
				IPCA (Amplified Consumer Price Index) +			
CGU Delta 3	Debentures	December/2029	semi-annual	7.11%	Bank guarantee, reserve account, BNDES guarantee sharing	209,932	209,302
				CDI (Interbank Deposit Certificate) +			
Omega Geração	Debentures	May/2024	semi-annual	1.20%	-	314,131	312,355
				CDI (Interbank Deposit Certificate) +			
Omega Geração	Debentures	May/2026	semi-annual	1.30%	-	171,032	170,066
				IPCA (Amplified Consumer Price Index) +			
Omega Geração	Debentures	May/2026	bullet	5.60%	-	235,266	222,152
				IPCA (Amplified Consumer Price Index) +			
Omega Geração	Debentures	May/2027	semi-annual	5.00%	-	187,072	176,679
				IPCA (Amplified Consumer Price Index) +			
Omega Geração	Debentures	September 2028	bullet	4.37%	-	134,209	126,749
				IPCA (Amplified Consumer Price Index) +			
Omega Geração	Debentures	September 2028	bullet	Consumer	-	61,004	57,614

				Price Index) + 4.37%					
Omega Geração	Debentures	March/2029	annual	CDI + 1.99%		-	1,052,052	1,078,106	
				IPCA (Amplified Consumer Price Index) + 8.50%					
Omega Geração	Debentures	June/2028	semi-annual		Bank Guarantee;		77,689	96,866	
				IPCA (Amplified Consumer Price Index) + 7.81%	Bank guarantee, reserve account, BNDES/CEF guarantee sharing		39,451	38,370	
Assuruá 1	Debentures	November/2030	monthly						
				IPCA (Amplified Consumer Price Index) + 6.66%	Reserve account, sharing BNDES guarantees		163,864	170,345	
Assuruá II	Debentures	June/2030	semi-annual	CDI (Interbank Deposit Certificate) + 2.80%	Assignment of rights, sale of assets and shares		669,351	-	
OD 4	Debentures	January/2024	Customized						
				CDI + 2.76%	Assignment of rights, sale of assets and shares		-	172,560	
Assuruá IV Omega	Debentures	April/2023	Customized						
Desenvolvimento	Debentures	June/2025	bullet	CDI + 2.76%	Shareholder endorsement and sale of shares		654,401	-	
				90% of CDI (Interbank Deposit Certificate)					
OD 4	Convertible debentures	January/2026	bullet		Shareholders guarantee		-	25,374	
				90% of CDI (Interbank Deposit Certificate)					
Assuruá 5	Convertible debentures	September/2026	bullet		Shareholders guarantee		-	54,527	
							3,999,048	2,943,318	
CGU Delta 1 FINEM (BNDES)		October 2030	monthly	TJLP (Long-Term Interest Rate) + 2.18%	Reserve account, assignment of rights, disposal of assets and shares		119,482	133,704	
CGU Serra das Agulhas FINEM (BNDES)		July/2037	monthly	TJLP (Long-Term Interest Rate) + 2.02%	Reserve account, assignment of rights, disposal of assets and shares		89,797	95,222	
CGU Delta 2 FINEM (BNDES)		January/2033	monthly	TJLP (Long-Term Interest Rate) + 2.27%	Partial bank guarantee, reserve account, assignment of rights, disposal of assets and shares		228,468	240,838	
CGU Delta 3 FINEM (BNDES)		March/2034	monthly	TJLP (Long-Term Interest Rate) + 2.32%	Bank guarantee, reserve account, assignment of rights, disposal of assets and shares		842,079	879,745	
				IPCA (Amplified Consumer Price Index) + 2.75%	Reserve account, assignment of rights, disposal of assets and shares		649,317	674,475	
Assuruá II FINEM (BNDES)		June/2034	monthly						
				TJLP (Long-Term Interest Rate) + 2.92%	Bank guarantee, reserve account, assignment of rights, disposal of assets and shares		121,816	128,439	
Assuruá 1	FINEM BNDES/CEF	November/2032	monthly				2,050,959	2,152,423	
GCU Delta 5 and 6	FNE BNB (*)	May/2038	monthly	IPCA (Amplified Consumer Price Index) + 1.75%	Bank guarantee (°), reserve account		295,975	314,405	
GCU Delta 7 and 8	FNE BNB (*)	January/2039	monthly	IPCA (Amplified Consumer Price Index) + 2.19%	Bank guarantee (°), reserve account		281,131	300,475	
Assuruá 3	FNE BNB (*)	November/2038	monthly	IPCA (Amplified Consumer Price Index) + 2.33%	Bank guarantee (°), reserve account		190,235	192,983	
OD 2, 3, 5, 6, 7 e 8	FNE BNB (*)	July/2043	monthly	IPCA (Amplified Consumer Price Index) + 2.04%	Bank guarantee (°), reserve account		384,904	-	
							1,152,245	807,863	
Assuruá 5I, 5II, and 5III	FDNE BB	July/2041	semi-annual	IPCA (Amplified Consumer Price Index) + 2.30%	Bank guarantee (°), reserve account		219,075	-	
							219,075	-	
Omega Desenvolvimento	Promissory Note	August/2023	bullet	CDI + 1.80%			-	163,313	
								163,313	
Total in Domestic Currency								7,636,955	6,106,193
Foreign currency									
Omega US	Offshore Loan	August/2024	bullet	USD + 5.65%	Corporate guarantee		521,770	-	
Omega US	Offshore Loan	January/2023	bullet	USD + 6.15%	Corporate guarantee		279,583	-	
							801,353	-	
Total in foreign currency								801,353	-

¹ Considers 15% timely-payment bonus as per BNB financing agreement.

² Assignment of credit rights, disposal of assets and shares are granted in guarantee.

The average term and nominal cost of debt on December 31, 2022 was 4.7 years and 10.68% p.a., with accruals based on the IPCA, CDI and exchange rates.

14.2 Changes in balance

Changes in loans, financing and debentures for the period are as follows:

	Consolidated
Balance on December 31, 2021	6,038,433
Funding	2,782,679
Transaction cost	(8,809)
Debenture purchase	(80,399)
Principal payment	(551,439)
Finance fee paid	(598,637)
Finance fee accrual	773,405
Exchange rate	7,749
Cost transaction amortization	13,022
Balance on December 31, 2022	<u>8,376,004</u>

	Consolidated
Balance on May 27, 2021	-
Funding	55,000
Addition related to statutory reorg.	5,995,529
Principal payment	(24,272)
Finance fee paid	(47,009)
Finance fee accrual	57,560
Cost transaction amortization	1,625
Balance on December 31, 2021	<u>6,038,433</u>

14.2.1 Funding in fiscal year

During year ended on December 31, 2022 the subsidiaries raised the following resources:

Entity	Debt agreement	Debt instrument	Consolidated Raised
Omega Desenvolvimento	January/2022	Promissory note	161,050
Assuruá 3 I e II	January/2022	FDNE - BNB	4,248
OD 4	January/2022	Debentures	50,000
OD 4	March/2022	Debentures	52,000
OD 4	May/2022	Debentures	167,999
OD 2, 3, 5, 6, 7 e 8	May/2022	FDNE - BNB	105,280
Omega Desenvolvimento	June/2022	Debentures	650,000
Omega Desenvolvimento	June/2022	Offshore loan	262,462
OD 4	July/2022	Debentures	159,999
Omega Digital Renewable Energy	August/2022	Offshore loan	512,470
CEA II	August/2022	BNDES	1,792
OD 2 e 3	September/2022	FDNE - BNB	119,562
OD 5, 6, 7 e 8	October/2022	FDNE - BNB	156,161
Omega Desenvolvimento	November/2022	Operação 4.131	161,050
Assuruá 5 I, 5 II e 5 III	December/2022	FDNE - BB	218,606
			<u>2,782,679</u>

In January 2022, Omega Desenvolvimento placed a single series commercial promissory note totaling R\$ 161,050, due in November 2022. The interest payments were paid at maturity at CDI rate + 1.80% p.a.

In January 2022, Banco do Nordeste do Brasil - BNB provided funding for Assuruá 3 I and Assuruá 3 II, SPEs de Assuruá 3, in an aggregate value of R\$ 4,248.

During the first half of 2022, CEA IV obtained scheduled funding of new tranches of its debentures in the amount of R\$ 50,000 in January 2022, R\$ 52,000 in March 2022 and R\$ 167,999 in May 2022.

In May 2022, Banco do Nordeste do Brasil - BNB concluded the first disbursement related to the financing contracts of the SPEs of the Assuruá 4 project (OD 2, OD 3, OD 5, OD 6, OD 7 and OD 8) in the amount of R\$ 105,280. The funds raised by the SPEs will be amortized from August 2023, monthly, accruing interest at IPCA + 2.04% (considered the delinquency bonus). Interest is paid quarterly in the grace period and monthly from the beginning of amortization.

In June 2022, Omega Desenvolvimento placed its 1st issuance of Simple Debentures, non convertible into shares, with real and additional guarantee, in single series, for Public Distribution, with Restricted Efforts in the amount of R\$ 650,000. Debentures will be amortized at maturity in June 2025 and interest will be paid every six months and equivalent to the CDI rate + 2.70% p.a.

In June 2022, Omega Digital Renewable Energy contracted an offshore loans of US\$ 35,000 and US\$ 15,000, equivalent to the date of disbursement to R\$ 182,749 and R\$ 79,713, respectively, bearing interest of 3.70% p.a. In September 2022, Omega Digital Renewable Energy negotiated a deferral of the amortization date and payment of interest for both loans, originally due in September 2022, to January 2023. From the date of deferral interest accrues at 6.15% p.a.

In July 2022, CEA IV completed tranches for its debentures of R\$ 159,999, within a total principal funding of R\$599,997. The debentures bear CDI interest + 2.76% p.a. until September 2022. The debentures were transferred in September 2022 by CEA IV to its direct parent Company Omega Desenvolvimento 4 (OD 4) and, upon assignment of the debt their maturity (principal amortization and interest payment) was deferred to January 2024 accruing interest of CDI + 2.80% p.a.

In August 2022, Omega Digital Renewable Energy contracted an offshore loan of US\$ 100,000, equivalent to the date to R\$ 512,470. Interest accrues at 5.65% p.a. payable every six months. The US Dollar denominated principal matures in August 2024.

In August 2022, the National Bank for Economic and Social Development - BNDES concluded disbursements related to the social sub credit of financing contracts of CGU CEA II companies, in an aggregate value of R\$ 1,792. Amortization is monthly plus interest based on the TJLP.

In September 2022, Banco do Nordeste do Brasil made the second disbursement related to the financing contracts of the SPEs of the Assuruá 4 project (OD 2 and OD 3) in the amount of R\$ 119,562. The funds raised by the SPEs will be amortized from August 2023, monthly, accruing interest at IPCA + 2.04% p.a. (considered the delinquency bonus). Interest is payable quarterly during the grace period and monthly from the beginning of amortization.

In October 2022, Banco do Nordeste do Brasil - BNB concluded the second disbursement related to the financing contracts of the SPEs of the Assuruá 4 project (OD 5, OD 6, OD 7 and OD 8) in the amount of R\$ 156,161. The funds raised by the SPEs will be amortized from August 2023, monthly plus interest of IPCA + 2.04% p.a. (considered the default bonus). Interest is payable quarterly during the grace period and monthly from the beginning of amortization.

In November 2022, Omega Desenvolvimento contracted a Law 4,131 foreign currency loan (covered by a hedge instrument) in the amount of R\$ 161,050. The financing matures in August 2023 bearing interest of CDI rate + 1.80% p.a..

In December 2022, Banco do Brasil made the first disbursement related to the financing contracts for the transfer of funds of Fundo Nacional do Nordeste (FNE - SUDENE) of the SPEs of the Assuruá 5 project (AS5 I, AS5 II and AS5 III) in the amount of R\$ 218,606. The funds raised by the SPEs will be amortized from July 2025 (as scheduled to operate in the parks), every six months accruing interest on the IPCA + 2.30% p.a. Interest is payable every six months, with amortization.

14.2.2 Payments made in the year

During 2022 the subsidiaries paid the amount listed below:

Entity	Debt	Consolidated Amount
Assuruá 1	BNDES	(8,451)
Assuruá 3 I e II	FNE - BNB	(6,471)
Assuruá 5	CCB	(30,000)
CEA II	BNDES	(31,875)
CEA II	Debentures	(12,640)
Delta 1	BNDES	(15,127)
Delta 2	BNDES	(20,211)
Delta 2	Debentures	(3,395)
Delta 3	BNDES	(44,047)
Delta 3	Debentures	(8,800)
Delta 5I, 5 II, 6 I, 6 II, 7 I, 7 II E 8 I	FNE - BNB	(30,451)
Indaiá Grande e Indaiázinho	CCB	(18,333)
Omega Desenvolvimento	CCB	(100,000)
Omega Desenvolvimento	Promissory note	(161,050)
Omega Geração	Debentures	(60,588)
		(551,439)

14.3 Payment schedule

The debt maturity schedule is presented below:

	Principal	Interest	Total
2023	867,581	713,585	1,581,166
2024 a 2026	3,315,484	1,783,354	5,098,838
2027 a 2029	1,993,599	1,023,673	3,017,272
2030 a 2032	895,516	331,337	1,226,853
After 2033	927,347	210,477	1,137,824
	7,999,527	4,062,426	12,061,953

The cash flow of debt amortization is projected considering the contractual flows of amortization of principal and interest, inflation and contractual interest.

14.4 Guarantees

The guarantees for project financing and debentures are those commonly agreed for a Project Finance, including: reserve accounts, assignment of credit rights and credits arising from the authorization, sale of machinery and equipment, sale of project's SPEs shares and, as applicable, letters of guarantee. The 1st., 2nd and 3rd Issues of Debentures of Omega Geração, as well as the CCB of Omega Desenvolvimento have no guarantee. The 4th Issue of Debentures of Omega Geração is covered by a letter of guarantee.

14.5 Financial covenants

The Company, its subsidiaries and joint ventures are subject to covenants, notably the Equity Ratio (ER), the Debt Service Coverage Ratio (DSCR) and the Net Debt to EBITDA Ratio. Failure to comply with these covenants may limit the distribution of dividends above the minimum mandatory amount and, in some cases, may result in accelerated debt maturity. The covenants at December 31, 2022 for Omega Energia's by CGU are listed below:

	ER	DSCR	Net debt/EBITDA	Type
CGU Indaiás	N.A.	N.A.	< 3,0	Early maturity
CGU Delta 1	N.A.	≥ 1,3	N.A.	Early maturity
CGU Serra das Agulhas	≥ 25%	≥ 1,2	N.A.	Early maturity
CGU Delta 2	N.A.	≥ 1,1	N.A.	Early maturity
CGU Delta 3	N.A.	≥ 1,1	N.A.	Early maturity
CGU Delta 5	N.A.	≥ 1,2	N.A.	Capital Distribution
CGU Delta 6	N.A.	≥ 1,2	N.A.	Capital Distribution
CGU Delta 7	N.A.	≥ 1,2	N.A.	Capital Distribution
CGU Delta 8	N.A.	≥ 1,2	N.A.	Capital Distribution
Assuruá 1	N.A.	≥ 1,2	N.A.	Early maturity
Assuruá II	N.A.	≥ 1,3	N.A.	Early maturity
Assuruá 3	N.A.	≥ 1,2	N.A.	Capital Distribution
Assuruá 5	N.A.	≥ 1,2	N.A.	Capital Distribution

For the first, second and third issues of debentures, Omega Geração is required to comply with the financial ratio measured on a quarterly basis and pro forma results whenever there is an acquisition of equity interests, as follows:

Period	Financial ratio
Dec/2022 until maturity date	4,50

At December 31, 2022, Omega Generation was fully in compliance with this restrictive clause. Compliance with the ICP and ICSD is verified on the base dates stipulated in the contracts agreed between special purpose entity companies for the projects and their creditor agents. Management monitors the calculations of these indices periodically to avoid non-compliance with the contractual terms. As of December 31, 2022, all Group companies are in compliance with net debt/EBITDA, CPI and ICSD reporting obligations.

15. TRADE ACCOUNT PAYABLE

	Consolidated	
	2022	2021
O&M, equipment, and service suppliers	98,523	11,318
Electric power purchase	123,824	130,522
Accounts payable ACR	193,910	245,919
	416,257	387,759
Presented in liabilities:		
Current	236,734	219,251
Non-current	179,523	168,508

Equipment suppliers: represented substantially by: (i) O&M suppliers (Note 3.1), (ii) purchase of equipment in OD4, Assuruá 5 and Goodnight project, and respective capitalization of the financial costs involved in the acquisition of these equipment, and (iii) third-party service providers, the operation and maintenance activities of their electricity generating plants, commonly with the equipment supplier owner of each site.

Electricity Purchase: energy purchases are carried out substantially to cover the physical guarantees of CGUs and energy trading, according to the seasonality strategy of each unit.

ACR accounts payable: the balance payable is the contractual positions arising from the CCEE accounting adjustment mechanism (Note 8).

The average payment term is approximately 30 days with no interest.

16. LABOR AND TAX OBLIGATIONS

Accounting policy

Payments of salary or vacation pay, and related labor charges, are recognized monthly on an accrual basis.

Serena Energia's subsidiaries have a profit-sharing program ("PPR") based on contributions from employees linked to the companies' overall performance of operating indicators. The Company records a provision for periodic measurement of compliance with its goals and results, on an accrual basis and premised on the recognition of the present obligation resulting from a past event in the estimated amount of the outflow of resources in the future. The provision is recorded as cost or operating expenses according to the employee's activity.

Taxes payable are classified as current tax liabilities, calculated monthly based on the tax laws in the jurisdictions the Company operates. These include local, state and federal taxes. When Serena Energia is responsible for collecting taxes from its suppliers, these taxes are withheld and paid to the respective authorities.

Balance on December 31, 2022 and 2021 are presented below:

	2022	Consolidated 2021
Labor Obligations		
Wages and charges	2,945	2,283
Labor accruals	45,889	26,913
Tax obligations		
Federal tax (IRPJ e CSLL) payable	7,735	8,721
Taxes payable	37,129	16,793
Withholding taxes - third parties	8,837	7,663
	<u>102,535</u>	<u>62,373</u>

Labor accruals: refers to profit share program, 13th. salary and vacation accrual.

Taxes payable: Refer to deferred PIS and COFINS (federal taxes) and ICMS (state tax).

Withholding taxes - third party: Refer to taxes CSRF, ISS and INSS on third party services.

Changes in the balance of IR/CS (federal taxes) were:

	Consolidated
Balance on December 31, 2021	8,721
Payments	(49,036)
Provisions	47,213
Tax prepayment (asset)	4,609
IRRF (federal tax) on marketable securities offsets	(3,332)
Prior periods	(450)
Balance on December 31, 2022	<u>7,735</u>

17. ACCOUNT PAYABLE ON ACQUISITION

	2022	Consolidated 2021
Accounts Payable on acquisition of Assuruá 1 and II	-	88,205
Accounts Payable on acquisition of Goodnight (i)	83,117	-
Accounts Payable on acquisition of VDB 3 (ii)	7,155	-
Accounts Payable on acquisition of CEA VI (iii)	102,326	-
Promissory note (iv)	65,478	-
	<u>258,076</u>	<u>88,205</u>
Stated in liability:		
Current	<u>64,653</u>	<u>88,205</u>
Non Current	<u>193,423</u>	-

- (i) On June 30, 2022, the Company acquired projects for the implementation of a wind complex located in the state of Texas, US (Note 4.3).
- (ii) On December 23, 2022, the Company completed the purchase of 50% Of VDB3; the amount refers to the purchase price adjustment (Note 4.9).
- (iii) On March 7, 2022, the Company acquired the expansion projects of the CEA VI complex in the amount of R\$ 92,562. The accrue CDI interest until settlement (Note 4.1.2).
- (iv) Refers to the acquisition of the debentures of Assuruá 4 and Assuruá 5 and payment of a developer's premium in the total amount of R\$ 116,430, plus an installments of R\$ 51,250 including accruals, settled in 2022 (Note 4.1.1).

18. INCOME TAXES

Accounting Policy

The Group includes companies that use both the taxable profit regime and the presumed profit regime (percentage of gross revenue, as adjusted) to calculate taxes on income. Serena Energia reviews annually the option for taxation based on income projections, to optimize its position operation.

The presumed profit regime companies calculate income taxes based on 8% for IRPJ and 12% for CSLL of gross revenue. The companies adopting taxable profit regime calculate tax on the accounting profit before taxes, adjusted for nontaxable and nondeductible items, whether temporarily or permanently, at a rate of 34%. Tax losses do not prescribe but offset is limited to 30% of annual taxable profit.

Recognition of deferred income tax is based on the temporary differences between the book values and the asset and liability tax base amounts, as well as tax loss carryforwards. Deferred income taxes are offset when there is a legally enforceable right over the same taxable entity. Deferred tax assets are not recognized when their recovery is not likely to occur.

The statutory rate is reconciled to the effective rate, as follows:

	Consolidated	
	2022	2021
Net income before taxes	32,706	733,269
Statutory rate	34%	34%
IRPJ and CSLL at current rate	(11,120)	(249,311)
Permanent differences	843	301
Equity results of investees	15,250	(428)
Reversal of impairment	-	94,346
IRPJ and CSLL losses and temporary differences not recorded as deferred tax assets	(71,738)	(12,374)
Savings from use of presumed tax regime	26,745	32,222
Others	(717)	206
IRPJ and CSLL (federal taxes) expense in P&L	(40,737)	(135,038)
Current	(47,264)	(3,427)
Deferred	6,527	(131,611)
Effective IRPJ and CSLL rate - %	124.56%	18.88%

18.1 Balances of deferred income and social contribution taxes

	Consolidated	
	2022	2021
Deferred tax asset		
Income and social contribution tax losses - other	1,239	3,597
Deferred tax assets	1,239	3,597
Difference from cash versus accruals basis	(5,802)	(6,835)
Acquisition of Chuí and Ventos da Bahia 1 and 2	(23,691)	(40,047)
Acquisition of Ventos da Bahia 3	(4,239)	-
Gain on MTM in trading operations	(21,215)	(16,950)
Deferred tax liability	(54,947)	(63,832)
Total deferred tax	(53,708)	(60,235)

As of December 31, 2022, the subsidiary, Omega Geração had an accumulative balance of income tax and social contribution loss base of R\$ 1,040,484 for which no deferred tax asset had been recorded as recoverability is not currently foreseeable. These losses do not prescribe. To the extent that it is probable that future taxable profit will arise, the assets may be recorded in the future.

19. LEASE LIABILITY

Accounting policy

The Company's subsidiaries lease land for the wind farms and link the lease to a percentage of revenues from the generation of energy from the projects. These agreements have a similar term to the government authorization periods for farm operation, usually 35 years. The subsidiary Omega Geração also has a building floor space lease agreement from August 28, 2020 for a period of 5 years.

The Company also leases vehicles for a term of up to five years.

All leases with a term of more than 12 months, with limited exceptions, are recognized as a lease liability in the balance sheet at the present value of the payments, plus allocable costs at the time the asset is recognized for the right of use. During the lease term, the liability is adjusted to reflect the financial costs and payments made and the right of use is depreciated.

Serena Energia's lease liabilities, by CGU, are presented below:

CGU	% Lease on generation	End period	2022
Omega Geração - Controller	-	2025	9,837
Omega Geração - Gargaú Branch	1,75	2032	3,874
Omega Geração - Chuí Branch	1,80	2050	48,366
Delta 1	1,67	2047	9,269
Delta 2	1,80	2049	14,591
Delta 3	0,60	2051	18,897
Delta 5	0,60	2053	3,117
Delta 6	0,60	2053	2,991
Delta 7	0,60	2045	3,776
Delta 8	0,60	2045	2,095
Total			116,813
Liability:			
Current			16,300
Non Current			100,513
Total			116,813

Serena Energia's vehicle fleet lease liabilities, by CGU, are presented below:

CGU	End period	2022
Omega Geração - Controller	2025	783
Indaiá Grande	2025	231
Delta 1	2024	119
Serra das Agulhas	2024	101
Delta 2	2024	134
Delta 3	2024	45
Delta 5	2025	375
CEA II	2025	544
Total		2,332
Liability:		
Current		1,185
Non Current		1,147
Total		2,332

Intangible assets are for right of use assets (Note 13).

The Company determined its discount rates based on the risk-free interest rates observed in the Brazilian market for the contracts terms, adjusted to the Company's circumstances (credit spread). The spreads were obtained in accordance with the financing agreements for each CGU. The discount rate for the calculation of the present value of the lease contracts, for each CGU, is presented below:

CGU	%
Omega Geração - Controller	7.70
Omega Geração - Gargaú Branch	9.72
Omega Geração - Chuí Branch	12.12
Delta 1	9.45
Delta 2	9.70
Delta 3	10.08
Delta 5	9.42
Delta 6	9.42
Delta 7	9.90
Delta 8	9.90

Changes in lease liability are presented below:

	Vehicles	Lands	Consolidated Total
Balance on December 31, 2021	-	122,009	122,009
Addition	3,782	-	3,782
Interest	284	11,978	12,262
Lease payments	(1,734)	(17,174)	(18,908)
Balance on December 31, 2022	2,332	116,813	119,145

The maturity schedule is presented below:

	Consolidated
2023	17,851
2024 to 2026	47,361
2027 to 2029	40,820
2030 to 2032	39,657
2033 to 2035	36,703
After 2035	78,733
Undiscounted amount	261,125
Embedded interest	(141,980)
Total	119,145

There are other lease agreements, such as for vehicles and small properties, excluded because of their low value or short-term agreements totaling, at December 31, 2022, was R\$ 608 (R\$141 in 2021).

Omega Energia did not use the benefit granted in a lease agreement related to the change in lease payments, as deliberated by CVM 859/20.

20. RELATED PARTIES

Serena Energia is controlled by a group of shareholders composed by (i) Lambda 3 Fundo de Investimento em Participações Multiestratégia and (ii) certain investment funds managed by Tarpon Gestora de Recursos S.A. ("Fundos Tarpon").

The information presented below is summarized by counterparty CGU, when related to members of the Serena Energia group under the control of Omega Geração and Omega Desenvolvimento.

20.1 Consolidated assets and liabilities

Other receivables and other liabilities refer to the allocation of payroll costs and apportionment of administrative expenses (rent, condominium fees, third-party services, office supplies and cleaning products, among others).

	2022						2021		
	Asset			Liability			Asset		
	Trade acc. receivable	Dividend receivable	Other assets	Other payables	Trade acc. receivable	Dividends receivable	Other assets	Dividends payable	Other payables
Grupo Omega Desenvolvimento de Energia									
Omega Desenvolvimento de Energia	-	-	423	(697)	-	-	41	-	(3,759)
Omega Desenvolvimento de Energia 1	-	-	19	(73)	-	-	768	-	-
Omega Desenvolvimento de Energia do Maranhão	-	-	-	-	-	-	77	-	-
Lambda III Energia	-	-	16	-	-	-	-	-	-
Joint ventures									
Pipoca	-	4,040	312	-	-	2,764	1,402	-	(175)
Pirapora	-	-	40	(7)	-	1,327	-	-	-
Other related parties									
Cemig (i)	811	-	-	-	1,298	-	-	-	-
Ventos da Bahia 1 e 2	-	-	-	-	-	3,422	-	-	-
Loan to employees (ii)	-	-	67,379	-	-	-	70,393	-	-
Others	-	-	-	-	-	-	8	(625)	-
Total	811	4,040	68,189	(777)	1,298	7,513	72,689	(625)	(3,934)

(i) Certain subsidiaries of Omega Geração have energy purchase and sales transactions with Cemig, considered a related party of Serena Energia because of the equity in the Joint Venture Pipoca

(ii) On June 29, 2020, the Company signed loan agreements with eligible employees to the third stock purchase option plan in the amount of R\$ 73,035, accruing CDI + 0.5% p.a., with final maturity on June 30, 2025; amortizations will be made annually; from June 30, 2021, the amounts were transferred to employees between September 14 and 16, 2020.

20.1.1 Changes in dividends

Changes in dividend balances were:

	Receivable	Consolidated Payable
Balance on December 31, 2021	7,515	(625)
Provision	25,977	-
Received/paid	(29,452)	625
Balance on December 31, 2022	<u>4,040</u>	<u>-</u>

20.2 Consolidated statement of operations

Energy purchase and sale operations traded between related parties were:

	2022			2021		
	Net operating revenue	Operation, maintenance and purchase costs	Administrative, personnel and general	Net operating revenue	Operation, maintenance and purchase costs	Administrative, personnel and general
Grupo Omega Desenvolvimento de Energia						
Omega Desenvolvimento de Energia	-	-	-	-	(325)	2,861
Omega Desenvolvimento de Energia 1	-	-	-	-	(5)	(899)
Omega Desenvolvimento de Energia do Maranhão	-	-	-	-	-	(465)
Omega Gestora de Recursos	-	-	-	-	-	(24)
Joint ventures						
Pipoca	-	(184)	(937)	-	(138)	(1,369)
Pirapora	-	-	-	-	-	(4)
Other related parties						
Cemig (I)	104,134	-	-	97,689	-	-
Total	<u>104,134</u>	<u>(184)</u>	<u>(937)</u>	<u>97,689</u>	<u>(468)</u>	<u>100</u>

(I) Certain subsidiaries of Omega Geração have energy purchase and sales transactions with Cemig, considered a related party of Omega Energia because of the equity in the Joint Venture Pipoca.

20.3 Transactions with related parties traded by joint ventures

The Joint Venture Pipoca has energy purchase and sale transactions with Cemig, considered a related party due to its equity interest in Pipoca (Note 11.3). The balances recorded in the financial statements of Joint Venture Pipoca are as follows:

20.3.1 Asset

	2022	2021
Trade account receivable		
Pipoca	3,491	3,153
Total	<u>3,491</u>	<u>3,153</u>

20.3.2 Statement of operations

	2022		2021 (*)	
	Net operating revenue	Operating, maintenance and Purchase costs	Net operating revenue	Operating, maintenance and Purchase costs
Pipoca	45,618	(2,511)	3,153	(214)
Total	<u>45,618</u>	<u>(2,511)</u>	<u>3,153</u>	<u>(214)</u>

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

20.4 Key management staff compensation

The following table shows the total compensation paid to members of Omega Energia's Executive Board and Board of Directors:

	2022	2021 (*)
Salary	11,070	820
Benefits	186	8
Variable compensation	12,808	950
	24,064	1,778

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

A D&O insurance policy is active covering legal defense costs, judicial and out-of-court settlements, and indemnities. This coverage extends to directors, officers and managers or any other individual with management power within Omega Energia and its subsidiaries.

21. SHAREHOLDERS' EQUITY

Accounting policy

Shareholders receive dividends, recognized as liabilities in the Company's financial statements, pursuant to the articles of incorporation. Amounts above the mandatory minimum dividends determined in the articles of incorporation are only recognized as current liabilities when declared by the shareholders.

Share issuance costs are separately identified and charged to the equity balance.

21.1 Capital

Fully subscribed and paid-up capital on December 31, 2022 is R\$4,439,360 comprising 622,730,556 common shares.

The table below represents the Company's ownership structure on December 31, 2022 and 2021:

	2022		2021	
	Shares	%	Shares	%
Tarpon Gestora de Recursos S.A. (1)	193,542,033	31,08	198,357,083	35,73
Lambda (2)	90,565,972	14,54	79,760,504	14,37
Actis LLP	166,986,292	26,82	-	-
Other shareholders	171,636,259	27,56	276,996,704	49,90
	622,730,556	100	555,114,291	100

¹ The Tarpon Gestora de Recursos S.A. interest is held by equity funds that are under its discretionary management.

² Lambda comprises: Lambda3 Fundo de Investimento em Participações Multiestratégia; Lambda Energia S.A., Lambda II Energia S.A and Lambda III Energia S.A.

21.2 Changes in capital during the period

On April 29, 2022, the contribution of the interest in OD18 was concluded, resulting in a capital increase of R\$ 22,943 (Note 4.1.1).

In the year ended December 31, 2022, Actis paid in a capital subscription of R\$ 850,000 and other shareholders paid in R\$ 115, of which R\$ 680,092 was recorded as a capital increase and R\$ 170,023 appropriated to a share premium capital account (Note 4.2).

21.3 Profit distribution

According to the Company's articles of incorporation, net income each year is appropriated as follows:

- 5% to the legal reserve, up to the maximum limit established by legislation;
- 25% for payment of mandatory minimum dividends, after adjustment;
- The remaining balance may be allocated between the investment reserve or other reserves subject to legislation and the articles of incorporation, as proposed by management.

Management's proposal for 2021 is presented below:

Management's proposal	2021
Net income for the period	598,231
(-) Legal reserve 5%	(29,912)
(=) Adjusted net income	568,319
Net income distribution	
Unrealized income reserve (i)	142,080
Statutory reserve for investments	426,239

(i) The amount of R\$142,080 corresponding to the mandatory dividend of 25% of the adjusted net income for the period ended December 31, 2021 was allocated to an unrealized income reserve, pursuant to the Brazilian Corporation Law and Article 56, paragraph 2, of the articles of incorporation of the Company.

In the year ended on December 31, 2022, the Company did not present net profit, and used the profit reserves to absorb the loss for the year.

21.4 Earnings (loss) per share

The basic and diluted earnings (loss) per share were determined as follows:

	2022	Controller 2021
Numerator		
Profit (loss) for the period	(8,031)	598,231
Denominator		
Average number of shares - thousands	136,236	30,557
Profit (loss) per basic share (BRL)	(0.0590)	19.5775
Numerator		
Profit (loss) for the period	(8,031)	598,231
Denominator		
Average number of shares - thousands	136,236	30,557
Profit (loss) per share diluted (BRL)	(0.0590)	19.5775

As of December 31, 2022, a total of 3,668,366 options had been granted but not exercised. These were not included in the calculation of diluted earnings per share as they did not cause a dilutive effect in the period.

22. NET OPERATING REVENUE

Accounting policy

The energy sales agreements are made in the unregulated and regulated contract markets in Brazil and are fully registered with the Electric Energy Trade Chamber (CCEE), which is responsible for accounting and settlement of the entire national integrated system (SIN).

The accounting measurement of the volume of energy to be billed derives from the physical measurement (generation) processing, adjusted to apportionment of losses reported by CCEE.

The accounting recognition of revenue is the result of the amounts to be billed to customers according to the methodology and prices established in each agreement, adjusted to the amount of energy effectively generated, when applicable. These adjustments arise from the CCEE mechanism that checks Serena Energia's net exposure (sales, generation and purchases), known as the energy balance, which credits or debits the difference between sales and actual generation for Serena Energia, usually to the PLD amount.

The mechanisms result in the recognition of gross revenue, at fair value, presented net of sales taxes, to the extent that it is probable that future economic benefits will flow to Serena Energia.

Energy trading operations are transacted in an active market and, for accounting measurement purposes, meet the definition of financial instruments at fair value. The Company registers revenue when delivering the energy to the

customer at fair value. Any unrealized net gains resulting from the mark-to-market - difference between contracted and market prices - of the net operations contracted open on the date of the financial statements are recognized as revenue.

The Company records revenues from the sale of Carbon Credits and/or Renewable Energy Certificates (RECs) at the time of recording the revenues directly attributed to energy generation (MWh) of the contract assigned to the respective customer. The certificates are issued backed by the MWh of renewable energy, with due certification issued by the Clean Development Mechanism (CDM).

Net operating revenue for the year/ period ended on December 31, 2022 and 2021:

	2022	Consolidated 2021 (*)
ACR Sales		
ACR Sales	321,985	28,335
Proinfra Sales	47,004	473
Surplus/(deficit) CCEAR	53,512	(5,504)
LER	299,061	23,618
ACL Sales	1,814,692	157,562
MCP	105,145	9,479
Carbon credit sales	2,676	23,274
MTM trading portfolio	53,095	18,085
Tax on sales		
PIS e COFINS	(204,504)	(8,117)
ICMS	(54,493)	(8,232)
Other sales deduction	(1,498)	(670)
	<u>2,436,675</u>	<u>238,303</u>

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

In the year/ period ended on December 31, 2022 and 2021, the Company did not have clients who participated individually with a percentage greater than 5% of consolidated net operating revenue.

23. COST MAINTENANCE AND ENERGY PURCHASE

	2022	Consolidated 2021 (*)
Electricity purchase	(1,175,698)	(84,434)
Depreciation and amortization	(395,343)	(33,247)
O&M	(213,442)	11,039
Regulatory fees	(93,424)	(9,998)
Federal tax credits on costs (PIS and COFINS)	127,649	11,057
Carbon credit	(1,715)	-
(-) Capitalized expense	15	1,157
Others	(16,445)	553
	<u>(1,768,403)</u>	<u>(103,873)</u>

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

Electricity purchase: acquired from third parties for the purpose of both generation and trading operations and optimization of the Company's portfolio in relation to the position sold in CCEE.

Federal tax credits (PIS and COFINS) on costs: derived from electricity purchase.

Carbon credit: certifications and records for issuing carbon credits and I-RECs marketed in the period.

Capitalized expense: Capitalizations refer to expenses that are directly linked to the construction of industrial complexes, such as: payroll expenditure, services, financial result, among others.

24. GENERAL AND ADMINISTRATIVE EXPENSE

	2022	Consolidated 2021 (*)
Payroll and benefits expense	(152,956)	(4,416)
Depreciation and amortization	(14,317)	(1,925)

Professional service (Consulting and audit)	(10,827)	(31,985)
Third party service	(11,263)	(1,078)
Publications and advertising	(5,973)	(927)
(-) Capitalized expense	58,728	9,139
Others	(6,449)	(1,713)
	<u>(143,057)</u>	<u>(32,905)</u>

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

25. OTHER OPERATING INCOME (EXPENSE)

	Consolidated	
	2022	2021 (*)
Gain on advantageous purchase - VDB (i)	17,813	-
Asset impairment (ii)	-	690,464
Demerger of shares	-	5,078
Loss of profits	222	1,772
Contingency (provision) reversal	1,362	(1,081)
Tax on other income	(1,381)	(112)
Other operating income (expense)	3,385	38
	<u>21,401</u>	<u>696,159</u>

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

- (i) The Company recognized an advantageous gain on the acquisition of VDB3 of R\$ 17,813 (Note 5.1.1).
- (ii) In 2021, the Company updated projections for fair value related to the allocation of the purchase price of SPEs acquired by Omega Geração from CGU Chuí. This was based on new information that became available after the acquisition date. The Company increased the valuation of the property to R\$ 1.7 billion (preliminary price allocation valued at R\$ 1.1 billion) and recorded a gain related to the acquisition upon the reversal of the impairment provision of R\$ 690,464, classified as machinery and equipment, recorded in "Other operating income (expenses) in the statement of operations.

26. FINANCE INCOME (COST)

	Consolidated	
	2022	2021 (*)
Finance Income		
Interest on marketable securities	168,092	8,708
Other income	10,704	494
(-) Capitalized income	(37,527)	(1,522)
Federal tax on finance income - PIS and COFINS	(6,566)	(114)
	134,703	7,566
Finance costs		
Interest on loans, financing and debenture	(773,406)	(57,560)
Commission on guarantee	(41,726)	(14,318)
Transaction cost	(13,022)	(1,625)
Interest on operating lease	(12,262)	(1,456)
Exchange loss	3,083	-
Indexation accrual of accounts payable - acquisition of Assuruá I and II	(4,963)	(2,143)
(-) Capitalized expense	194,701	11,905
Other expense	(45,872)	(5,524)
	(693,467)	(70,721)
Net finance income (cost)	(558,764)	(63,155)

(*) Period from 19 to 31 December 2021, relating to the period of completion of the corporate reorganization (Note 2.2).

27. STOCK OPTION PLAN

Accounting Policy

Options granted to employees are accounted at fair value from the date of grant. The expense is recognized monthly in profit or loss for the period of acquisition of the right of exercise (vesting period) increasing shareholders' equity if the settlement of the transaction is carried out in shares. If carried out in cash, a financial liability is recognized.

The market value of the options is measured at fair value based on the Black-Scholes model considering the information observable in the market.

When the Company cancels options an immediate expense is recognized related to the amount that would be recognized as services over the remaining period of the acquisition of entitlement. If the right to exercise was already fully acquired, the Company does not recognize any expense.

Critical accounting estimates and judgments

When estimating the fair value of stock-based compensation, a value is assigned to options granted by Serena Energia to employees, the Company uses the Black-Scholes mathematical options pricing model, which requires the use of assumptions related to the stock price, volatility, risk-free interest rate, among others. Variations in these assumptions can distort the fair value to be obtained when granting options to employees.

27.1 First Stock Option Plan

The shareholders approved the Company's First Stock Purchase Options Plan, in an Extraordinary General Meeting held on September 24, 2021, as amended and approved at Extraordinary General Meetings held on October 7 and 28, 2021.

The first stock purchase options plan includes executives, statutory and non-statutory directors, managers, supervisors, employees and service suppliers of the Company and its subsidiaries who are considered key persons in the development of the Company's business and its subsidiaries.

The First Plan covers the granting of options that confer the right to acquire a maximum of 9,103,930 new shares, representing, on the effective date, 1.6400099895% of the Company's share capital, on a fully diluted basis.

	Option price Date	Exercise price BRL/share	Total of granted options
Total First Program of the First Plan			9,103,930
Granted options			
1st Program	12/19/2021	BRL 1.31 BRL 21.73	BRL 3,668,366
Outstanding options balance			BRL 3,668,366

On December 19, 2021, options were granted under Serena Energia's First Plan in place of the options granted at Omega Generation, the options were adjusted based on the exchange ratio approved in the corporate restructuring, and the exercise price of each option will be R\$ 21.73 per share, without accruals, reduced for any dividends paid or capital reductions between the date of grant and the date of exercise.

For new grants, the methodology used to price the fair value of options was the Black-Scholes model. The options granted under the First Program of the First Plan will only be exercisable, in accordance with the applicable rules provided for in such program, from May 31, 2025 and may be exercised within 12 months from such date.

28. LEGAL PROCEEDINGS

Accounting policy

A provision is recognized when the obligation is deemed probable by Management, under the advice of its legal counsel and legal advisors, and it can be measured with reasonable certainty. The matching entry of the obligation is an expense for the year. This obligation is updated as the legal proceedings progress or financial charges are incurred and may be reversed if the likelihood of loss is no longer considered probable or is written off when the obligation is settled.

Provisions are not recorded for proceedings for which the likelihood of loss is rated as possible, requiring only disclosure in the notes to the financial statements. They are known as contingent liabilities.

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

Critical accounting estimates and judgments

Given their nature, legal proceedings are settled when one or more future events occur or cease to occur. Usually, the occurrence or non-occurrence of such events does not depend on Serena Energia's performance, and uncertainties in the legal environment involve significant estimates and judgment calls of management regarding the results of future events.

Serena Energia is party to civil, environmental, tax, labor, and regulatory claims in progress at judicial level, as well as to administrative proceedings.

Provisions and contingent liabilities

Provisions in cases discussed at the administrative and judicial levels, the likelihood of loss of which is classified as probable, based on legal opinions/ positions, were accounted for under "Other liabilities" in the amount of R\$ 763 (R\$ 2,294 as of December 31, 2021).

Contingent liabilities of cases discussed at the administrative and judicial levels, when the likelihood of loss is classified as possible, based on legal opinions/ positions, are shown in the table below:

Nature	Number of proceedings	2022	Number of proceedings	2021
		Amount under discussion		Amount under discussion
Environmental	28	1,453	7	550
Administrative	-	-	54	233
Civil – General	11	4,417	10	3,105
Real estate	10	1,725	8	742
Labor	42	1,641	18	802
Tax	31	12,113	46	10,545
Total	122	21,349	143	15,977

29. FINANCIAL INSTRUMENTS

Accounting policy

Financial assets are classified into the following categories:

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through comprehensive income; and
- Financial assets measured at fair value through profit or loss.

Financial liabilities are classified as "Other financial liabilities".

Financial assets measured at amortized cost are financial assets held by Serena Energia (i) for the purpose of receiving their contractual cash flow rather than for sale with profit or loss, and (ii) the contractual terms of which give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This includes the balance of cash and cash equivalents, trade accounts receivable, other assets, and securities. Its variations are recognized in the statement of operations for the period under "Finance income" or "Finance cost", depending on the result obtained.

For financial assets measured at fair value through comprehensive income on initial recognition, Serena Energia may irrevocably choose to classify its equity instruments designated at fair value through other comprehensive income presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Currently, Serena Energia does not work with any instrument classified in this category.

Financial assets measured at fair value through profit or loss comprise, on the initial recognition, the balance derivative financial instruments, including embedded derivatives, stock options and other securities. Currently, Serena Energia does not work with any instrument classified in this category.

Financial assets and liabilities are recognized on the trading date when the Company becomes a party to the instrument's contractual provisions.

Serena Energia derecognizes a financial asset when its contractual rights to receive cash flows thereof expire, or when it transfers its rights to receive the contractual cash flows of a financial asset in a transaction in which basically all risks and rewards related to the financial asset ownership are transferred.

Fair value hierarchy

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level information that is significant to the measurement of fair value as a whole:

- Level 1 - inputs comprise unadjusted quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest and most significant information for measuring fair value is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest and most significant information for measuring fair value is not available.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, Serena Energia determines whether transfers have occurred between levels of the hierarchy, reassessing the categorization (based on the lowest and most significant information for measuring the fair value as a whole) at the end of each reporting period.

There were no transfers between measurement levels in the fair value hierarchy for the period ended December 31, 2022 for these assets.

29.1 Financial instruments classification

The table below shows the book value of Serena Energia's financial instruments by category:

	Consolidated		
	2022	2021	Category
Cash and cash equivalents	1.472,998	1.194.183	A
Marketable securities - Restricted cash	211.069	229.299	A
Trade accounts receivables	357.208	316.044	A
Energy futures contract - asset	885,379	284,934	B
Loans, financing and debentures	(8.376.004)	(6.038.433)	A
Trade accounts payable	(416.257)	(387.759)	A
Lease Liability	(119.145)	(122.009)	B
Energy futures contract - liability	(796,236)	(248,887)	B

A - Financial assets and liabilities measured at amortized cost

B - Financial assets and liabilities measured at fair value

Given the short-term cycle, the fair value of trade accounts receivable and trade accounts payable are assumed to approximate their carrying amounts. In relation to restricted cash, investments are made in floating rate securities, pegged to CDI, and it is assumed that its fair value is close to its carrying amount. In relation to loans and financing,

Omega Energia records operations contracted with BNDES, bearing interest pegged to the long-term interest rate ("TLP"), which is a financing instrument for long-term projects, for which there is no active market and, as such, the carrying amount is assumed to approximate the fair value.

Serena Energia's financial instruments presented above are classified at Level 2 of the fair value hierarchy.

29.2 Sensitivity analysis of financial instruments

The key interest rate risk to which Serena Energia's operations are subject is variation of interest rates, as described in Note 3.

In order to assess the sensitivity of financial investments and loans to interest rates, three different scenarios were defined on December 31, 2022. The probable base scenario for 2023 was the CDI rate, Long-Term Interest Rate ("TLP") and IPCA values, at the rates of 13.65% for the CDI rate, 7.37% for Long-Term Interest Rates, and 5.79% for IPCA; these were stressed by variations of 25% and 50%. For foreign currency denominated loan contracts an exchange rate of R\$ 5.2177 was used.

For each scenario, gross finance income/costs were calculated, not taking into consideration tax levies and the maturity flow of each agreement. The reporting date used for financing was December 31, 2022, with projection of the rates over one year and assessment of the sensitivity in each scenario, are detailed below:

Loans and financing			Consolidated				
	Exposure	Risk	Probable scenario	Stressed scenario + 25%	Stressed scenario + 50%	Stressed scenario - 25%	Stressed scenario - 50%
Geração	1,831,083	CDI variation	295,554	357,952	420,350	233,156	170,759
Geração	2,273,733	IPCA variation	252,904	287,475	322,046	218,332	183,761
Geração	1,441,093	TJLP variation	139,494	169,729	196,905	115,378	88,202
Desenvolvimento	1,487,066	CDI variation	242,307	294,234	346,161	190,381	138,454
Desenvolvimento	603,980	IPCA variation	48,121	57,044	65,966	39,199	30,276
Desenvolvimento	801,353USD + 5.65% e 6.15%		47,885	59,857	71,828	35,914	23,943
Balance on December 31, 2022	<u>8,438,308</u>		<u>1,026,265</u>	<u>1,226,291</u>	<u>1,423,256</u>	<u>832,360</u>	<u>635,395</u>
Balance on December 31, 2021	<u>6,106,193</u>		<u>757,734</u>	<u>897,581</u>	<u>1,034,962</u>	<u>622,814</u>	<u>485,434</u>

Marketable securities			Consolidated				
	Index	Position	Probable scenario	Stressed scenario + 25%	Stressed scenario + 50%	Stressed scenario - 25%	Stressed scenario - 50%
Marketable securities	CDI	1,387,357	189,374	236,718	284,061	142,031	94,687
Restricted cash	CDI	211,069	28,811	36,014	43,216	21,608	14,405
Balance on December 31, 2022		<u>1,598,426</u>	<u>218,185</u>	<u>272,732</u>	<u>327,277</u>	<u>163,639</u>	<u>109,092</u>
Balance on December 31, 2021		<u>1,336,326</u>	<u>122,274</u>	<u>152,842</u>	<u>183,410</u>	<u>91,706</u>	<u>61,136</u>

Net position		Consolidated				
	Position	Probable scenario	Stressed scenario + 25%	Stressed scenario + 50%	Stressed scenario - 25%	Stressed scenario - 50%
Balance on December 31, 2022	<u>6,839,882</u>	<u>810,008</u>	<u>955,847</u>	<u>1,098,628</u>	<u>670,289</u>	<u>527,510</u>
Balance on December 31, 2021	<u>4,769,867</u>	<u>635,460</u>	<u>744,739</u>	<u>851,552</u>	<u>531,108</u>	<u>424,298</u>

The risks from Serena Energia's trading portfolio are linked to changes in energy prices.

In order to assess the sensitivity of the exposure of energy purchase and sale contracts on December 31, 2022, numerous price point scenarios were generated for impacts on Serena Energia's results. The scenario used in accounting for mark-to-market considers current prices.

The sensitivity analysis is performed as described below:

	Probable scenario	Stressed scenario + 25%	Stressed scenario + 50%	Stressed scenario - 25%	Stressed scenario - 50%
Balance on December 31, 2022	<u>89,142</u>	<u>111,428</u>	<u>113,713</u>	<u>66,857</u>	<u>44,571</u>
Balance on December 31, 2021	<u>36,047</u>	<u>45,059</u>	<u>54,071</u>	<u>27,035</u>	<u>18,024</u>

29.3 Futures contract on energy trade

	Consolidated	
	2022	2021
Current Asset	513,024	175,966
Non Current Asset	372,355	108,968
Current Liability	(502,078)	(190,584)
Non Current Liability	(294,158)	(58,303)

Total net asset	89,142	36,046
Total net liability	-	-

The Company has energy futures contract maturing through to 2037. The actual result of financial instruments (futures contracts) may vary since the markings to market of these contracts were made considering the respective base dates and the market price to value the exposures.

The fair value of the Company's energy purchase and sale contracts was determined through market information and appropriate valuation methodologies. The discount rate used refers to the market risk-free rate of return, adjusted by the inflation index of each contract.

30. LONG TERM COMMITMENTS

The main long term commitments are presented below:

					Consolidate
	2023	2024	from 2025 to 2027	from 2027 on	Total
Projects in progress/under construction (i)	1,674,947	101,894	-	-	1,776,841
Operation and maintenance service - O&M	170,823	203,539	563,237	693,869	1,631,469
Energy trade contracts	125,495	-	-	-	125,495
Total	762,935	305,433	563,237	693,869	3,533,805

- (i) Serena Energia has contracts for the purchase of wind turbines, civil and electromechanical works that in general expire in three years. These contracts are commitments already assumed by the Assuruá IV and Assuruá 5 Complexes and Goodnight Project, under implementation phase. Payments related to these obligations are calculated based on the contract defined price. The Goodnight Project is based in Texas (US) hence its operating currency is the US Dollar. Omega considered the rate of December 31, 2022 in translation process in order to present the balance related to Goodnight project.

31. CHANGES IN LIABILITIES OF FINANCING ACTIVITIES

Equity transactions, including changes arising from cash flows in financing activities and changes with no impact cash are as follows.

(Assets) / Liabilities	Note					Consolidated
		Loans, financing, and debentures	Lease liabilities	Equity	Dividends payable	Total
Balances as of December 31, 2021		6,038,433	122,009	4,306,249	625	10,467,316
Transactions impacting cash flow from financing activities						
Funding of loan, financing and debentures	14	2,782,679	-	-	-	2,782,679
Funding costs	14	(8,809)	-	-	-	(8,809)
Payment of principal	14	(551,439)	-	-	-	(551,439)
Dividends paid	20	-	-	-	(625)	(625)
Advance for future capital increase	4.2	-	-	850,115	-	850,115
Leases	19	-	(18,908)	-	-	(18,908)
		2,222,431	(18,908)	850,115	(625)	3,053,013
Other changes that do not affect the cash flow from financing activities						
Payment of interest	14	(598,637)	-	-	-	(598,637)
Interest and monetary variation	14	781,156	12,262	-	-	793,418
Amortization of transaction cost	14	13,022	-	-	-	13,022
Loss for the fiscal year		-	-	(8,031)	-	(8,031)
Other		(80,401)	3,782	22,941	910	(52,768)
		115,140	16,044	14,910	910	147,004
Balances as of December 31, 2022		8,376,004	119,145	5,179,366	910	13,667,333

32. SUBSEQUENT EVENT

32.1 Debt transaction - BNB

From January 2 to 4, 2023, Banco do Nordeste do Brasil (BNB) concluded the third disbursement related to the financing contracts of the SPEs of the Assuruá 4 project (OD 5, OD 6, OD7 and OD8) in the amount of R\$ 130,023. The funds raised by the SPEs will be amortized from August 2023, on a monthly bearing interest of IPCA + 2.04% p.a. (with bonus). Interest will be paid on a quarterly basis in the grace period and on a monthly basis from the beginning of amortization.

32.2 Deferral of loan maturity date - Offshore loan

In January 2023, the maturity dates of the offshore loan (US\$ 35,000 and US\$ 15,000), contracted by Omega Digital Renewable Energy, were postponed to August 2024 with interest adjusted to 7.5% p.a. The US dollar denominated balance falls due in a single bullet installment. Interest is payable six monthly from August 2022.

32.3 Debt transaction - Bridge Loan and Construction Loan

Throughout the year ended December 31, 2023, the Company was released funds from the union comprising Mufg Bank LTD., Sumitomo Mitsui Banking Corporation, and Cooperative Rabobank U.A., New York Branch related to the Goodnight 1 project financing contracts in the amount of BRL 979,814, equivalent to USD 194,987.

32.4 Debt transaction – Resolution 4131

In August 2023, the maturity of the principal amount of financing Resolution 4131 (Promissory Note) of BRL 161,050 at Serena Desenvolvimento was postponed to February 2024.

The new funding for Resolution 4131 was raised in foreign currency in August 2023 in the amount of BRL 161,050 equivalent to EUR USD 29,627.

32.5 Serena and Apolo Partnership – Arco Energia (GD)

On May 18, 2023, the Company entered into agreements with Apolo Administração de Recursos Ltda. (“Apolo”) to invest up to BRL 263,000 in Arco Energia S.A. (“Arco Energia”) for the implementation of up to 141.1 MWp of distributed solar generation projects.

After the initial contributions, the Company now holds 69.95% of Arco's share capital, while Apolo and its affiliates hold the remaining 30.05% of the new company.

32.6 Second Stock Option Grant Plan

On August 28, 2023, the Company's shareholders approved the Company's Second Share Purchase Option Plan, as per the Company's Extraordinary General Meeting.

32.7 Signing of a Shares Exchange Agreement

On October 2, 2023, Omega Geração announced to its shareholders and the market in general that it had signed a Share Exchange Agreement with EDF EN do Brasil Participações Ltda. (“EDFR”), related to the exchange of equity interests between the Company and EDF, in the companies that own the assets of the Pirapora Solar Complex (“Pirapora”) and the Ventos da Bahia Wind Complex (“VDB”). Upon completion of the transaction, the Company will hold 100% of the assets of Complexo Eólico Ventos da Bahia (VDB 1, 2 and 3), and EDFR will hold 100% of the shareholdings in the companies that own the assets of Complexo Solar Pirapora, thus ending the joint ventures between the Company and EDFR.

32.8 Debt transaction – FNE BB

On October 10, 2023, the Company had the second release of resources from Banco do Brasil related to the financing contracts of the SPEs in the Assuruá 5 project (I, II and III) in the amount of BRL 106,815.

On December 27, 2023, the Company had the first release of resources from Banco do Brasil related to the financing contracts of the SPEs in the Assuruá 5 project (IV and V) in the amount of BRL 215,046.

32.9 Debt transaction – Resolution 4131

On November 10, 2023, BRL 200,000 was raised by Arco Energia S.A. Resolution 4131 financing was raised in the amount of EUR USD 38,384.

32.10 Change in corporate name

In December 2023, the Company changed its corporate name to Serena Energia S.A. The corporate names of subsidiaries Omega Geração S.A. and Omega Desenvolvimento S.A. were also changed to Serena Geração S.A. and Serena Desenvolvimento S.A.

32.11 Debt transaction – Debentures

On December 27, 2023, BRL 350,000 were issued in private debentures by Arco Energia 2 S.A., in 2 series.

32.12 Debt rollover – Debentures

On December 28, 2023, the maturity of the debentures issued by Serena Desenvolvimento de Energia 4 S.A. with original maturity on January 31, 2024, was postponed to April 30, 2024.

32.13 Tax Equity Receipt, Goodnight 1 Bridge Loan Settlement, Term Loan Conversion

On February 2, 2024, the Company's subsidiary, Goodnight I TE Partners, LLC, a special purpose company that indirectly owns the Goodnight Wind I project, received the resources linked to the investment backed by tax credits (Tax Equity) by AEG Goodnight Wind 1 LLC (Goldman Entity), in its capacity as successor of the obligations of Goldman Sachs Lending Partners LLC within the scope of the completion of project construction.

The total amount received in the Tax Equity modality was USD 184,700 (BRL 913,600) and the resources were used to pay project costs, including the bridge loan that the bank union, comprising MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, and Coöperative Rabobank U.A., New York Branch, granted throughout 2023 to support the construction of the project (Bridge Loan).

Concomitantly, the Union converted the financing of USD 37,800 (BRL 187,000), which now has a 5-year term (Term Loan), also contributing to the payment of the Bridge Loan.

The operations carried out are in line with the company's strategy to normalize the negative CCL in 2023.

32.14 Advance payment of debentures

On January 30, 2024, as a result of the negotiation carried out with creditors to postpone the maturity of Omega Desenvolvimento 4's debentures, an extraordinary amortization was carried out corresponding to the balance of interest incurred since the assumption of the debentures by the company until the date of extraordinary amortization in the amount of BRL 151,597. After this amortization, the outstanding balance of the Omega Desenvolvimento 4 debentures is now BRL 635,000 and the new maturity date is April 30, 2024.

32.15 Prepayment of debentures

Regarding projects Assuruá 4 and 5, and the Company's intention to raise additional debt (through the capital market or private instruments) during the first quarter, to cover the resources needed for the amortization of Omega Desenvolvimento de Energia 4 S.A.'s debenture maturity, as described in item 2.2 above, the Company informs that on March 8, 2024, the Company's Board of Directors approved the granting of a surety guarantee, in the form of a guarantee, aiming to ensure the faithful, punctual, and integral compliance with the main and accessory obligations assumed by Assuruá 5 Energia S.A. ("Issuer") under the 1st (first) issuance of simple debentures, non-convertible into shares, of the species with real guarantee, with additional surety guarantee, in two series, in the total amount of R\$ 825,000 (eight hundred and twenty-five million Brazilian reais), of the Issuer ("Debentures").

* * *

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

José Carlos Reis de Magalhães Neto
Roberto da Cunha Castello Branco
Antonio Augusto Torres de Bastos Filho
Eduardo Mufarej
Eduardo de Toledo
Gustavo Rocha Gattass
Pedro de Andrade Faria
Michael Harrington
Nicolas Escallon

FISCAL BOARD

Effective members
Bruno Meirelles Salotti
Ricardo Scalzo
Marcos Almeida Braga

Alternate members

Tiago Isaac
Luiz Fernando Ferraz de Rezende
Vera Elias

AUDIT AND RISK MANAGEMENT COMMITTEE

Eduardo de Toledo
Flávio César Maia Luz
Walter Iorio

STATUTORY BOARD

Antonio Augusto Torres de Bastos Filho
Andrea Sztajn
Alexandre Tadao Amoroso Suguita
Thiago Levy

William Franco de Oliveira
Accountant
CRC 1SP256533/O-3

* * *

INDEPENDENT AUDITOR'S REPORT



(A free translation of the original in Portuguese)

Serena Energia S.A.
(formerly Omega Energia S.A.)
Parent company and consolidated
financial statements at
December 31, 2022
and independent auditor's report





Serena Energia S.A.

Independent auditor's report

To the Board of Directors and Shareholders
Serena Energia S.A. (formerly Omega Energia S.A.)

Opinion

We have audited the accompanying parent company financial statements of Serena Energia S.A., formerly Omega Energia S.A. (the "Company"), which comprise the balance sheet as at December 31, 2022 and the statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Serena Energia S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2022 and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at December 31, 2022, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

Restatement of financial statements

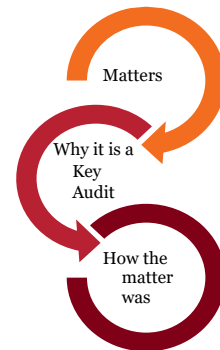
We draw attention to Note 2.9 to these financial statements, which describes the update and restatement of the financial statements due to the circumstances described in referred Note. We have issued our original independent auditor's report dated February 28, 2023, not qualified, on the previously issued financial statements. Due to the update described in the Note 2.9, we provide this new independent auditor's report on the reissued financial statements.

Serena Energia S.A.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Why it is a Key Audit Matter

How the matter was addressed in the audit

Acquisition of interest in the Ventos da Bahia 3 joint venture (Notes 2.7, 4.9 and 5.1.1)

On December 23, 2022, the Company acquired 50% of the shares of Parque Eólico Ventos da Bahia 3 (VDB3), an investment recorded under the equity accounting method. A gain on advantageous purchase was recorded in income at the time of the acquisition for the difference between the purchase consideration and the Company's share of the fair value of the investee's assets and liabilities.

An appraisal firm was contracted by management to support the estimate of the fair value of VDB3's identifiable assets and liabilities. This process requires the use of critical judgments and estimates, relying on subjective data and assumptions, for example, the selection of the discount rate, determining the installed capacity and operating margins of the acquiree.

Because of the significance of the acquisition to the business and the subjective nature of the judgments and assumptions for determining the fair values, which affect the advantageous purchase gain, we treated this as a Key Audit Matter.

Our audit procedures included, among others, reading the supporting documentation for the acquisition of shares in VDB3, analysis of the significant corporate events and management's criteria for determining the effective date of acquisition.

We evaluated the competence and objectivity of the external specialists hired by management to issue the appraisal report on the fair value of the identifiable assets and liabilities of the joint venture. With the support of our corporate finance specialists, we assessed the reasonableness of the methodology used and reviewed the main assumptions for identifying and measuring the Company's share in the fair values of the net assets acquired, including the discount rate, installed capacity and operating margins of the acquiree, comparing them with available historical information or observable data from the market and/or the segment in which the joint venture operates.

We also reviewed the main accounting and tax effects of recording the fair value amounts and read management's disclosures in the financial statements.



Serena Energia S.A.

Why it is a Key Audit Matter**How the matter was addressed in the audit**

**Company's financial situation
(Notes 2.2 and 31)**

At December 31, 2022, the Company's consolidated current liabilities exceed its consolidated current assets by R\$ 135,126 thousand.

Management is endeavoring to rebalance its financial position and has lengthened the tenures of loans for US\$ 35,000 thousand and US\$ 15,000 thousand (equivalent to R\$ 260,885 thousand), maturing originally in January 2023 and now with due dates deferred to August 2024.

Management has declared that it expects, based on its projections of its results and cash flows, that the Company will generate sufficient liquidity to meet its obligations.

As the selection of a different set of assumptions and judgments could lead to different projections for results and future cash flows, we treated this as a Key Audit Matter.

Our audit procedures demonstrated that the methodology, judgments, assumptions used and disclosures made are consistent with the data and information obtained in our audit.

Our audit procedures included, among others, reviewing management's processes for projecting cash flows and its future results and other forecast data. We discussed with management the approval processes and its plans and proposed actions. We also reviewed events after the balance sheet date and up to the date of issue of this report.

We concluded that the information disclosed in the financial statements is consistent with the information obtained in our audit.

Other matters**Statements of Value Added**

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.



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Prior year comparative balances

The original financial statements of the Company for the year ended December 31, 2021, were audited by another firm of auditors whose report, dated March 17, 2024, expressed an unmodified opinion on those statements, and contains an emphasis of matter paragraph regarding restatement of on the previously issued financial statements.

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

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

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

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), 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 parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, 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, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

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



Serena Energia S.A.

influence the economic decisions of users taken on the basis of 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. We also:

- Identify and assess the risks of material misstatement of the parent company 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 a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 internal control of the Company and its subsidiaries.
- 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 ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation



Serena Energia S.A.

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 17, 2024

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

Adriano Formosinho Correia
Contador CRC 1BA029904/O-5