

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

CTEEP - Companhia de Transmissão de Energia Elétrica Paulista

Interim Financial Information
for the Three- and Nine-month Periods
Ended September 30, 2023 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of
CTEEP - Companhia de Transmissão de Energia Elétrica Paulista

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of CTEEP - Companhia de Transmissão de Energia Elétrica Paulista (“CTEEP” or the “Company”), included in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2023, which comprises the balance sheet as at September 30, 2023 and the related statements of profit and loss and of comprehensive income for the three- and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Emphasis of matter

Law No. 4.819/58

As described in note 9 to the interim financial information, as at September 30, 2023, the Company recognizes receivables from the State of São Paulo amounting to R\$2,314,914 thousand, net, related to the impacts of Law No. 4.819/58, which granted the employees of companies owned by the State of São Paulo the retirement and pension supplementation benefits that are already granted to other civil servants. The Company's Management is monitoring any new facts related to the matter and assessing the possible impacts on its interim financial information. Our conclusion is not modified with respect to this matter.

Other matters

Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2023, prepared under the responsibility of the Company's Management and presented as supplemental information for international standard IAS 34 purposes. These statements were subject to the review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and the accounting records, as applicable, and if their form and content are consistent with the criteria set forth in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with such technical pronouncement and consistently with the individual and consolidated interim financial information taken as a whole.

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

São Paulo, October 30, 2023



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Renato Vieira Lima
Engagement Partner

Contents

Company Information

Capital Breakdown	1
-------------------	---

Individual Financial Statements

Balance Sheet – Assets	2
------------------------	---

Balance Sheet - Liabilities	3
-----------------------------	---

Statement of Profit and Loss	5
------------------------------	---

Statement of Comprehensive Income	7
-----------------------------------	---

Statement of Cash Flows (Indirect Method)	8
---	---

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2023 to 09/30/2023	10
---	----

Statement of Changes in Equity - 01/01/2022 to 09/30/2022	11
---	----

Statement of Value Added	12
--------------------------	----

Consolidated Financial Statements

Balance Sheet – Assets	13
------------------------	----

Balance Sheet - Liabilities	14
-----------------------------	----

Statement of Profit and Loss	16
------------------------------	----

Statement of Comprehensive Income	18
-----------------------------------	----

Statement of Cash Flows (Indirect Method)	19
---	----

Statement of Changes in Equity

Statement of Changes in Equity - 01/01/2023 to 09/30/2023	21
---	----

Statement of Changes in Equity - 01/01/2022 to 09/30/2022	22
---	----

Statement of Value Added	23
--------------------------	----

Comments on Performance	24
-------------------------	----

Notes to the Interim Financial Information	30
--	----

Other Information Considered Relevant by the Company	101
--	-----

Opinions and Statements

Opinion of the Supervisory Board or Similar Body	110
--	-----

Summarized Audit Committee Opinion or Report, if any (either statutory or not)	111
--	-----

Officers' Statements on the Financial Statements	112
--	-----

Officers' Statement on the Independent Auditor's Report	113
---	-----

Company Information / Capital Breakdown

Number of Shares (Unit)	Current Quarter 09/30/2023
Paid-in Capital	
Common	257,937,732
Preferred	400,945,572
Total	658,883,304
Treasury Shares	
Common	0
Preferred	0
Total	0

Individual Financial Statements / Balance Sheet – Assets**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
1	Total assets	34,003,738	31,274,875
1.01	Current assets	4,626,849	3,837,377
1.01.01	Cash and cash equivalents	199,354	327,065
1.01.02	Short-term investments	931,795	462,256
1.01.02.01	Short-term investments measured at fair value through profit or loss	931,795	462,256
1.01.02.01.03	Short-term investments	931,795	462,256
1.01.03	Trade receivables	2,903,499	2,536,251
1.01.03.01	Trade receivables	2,903,499	2,536,251
1.01.03.01.01	Concession assets	2,903,499	2,536,251
1.01.06	Recoverable taxes	226,800	111,932
1.01.06.01	Current recoverable taxes	226,800	111,932
1.01.06.01.01	Taxes and contributions for offset	226,800	111,932
1.01.08	Other current assets	365,401	399,873
1.01.08.03	Other	365,401	399,873
1.01.08.03.01	Derivative financial instruments	0	816
1.01.08.03.03	Receivables from related parties	102,693	222,955
1.01.08.03.04	Other	262,708	176,102
1.02	Noncurrent assets	29,376,889	27,437,498
1.02.01	Long-term assets	18,971,398	17,915,054
1.02.01.04	Trade receivables	16,470,402	15,579,159
1.02.01.04.01	Concession assets	16,470,402	15,579,159
1.02.01.10	Other noncurrent assets	2,500,996	2,335,895
1.02.01.10.03	Receivables - Finance Department	2,314,914	2,175,500
1.02.01.10.04	Sureties and escrow deposits	42,455	41,271
1.02.01.10.08	Other	143,627	110,424
1.02.01.10.09	Receivables from related parties	0	8,700
1.02.02	Investments	9,777,638	8,870,704
1.02.02.01	Investments	9,777,638	8,870,704
1.02.02.01.02	Interests in subsidiaries	5,694,605	5,076,011
1.02.02.01.03	Investments in jointly controlled subsidiaries	4,083,033	3,794,693
1.02.03	Property and equipment	101,313	112,328
1.02.03.01	Property and equipment in operation	101,313	112,328
1.02.04	Intangible assets	526,540	539,412
1.02.04.01	Intangible assets	526,540	539,412
1.02.04.01.02	Intangible assets	526,540	539,412

Individual Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
2	Total liabilities	34,003,738	31,274,875
2.01	Current liabilities	2,962,359	1,206,837
2.01.02	Trade payables	110,822	88,350
2.01.02.01	Domestic suppliers	110,822	88,350
2.01.03	Taxes payable	461,749	185,865
2.01.03.01	Federal taxes payable	461,749	185,865
2.01.03.01.02	Taxes and payroll charges payable	461,749	185,865
2.01.04	Borrowings and financing	2,245,439	166,189
2.01.04.01	Borrowings and financing	1,641,601	63,579
2.01.04.01.01	In local currency	1,641,601	63,579
2.01.04.02	Debentures	596,288	88,833
2.01.04.03	Finance lease	7,550	13,777
2.01.04.03.01	Leases	7,550	13,777
2.01.05	Other payables	144,349	766,433
2.01.05.02	Other	144,349	766,433
2.01.05.02.01	Dividends and interest on capital payable	13,454	611,208
2.01.05.02.05	Regulatory charges payable	53,747	62,338
2.01.05.02.07	Other	77,148	92,887
2.02	Non-current liabilities	13,064,148	13,890,586
2.02.01	Borrowings and financing	6,714,992	7,751,217
2.02.01.01	Borrowings and financing	551,819	1,905,146
2.02.01.01.01	In local currency	551,819	1,905,146
2.02.01.02	Debentures	6,141,700	5,805,235
2.02.01.03	Finance lease	21,473	40,836
2.02.01.03.01	Leases	21,473	40,836
2.02.02	Other payables	194,071	193,181
2.02.02.02	Other	194,071	193,181
2.02.02.02.06	Regulatory charges payable	33,256	25,990
2.02.02.02.07	Derivative financial instruments	3,075	0
2.02.02.02.08	Employee benefit – actuarial deficit	153,379	153,836
2.02.02.02.09	Other	3,209	12,335
2.02.02.02.10	Domestic suppliers	1,152	1,020
2.02.03	Deferred taxes	6,058,032	5,828,039
2.02.03.01	Deferred income tax and social contribution	6,058,032	5,828,039
2.02.03.01.01	Deferred PIS and COFINS (taxes on revenue)	1,768,456	1,643,620
2.02.03.01.02	Deferred income tax and social contribution	4,289,576	4,184,419
2.02.04	Provisions	97,053	118,149
2.02.04.01	Provisions for tax, social security, labor and civil risks	97,053	118,149
2.02.04.01.06	Provisions	97,053	118,149
2.03	Equity	16,977,231	16,177,452
2.03.01	Paid-in capital	3,590,020	3,590,020
2.03.02	Capital reserves	666	666
2.03.02.02	Special goodwill reserve - merger	588	588
2.03.02.07	Investment grants – CRC	78	78
2.03.04	Earnings reserves	12,608,142	12,608,142
2.03.04.01	Legal reserve	718,004	718,004

Individual Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
2.03.04.02	Statutory reserve	2,315,253	2,315,253
2.03.04.10	Special unrealized earnings reserve	8,728,429	8,728,429
2.03.04.11	Earnings retention reserve	846,456	846,456
2.03.05	Retained earnings/accumulated losses	1,819,761	0
2.03.08	Other comprehensive income	-41,358	-21,376
2.03.08.01	Adjustment to financial instrument	-22,950	-2,968
2.03.08.02	Actuarial surplus (deficit)	-18,408	-18,408

Individual Financial Statements / Statement of Profit and Loss**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
3.01	Revenue from sales and/or services	1,227,629	3,735,027	860,524	3,100,769
3.01.01	Revenue from infrastructure, operation and maintenance, efficiency gain on infrastructure implementation and other, net	711,204	2,051,139	593,345	1,493,154
3.01.02	Compensation for concession assets, net	516,425	1,683,888	267,179	1,607,615
3.02	Cost of sales and/or services	-532,068	-1,362,059	-311,458	-848,018
3.02.01	Costs on infrastructure implementation and operation and maintenance services	-532,068	-1,360,182	-311,300	-845,806
3.02.02	Cost of services	0	-1,877	-158	-2,212
3.03	Gross profit (loss)	695,561	2,372,968	549,066	2,252,751
3.04	Operating expenses/income	94,894	632,020	179,167	622,185
3.04.02	General and administrative expenses	-59,040	-163,718	-65,923	-186,170
3.04.02.01	Management fees	-3,239	-12,520	-2,956	-11,389
3.04.02.02	Other general and administrative expenses	-55,801	-151,198	-53,810	-165,624
3.04.02.03	Periodic Tariff Revision	0	0	-9,157	-9,157
3.04.04	Other operating income	1,848	33,469	6,003	21,228
3.04.05	Other operating expenses	-10,775	-29,356	-8,826	-27,783
3.04.06	Share of profit (loss) of investees	162,861	791,625	247,913	814,910
3.05	Profit (loss) before finance income (costs) and taxes	790,455	3,004,988	728,233	2,874,936
3.06	Finance income (costs)	-171,436	-685,088	-141,360	-698,506
3.06.01	Finance income	43,648	95,707	30,227	61,361
3.06.02	Finance costs	-215,084	-780,795	-171,587	-759,867
3.07	Profit (loss) before income taxes	619,019	2,319,900	586,873	2,176,430
3.08	Income tax and social contribution	-148,977	-500,139	-109,936	-456,714
3.08.01	Current	-180,523	-393,658	-142,296	-197,098
3.08.02	Deferred	31,546	-106,481	32,360	-259,616
3.09	Profit from continuing operations	470,042	1,819,761	476,937	1,719,716
3.11	Profit/loss for the period	470,042	1,819,761	476,937	1,719,716
3.99	Earnings per share (R\$/share)				
3.99.01	Basic earnings per share				
3.99.01.01	Common	0,71339	2,76189	0,72386	2,61005

Individual Financial Statements / Statement of Profit and Loss**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
3.99.01.02	Preferred	0,71339	2,76189	0,72386	2,61005
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0,71335	2,7617	0,72381	2,60988
3.99.02.02	Preferred	0,71335	2,7617	0,72381	2,60988

Individual Financial Statements / Statement of Comprehensive Income**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
4.01	Profit for the period	470,042	1,819,761	476,937	1,719,716
4.02	Other comprehensive income	604	-19,982	-4,716	-45,249
4.02.03	Adjustment to financial instrument of subsidiaries, by share of profit (loss) of inv'estees, nett	1,169	-17,414	-3,067	-30,032
4.02.04	Adjustment to financial instrument of Parent, net	-565	-2,568	-1,649	-15,217
4.03	Comprehensive income for the period	470,646	1,799,779	472,221	1,674,467

Individual Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2023 to 09/30/2023	Previous Year 01/01/2022 to 09/30/2022
6.01	Net cash from operating activities	665,598	780,597
6.01.01	Cash generated by operations	-2,164,823	-1,566,900
6.01.01.01	Profit for the period	1,819,761	1,719,716
6.01.01.02	Depreciation and amortization	18,676	19,782
6.01.01.03	Deferred PIS and COFINS (taxes on revenue)	124,836	102,500
6.01.01.04	Deferred income tax and social contribution	106,481	259,616
6.01.01.05	Lawsuits	-6,904	-1,757
6.01.01.06	Residual cost of permanent assets written off	-117	-4,340
6.01.01.07	Tax benefits - merged goodwill	28	27
6.01.01.08	Realization of concession intangible assets on acquisition of subsidiary	14,882	14,792
6.01.01.10	Share of profit (loss) of investees	-790,193	-813,389
6.01.01.11	Interest, inflation adjustment and exchange rate changes on borrowings, financing and debentures	-527	624
6.01.01.12	Income from short-term investments	-4,095	-25,275
6.01.01.13	Interest, inflation adjustment and exchange rate changes on borrowings, financing and debentures	764,705	722,026
6.01.01.14	Employee benefit	17,816	47,179
6.01.01.15	Concession assets (infrastructure revenue, concession assets compensation and efficiency gain)	-4,230,172	-3,610,222
6.01.01.16	Gain (loss) on disposal of assets and rights	0	1,821
6.01.02	Changes in assets and liabilities	2,830,421	2,347,497
6.01.02.01	Restricted cash	8,549	1,858
6.01.02.02	Concession assets	2,971,681	2,403,239
6.01.02.04	Receivables - Finance Department	-139,414	-143,787
6.01.02.05	Taxes and contributions for offset	-114,868	-90,177
6.01.02.08	Other assets	-126,473	-40,297
6.01.02.09	Trade payables	22,604	43,756
6.01.02.10	Taxes and payroll charges payable	377,101	261,457
6.01.02.11	Payroll and related taxes	9,461	6,521
6.01.02.12	Income tax and social contribution paid	-101,217	-66,711
6.01.02.13	Regulatory charges payable	-1,784	5,391
6.01.02.14	Provisions	-22,494	-10,838
6.01.02.17	Other liabilities	-52,725	-22,915
6.02	Net cash from investing activities	-488,397	-762,872
6.02.01	Short-term investments	-1,373,464	-1,548,606
6.02.02	Redemption of short-term investments	908,020	1,237,489
6.02.03	Purchase of property and equipment	-15,013	-7,067
6.02.04	Intangible assets	-6,366	-1,667
6.02.05	Investments	-258,659	-712,542
6.02.06	Dividends received	257,085	269,521
6.03	Net cash from financing activities	-304,912	-115,992
6.03.01	Additions to borrowings	652,896	926,960
6.03.02	Payment of borrowings and debenture (Principal)	-63,687	-705,582
6.03.03	Payment of borrowings and debenture (interest)	-283,493	-212,985
6.03.04	Derivative financial instruments	-1,802	-16,491
6.03.06	Dividends and interest on capital	-597,754	-97,721

Individual Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the Current Year	Accumulated for the Previous Year
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
6.03.07	Payment of leases (principal and interest)	-11,072	-10,173
6.05	Increase (decrease) in cash and cash equivalents	-127,711	-98,267
6.05.01	Opening balance of cash and cash equivalents	327,065	242,746
6.05.02	Closing balance of cash and cash equivalents	199,354	144,479

Individual Financial Statements / Statement of Changes in Equity - 01/01/2023 to 09/30/2023**(In thousands of Brazilian reais – R\$)**

Account Code	Account description	Paid-in capital	Capital Options Granted and Treasury Shares	Reserves, and	Earnings Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening balances	3,590,020		666	12,608,142	0	-21,376	16,177,452
5.03	Adjusted opening balances	3,590,020		666	12,608,142	0	-21,376	16,177,452
5.05	Total comprehensive income	0		0	0	1,819,761	-19,982	1,799,779
5.05.01	Profit for the period	0		0	0	1,819,761	0	1,819,761
5.05.02	Other comprehensive income	0		0	0	0	-19,982	-19,982
5.05.02.06	Adjustment to financial instrument of subsidiaries, under share of profit (loss) of subsidiaries, net	0		0	0	0	-17,414	-17,414
5.05.02.07	Adjustment to financial instrument of Parent, net	0		0	0	0	-2,568	-2,568
5.07	Closing balances	3,590,020		666	12,608,142	1,819,761	-41,358	17,977,231

Individual Financial Statements / Statement of Changes in Equity - 01/01/2022 to 09/30/2022**(In thousands of Brazilian reais – R\$)**

Account Code	Account description	Paid-in capital	Capital Options Granted and Treasury Shares	Reserves, and	Earnings Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening balances	3,590,020		666	11,045,897	0	-237,377	14,399,206
5.03	Adjusted opening balances	3,590,020		666	11,045,897	0	-237,377	14,399,206
5.05	Total comprehensive income	0		0	0	1,719,716	-45,249	1,674,467
5.05.01	Profit for the period	0		0	0	1,719,716	0	1,719,716
5.05.02	Other comprehensive income	0		0	0	0	-45,249	-45,249
5.05.02.06	Adjustment to financial instrument of subsidiaries, under share of profit (loss) of subsidiaries, net	0		0	0	0	-30,032	-30,032
5.05.02.07	Adjustment to financial instrument of Parent, net	0		0	0	0	-15,217	-15,217
5.07	Closing balances	3,590,020		666	11,045,897	1,719,716	-282,626	16,073,673

Individual Financial Statements / Statement of Value Added**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the Current Year	Accumulated for the Previous Year
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
7.01	Revenue	4,319,207	3,668,606
7.01.01	Sales of goods, products and services	4,285,738	3,647,378
7.01.02	Other income	33,469	21,228
7.02	Inputs acquired from third parties	-1,213,842	-730,577
7.02.01	Cost of products, goods and services sold	-1,106,590	-637,989
7.02.02	Materials, power, outside services and other	-107,252	-92,588
7.03	Gross value added	3,105,365	2,938,029
7.04	Retentions	-18,676	-19,782
7.04.01	Depreciation, amortization and depletion	-18,676	-19,782
7.05	Wealth created	3,086,689	2,918,247
7.06	Wealth received in transfer	887,332	876,271
7.06.01	Share of profit (loss) of investees	791,625	814,910
7.06.02	Finance income	95,707	61,361
7.07	Total wealth for distribution	3,974,021	3,794,518
7.08	Wealth distributed	3,974,021	3,794,518
7.08.01	Personnel	240,222	240,602
7.08.01.01	Salaries and wages	156,513	132,690
7.08.01.02	Benefits	67,148	93,289
7.08.01.03	Severance Pay Fund (FGTS)	16,561	14,623
7.08.02	Taxes, fees and contributions	1,132,444	1,075,942
7.08.02.01	Federal	1,095,734	1,045,437
7.08.02.02	State	638	901
7.08.02.03	Municipal	36,072	29,604
7.08.03	Lenders and lessors	781,594	758,258
7.08.03.01	Interest	777,590	755,161
7.08.03.02	Rentals	4,004	3,097
7.08.04	Shareholders	1,819,761	1,719,716
7.08.04.03	Retained earnings / loss for the period	1,819,761	1,719,716

Consolidated Financial Statements / Balance Sheet – Assets**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
1	Total assets	35,162,727	32,243,550
1.01	Current assets	5,844,501	4,670,170
1.01.01	Cash and cash equivalents	279,053	336,523
1.01.02	Short-term investments	1,577,130	907,326
1.01.02.01	Short-term investments measured at fair value through profit or loss	1,577,130	907,326
1.01.02.01.03	Short-term investments	1,577,130	907,326
1.01.03	Trade receivables	3,408,653	3,030,059
1.01.03.01	Trade receivables	3,408,653	3,030,059
1.01.03.01.01	Concession assets	3,408,653	3,030,059
1.01.06	Recoverable taxes	230,573	114,235
1.01.06.01	Current recoverable taxes	230,573	114,235
1.01.06.01.01	Taxes and contributions for offset	230,573	114,235
1.01.08	Other current assets	349,092	282,027
1.01.08.03	Other	349,092	282,027
1.01.08.03.01	Derivative financial instruments	0	816
1.01.08.03.03	Receivables from related parties	68,834	89,563
1.01.08.03.04	Other	280,258	191,648
1.02	Noncurrent assets	29,318,226	27,573,380
1.02.01	Long-term assets	24,667,007	23,187,897
1.02.01.04	Trade receivables	22,119,334	20,828,913
1.02.01.04.01	Concession assets	22,119,334	20,828,913
1.02.01.10	Other noncurrent assets	2,547,673	2,358,984
1.02.01.10.03	Receivables - Finance Department	2,314,914	2,175,500
1.02.01.10.04	Sureties and escrow deposits	42,460	41,298
1.02.01.10.06	Other	190,299	142,186
1.02.02	Investments	4,083,033	3,794,693
1.02.02.01	Investments	4,083,033	3,794,693
1.02.02.01.04	Investments in jointly controlled subsidiaries	4,083,033	3,794,693
1.02.03	Property and equipment	103,918	114,932
1.02.03.01	Property and equipment in operation	103,918	114,932
1.02.04	Intangible assets	464,268	475,858
1.02.04.01	Intangible assets	464,268	475,858
1.02.04.01.02	Intangible assets	464,268	475,858

Consolidated Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
2	Total liabilities	35,162,727	32,243,550
2.01	Current liabilities	3,070,738	1,293,346
2.01.02	Trade payables	147,957	111,557
2.01.02.01	Domestic suppliers	147,957	111,557
2.01.03	Taxes payable	484,779	197,315
2.01.03.01	Federal taxes payable	484,779	197,315
2.01.03.01.02	Taxes and payroll charges payable	484,779	197,315
2.01.04	Borrowings and financing	2,260,697	181,017
2.01.04.01	Borrowings and financing	1,656,574	78,060
2.01.04.01.01	In local currency	1,656,574	78,060
2.01.04.02	Debentures	596,288	88,833
2.01.04.03	Finance lease	7,835	14,124
2.01.04.03.01	Leases	7,835	14,124
2.01.05	Other payables	177,305	803,457
2.01.05.02	Other	177,305	803,457
2.01.05.02.01	Dividends and interest on capital payable	13,454	611,208
2.01.05.02.05	Regulatory charges payable	55,248	63,287
2.01.05.02.06	Derivative financial instruments	11,518	0
2.01.05.02.07	Other	97,085	128,962
2.02	Non-current liabilities	13,611,099	14,413,723
2.02.01	Borrowings and financing	6,813,100	7,860,680
2.02.01.01	Borrowings and financing	648,252	2,012,601
2.02.01.01.01	In local currency	648,252	2,012,601
2.02.01.02	Debentures	6,141,700	5,805,235
2.02.01.03	Finance lease	23,148	42,844
2.02.01.03.01	Leases	23,148	42,844
2.02.02	Other payables	213,465	204,488
2.02.02.02	Other	213,465	204,488
2.02.02.02.05	Regulatory charges payable	37,010	28,142
2.02.02.02.06	Derivative financial instruments	13,642	0
2.02.02.02.08	Other	3,209	16,454
2.02.02.02.09	Employee benefit – actuarial deficit	153,379	153,836
2.02.02.02.10	Domestic suppliers	6,225	6,056
2.02.03	Deferred taxes	6,464,633	6,207,796
2.02.03.01	Deferred income tax and social contribution	6,464,633	6,207,796
2.02.03.01.01	Deferred income tax and social contribution	4,475,010	4,357,908
2.02.03.01.02	Deferred PIS and COFINS (taxes on revenue)	1,989,623	1,849,888
2.02.04	Provisions	119,901	140,759
2.02.04.01	Provisions for tax, social security, labor and civil risks	119,901	140,759
2.02.04.01.06	Provisions	119,901	140,759
2.03	Consolidated equity	18,480,890	16,536,481
2.03.01	Paid-in capital	3,590,020	3,590,020
2.03.02	Capital reserves	666	666
2.03.02.02	Special goodwill reserve - merger	588	588
2.03.02.07	Investment grants – CRC	78	78
2.03.04	Earnings reserves	12,608,142	12,608,142

Consolidated Financial Statements / Balance Sheet – Liabilities**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 09/30/2023	Previous Year 12/31/2022
2.03.04.01	Legal reserve	718,004	718,004
2.03.04.02	Statutory reserve	2,315,253	2,315,253
2.03.04.10	Special unrealized earnings reserve	8,728,429	8,728,429
2.03.04.12	Earnings retention reserve	846,456	846,456
2.03.05	Retained earnings/accumulated losses	1,819,761	0
2.03.08	Other comprehensive income	-41,358	-21,376
2.03.08.01	Adjustment to financial instrument	-22,950	-2,968
2.03.08.02	Actuarial surplus (deficit)	-18,408	-18,408
2.03.09	Noncontrolling interests	503,659	359,029

Consolidated Financial Statements / Statement of Profit and Loss**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
3.01	Revenue from sales and/or services	1,482,507	4,527,528	1,192,688	4,218,782
3.01.01	Revenue from infrastructure, operation and maintenance, efficiency gain on infrastructure implementation and other, net	851,429	2,410,190	842,614	2,190,131
3.01.02	Compensation for concession assets, net	631,078	2,117,338	350,074	2,028,651
3.02	Cost of sales and/or services	-666,524	-1,713,468	-533,318	-1,567,024
3.02.01	Costs on infrastructure implementation and operation and maintenance services	-666,524	-1,711,591	-533,160	-1,564,814
3.02.02	Cost of services	0	-1,877	-158	-2,210
3.03	Gross profit (loss)	815,983	2,814,060	659,370	2,651,758
3.04	Operating expenses/income	-19,672	214,119	83,015	262,907
3.04.02	General and administrative expenses	-62,702	-175,495	-59,119	-186,460
3.04.02.01	Management fees	-3,239	-12,520	-2,956	-11,389
3.04.02.02	Other general and administrative expenses	-55,778	-159,290	-57,988	-176,896
3.04.02.03	Periodic Tariff Revision	-3,685	-3,685	1,825	1,825
3.04.04	Other operating income	3,430	42,323	7,137	24,618
3.04.05	Other operating expenses	-11,494	-31,536	-9,811	-29,840
3.04.06	Share of profit (loss) of investees	51,094	378,827	144,808	454,589
3.05	Profit (loss) before finance income (costs) and taxes	796,311	3,028,179	742,385	2,914,665
3.06	Finance income (costs)	-149,487	-640,964	-125,493	-657,068
3.06.01	Finance income	68,331	148,050	49,872	114,515
3.06.02	Finance costs	-217,818	-789,014	-175,365	-771,583
3.07	Profit (loss) before income taxes	646,824	2,387,215	616,892	2,257,597
3.08	Income tax and social contribution	-160,643	-532,705	-123,888	-498,247
3.08.01	Current	-188,419	-413,723	-147,609	-212,420
3.08.02	Deferred	27,776	-118,982	23,721	-285,827
3.09	Profit from continuing operations	486,181	1,854,510	493,004	1,759,350
3.11	Profit/loss for the period	486,181	1,854,510	493,004	1,759,350
3.11.01	Attributable to owners of the Company	470,042	1,819,761	476,937	1,719,716
3.11.02	Attributable to noncontrolling shareholders	16,139	34,749	16,067	39,634
3.99	Earnings per share (R\$/share)				

Consolidated Financial Statements / Statement of Profit and Loss**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
			01/01/2023 à 30/09/2023	01/07/2022 à 30/09/2022	01/01/2022 à 30/09/2022
3.99.01	Basic earnings per share				
3.99.01.01	Common	0,71339	2,76189	0,72386	2,61005
3.99.01.02	Preferred	0,71339	2,76189	0,72386	2,61005
3.99.02	Diluted earnings per share				
3.99.02.01	Common	0,71335	2,7617	0,72381	2,60988
3.99.02.02	Preferred	0,71335	2,7617	0,72381	2,60988

Consolidated Financial Statements / Statement of Comprehensive Income**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Current Quarter 07/01/2023 to 09/30/2023	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Quarter Equal to the Previous Year 07/01/2022 to 09/30/2022	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
			01/01/2023 à 30/09/2023	01/07/2022 à 30/09/2022	01/01/2022 à 30/09/2022
4.01	Profit for the period	486,181	1,854,510	493,004	1,759,350
4.02	Other comprehensive income	604	-19,982	-4,716	-45,249
4.02.03	Adjustment to financial instrument of subsidiaries, by share of profit (loss) of inv'estees, nett	1,169	-17,414	-3,067	-30,032
4.02.04	Adjustment to financial instrument of Parent, net	-565	-2,568	-1,649	-15,217
4.03	Consolidated comprehensive income for the period	486,785	1,834,528	488,288	1,714,101
4.03.01	Attributable to owners of the Company	470,646	1,799,779	472,221	1,674,467
4.03.02	Attributable to noncontrolling shareholders	16,139	34,749	16,067	39,634

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the	Accumulated for the
		Current Year 01/01/2023 to 09/30/2023	Previous Year 01/01/2022 to 09/30/2022
6.01	Net cash from operating activities	680,882	373,171
6.01.01	Cash generated by operations	-2,592,003	-2,349,076
6.01.01.01	Profit for the period	1,854,510	1,759,350
6.01.01.02	Depreciation and amortization	19,097	20,268
6.01.01.03	Deferred PIS and COFINS (taxes on revenue)	139,735	133,663
6.01.01.04	Deferred income tax and social contribution	118,983	285,827
6.01.01.05	Lawsuits	-6,804	2,605
6.01.01.06	Residual cost of permanent assets written off	-117	-4,335
6.01.01.07	Tax benefits - merged goodwill	28	27
6.01.01.08	Realization of concession intangible assets on acquisition of subsidiary	14,881	14,792
6.01.01.10	Share of profit (loss) of investees	-378,827	-454,589
6.01.01.11	Interest, inflation adjustment and exchange rate changes on assets and liabilities	811	1,781
6.01.01.12	Income from short-term investments	-18,610	-39,635
6.01.01.13	Interest, inflation adjustment and exchange rate changes on borrowings, financing and debentures	771,691	733,798
6.01.01.15	Employee benefit	17,816	47,179
6.01.01.16	Concession assets (infrastructure revenue, concession assets compensation and efficiency gain)	-5,090,448	-4,811,994
6.01.01.17	Gain (loss) on disposal of assets and rights	0	1,821
6.01.01.18	Transactions with noncontrolling shareholders	-34,749	-39,634
6.01.02	Changes in assets and liabilities	3,272,885	2,722,247
6.01.02.01	Restricted cash	9,431	3,489
6.01.02.02	Concession assets	3,421,433	2,733,627
6.01.02.04	Receivables - Finance Department	-139,414	-143,787
6.01.02.05	Taxes and contributions for offset	-116,338	-89,215
6.01.02.08	Other assets	-144,246	-40,898
6.01.02.09	Trade payables	36,569	60,772
6.01.02.10	Taxes and payroll charges payable	404,102	272,615
6.01.02.11	Payroll and related taxes	9,461	6,521
6.01.02.12	Income tax and social contribution paid	-116,638	-77,672
6.01.02.13	Regulatory charges payable	177	6,584
6.01.02.14	Provisions	-23,757	-15,984
6.01.02.17	Other liabilities	-67,895	6,195
6.02	Net cash from investing activities	-415,787	-328,894
6.02.01	Short-term investments	-1,556,058	-1,840,231
6.02.02	Redemption of short-term investments	1,049,494	1,613,597
6.02.03	Purchase of property and equipment	-15,285	-7,093
6.02.04	Intangible assets	-6,366	-1,667
6.02.05	Investments	0	-93,500
6.02.06	Dividends received	112,428	0
6.03	Net cash from financing activities	-322,565	-158,673
6.03.01	Additions to borrowings and debentures	652,896	926,960
6.03.02	Payment of borrowings and debenture (Principal)	-74,187	-735,478
6.03.03	Payment of borrowings and debenture (interest)	-290,593	-223,990
6.03.04	Derivative financial instruments	-1,802	-18,028

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the Current Year 01/01/2023 to 09/30/2023	Accumulated for the Previous Year 01/01/2022 to 09/30/2022
6.03.06	Dividends and interest on capital	-597,754	-97,721
6.03.07	Payment of leases (principal and interest)	-11,125	-10,416
6.05	Increase (decrease) in cash and cash equivalents	-57,470	-114,396
6.05.01	Opening balance of cash and cash equivalents	336,523	282,632
6.05.02	Closing balance of cash and cash equivalents	279,053	168,236

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2023 to 09/30/2023**(In thousands of Brazilian reais – R\$)**

Account Code	Account description	Paid-in capital	Capital Options Granted and Treasury Shares	Reserves, Granted and	Earnings Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	3,590,020		666	12,608,142	0	-21,376	16,177,452	359,029	16,536,481
5.03	Adjusted opening balances	3,590,020		666	12,608,142	0	-21,376	16,177,452	359,029	16,536,481
5.04	Capital transactions with shareholders	0		0	0	0	0	0	109,881	109,881
5.05	Total comprehensive income	0		0	0	1,819,761	-19,982	1,799,779	34,749	1,834,528
5.05.01	Profit for the period	0		0	0	1,819,761	0	1,819,761	34,749	1,854,510
5.05.02	Other comprehensive income	0		0	0	0	-19,982	-19,982	0	-19,982
5.05.02.06	Adjustment to financial instrument of subsidiaries, under share of profit (loss) of subsidiaries, net	0		0	0	0	-17,414	-17,414	0	-17,414
5.05.02.07	Adjustment to financial instrument of Parent, net	0		0	0	0	-2,568	-2,568	0	-2,568
5.07	Closing balances	3,590,020		666	12,608,142	1,819,761	-41,358	17,977,231	503,659	18,480,890

Consolidated Financial Statements / Statement of Changes in Equity - 01/01/2022 to 09/30/2022**(In thousands of Brazilian reais – R\$)**

Account Code	Account description	Paid-in capital	Capital Options Granted and Treasury Shares	Reserves, Granted and	Earnings Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Noncontrolling interests	Consolidated equity
5.01	Opening balances	3,590,020		666	11,045,897	0	-237,377	14,399,206	393,529	14,792,735
5.03	Adjusted opening balances	3,590,020		666	11,045,897	0	-237,377	14,399,206	393,529	14,792,735
5.04	Capital transactions with shareholders	0		0	0	0	0	0	65,987	65,987
5.05	Total comprehensive income	0		0	0	1,719,716	-45,249	1,674,467	39,634	1,714,101
5.05.01	Profit for the period	0		0	0	1,719,716	0	1,719,716	39,634	1,759,350
5.05.02	Other comprehensive income	0		0	0	0	-45,249	-45,249	0	-45,249
5.05.02.06	Adjustment to financial instrument of subsidiaries, under share of profit (loss) of subsidiaries, net	0		0	0	0	-30,032	-30,032	0	-30,032
5.05.02.07	Adjustment to financial instrument of Parent, net	0		0	0	0	-15,217	-15,217	0	-15,217
5.07	Closing balances	3,590,020		666	11,045,897	1,719,716	-282,626	16,073,673	499,150	16,572,823

Consolidated Financial Statements / Statement of Value Added**(In thousands of Brazilian reais – R\$)**

Account Code	Account Description	Accumulated for the Current Year	Accumulated for the Previous Year
		01/01/2023 to 09/30/2023	01/01/2022 to 09/30/2022
7.01	Revenue	5,159,225	4,853,868
7.01.01	Sales of goods, products and services	5,116,902	4,829,250
7.01.02	Other income	42,323	24,618
7.02	Inputs acquired from third parties	-1,570,876	-1,457,507
7.02.01	Cost of products, goods and services sold	-1,457,181	-1,356,038
7.02.02	Materials, power, outside services and other	-113,695	-101,469
7.03	Gross value added	3,588,349	3,396,361
7.04	Retentions	-19,097	-20,268
7.04.01	Depreciation, amortization and depletion	-19,097	-20,268
7.05	Wealth created	3,569,252	3,376,093
7.06	Wealth received in transfer	526,877	569,104
7.06.01	Share of profit (loss) of investees	378,827	454,589
7.06.02	Finance income	148,050	114,515
7.07	Total wealth for distribution	4,096,129	3,945,197
7.08	Wealth distributed	4,096,129	3,945,197
7.08.01	Personnel	243,400	244,368
7.08.01.01	Salaries and wages	155,861	133,534
7.08.01.02	Benefits	70,978	96,211
7.08.01.03	Severance Pay Fund (FGTS)	16,561	14,623
7.08.02	Taxes, fees and contributions	1,208,048	1,170,733
7.08.02.01	Federal	1,171,210	1,140,156
7.08.02.02	State	737	940
7.08.02.03	Municipal	36,101	29,637
7.08.03	Lenders and lessors	790,171	770,746
7.08.03.01	Interest	785,386	766,711
7.08.03.02	Rentals	4,785	4,035
7.08.04	Shareholders	1,854,510	1,759,350
7.08.04.03	Retained earnings / loss for the period	1,819,761	1,719,716
7.08.04.04	Noncontrolling interest in retained earnings	34,749	39,634

Comments on Performance

Operational Performance

ISA CTEEP operates in the electric power transmission segment, through its activities, subsidiaries and associates, and is present in 18 Brazilian states. As of September 30, 2023, its infrastructure contemplated approximately 23 thousand kilometers of transmission lines with 30 thousand kilometers of circuits, 137 own substations with voltage of up to 500 kv (assets in operation and construction) and 85 thousand MVA of transformation capacity which make up a complex transmission network that transmit 30% of all electric power transmitted in Brazil and 94% of the electric power transmitted in the State of São Paulo. The Company’s Non-Supplied Energy Index (IENS) totaled 0.000423%. As a reference, the IENS of the National Interconnected System was 0.0010%.

As of September 30, 2023, the Company and its subsidiaries and jointly controlled subsidiaries were parties to 35 concession arrangements for electric power transmission totaling the right to Annual Permitted Revenue (RAP) of R\$5,509,662 (CTEEP and subsidiaries) and R\$705,257 (jointly controlled subsidiaries), 2023/2024 cycle (note 1.2).

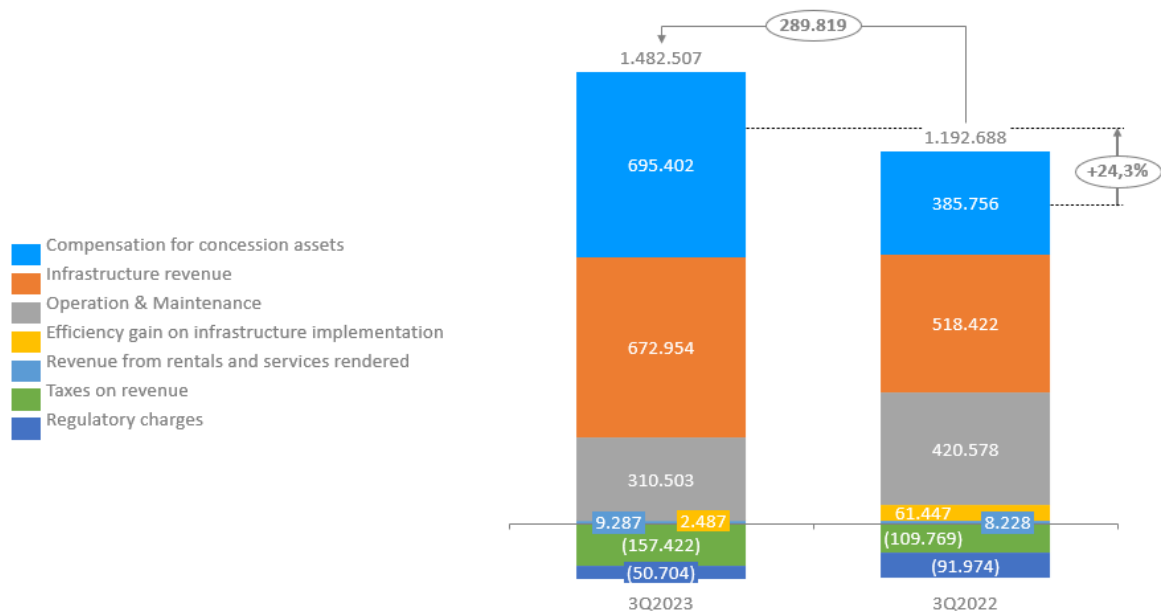
The Company’s strategy is to generate sustainable value, supported by the operational excellence in the management of assets and operation and maintenance (O&M) processes, with growing investments in greenfield projects and investments in reinforcements and improvements, seeking longevity, expansion nationwide and modernization of the assets. In the nine-month period of 2023, R\$1,325,425 was invested (note 17.2), a 7.61% increase when compared to the same period of 2022, of which 957 reinforcement and improvement projects and greenfield projects of subsidiaries: Triângulo Mineiro (contract 007/2020) of IEMinas Gerais, Minuano (contract 001/2020) of Evrecy, IERiacho Grande (contract 005/2021), Jacarandá (contract 011/2022) of IEJaguar 8 and the Company’s Piraquê project (contract 008/2022).

Financial Performance

Analysis of consolidated earnings for the quarter ended September 30, 2023, stated in thousands of Brazilian reais – R\$.

In 3Q23, the Company, its subsidiaries and jointly controlled subsidiaries recorded profit of R\$486,181, compared to the total amount of R\$493,004 earned in 3Q22, a decrease of -1.38%, illustrated in the line items below.

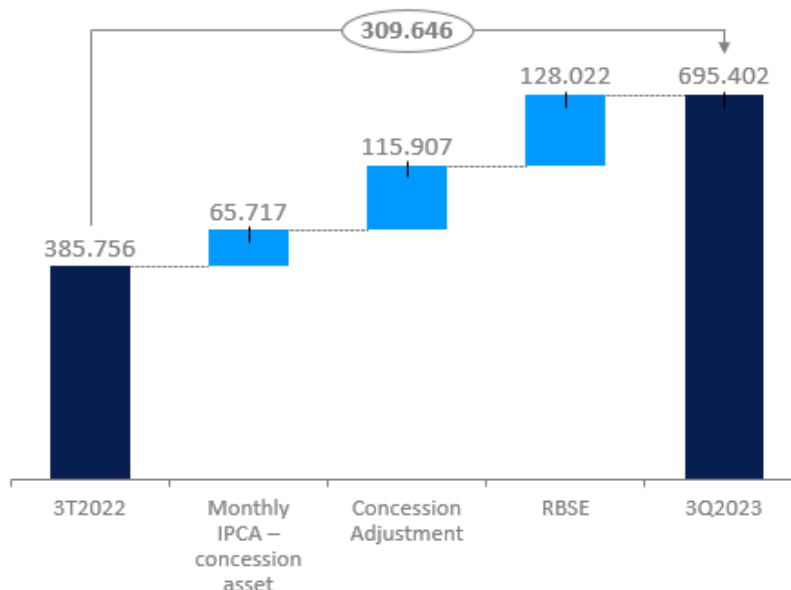
Year-on-year **net operating revenue** (note 16.1.) was up 24.3% when compared to the previous year and consists of the following changes:



In 3Q23, the **concession asset compensation** totaled R\$695,402, compared to R\$385,756 in 3Q22 mainly due to: (i) higher inflationary effect of the monthly IPCA adjustment¹, resulting in a increase of R\$203,695, coupled with the (ii) increase due to the financial flow adjustment by the implicit rate of R\$105,951.

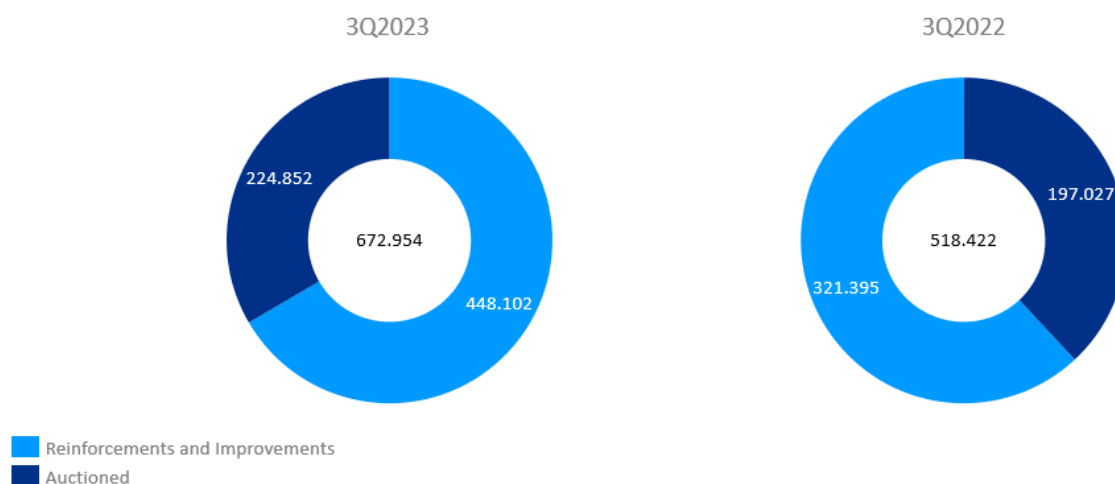
¹ IPCA 3Q23 0.27% - 3Q22 (0.37%)

Comments on Performance



Infrastructure revenue totaled R\$672,954 in 3Q23 and R\$518,422 in 3Q22. The variation primarily derives from:

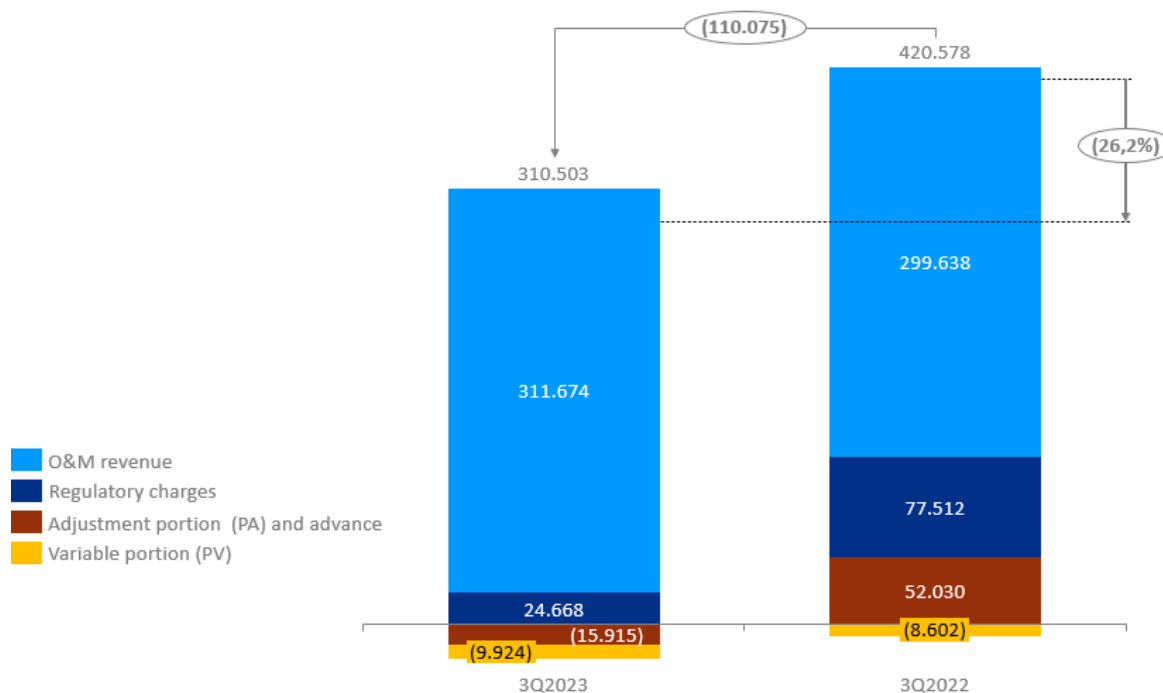
- Auctioned: (i) increase of R\$115,223 in Piraquê project, offset by the decrease of R\$87,398 in subsidiaries (i) Evrecy (Minuano) due to the final percentage-of-completion of the works; (ii) the partial startup of operations of Itaúnas in 1Q23 and IEMG (Triângulo Mineiro) in 3Q23 and (iii) startup of operations, in 2022, of subsidiaries Tibagi (Três Lagoas) and Biguaçu.
- Reinforcements and Improvements: increase of R\$126,707 due to new investments in reinforcement and improvement projects.



The **efficiency gain** refers to the additional gain recorded through construction margin during the construction, which originates from the higher efficiency in relation to the expected costs and/or advance in relation to ANEEL’s deadline. In 3Q23 it totaled R\$2,487 compared to R\$61,447 in 3Q22, the variation was mainly due to the gains recorded in the 3Q22, nonrecurring in the 3Q23, in particular the startup of operation of subsidiary IE Biguaçu, in the amount of R\$35,261.

Operating and maintenance revenues totaled R\$310,503 in 3Q23, compared to R\$420,578 in 3Q22, due to the following main factors: (i) variable portion and decrease in the transfer of regulatory charges embedded in revenue of R\$54,166; plus (iii) the negative variation in the adjustment portion and prepayment installments, totaling R\$67,945, offset by (iii) positive variation of R\$12,036 due to the inflation adjustment to the RAP by the IPCA, 2023/2024 cycle.

Comments on Performance

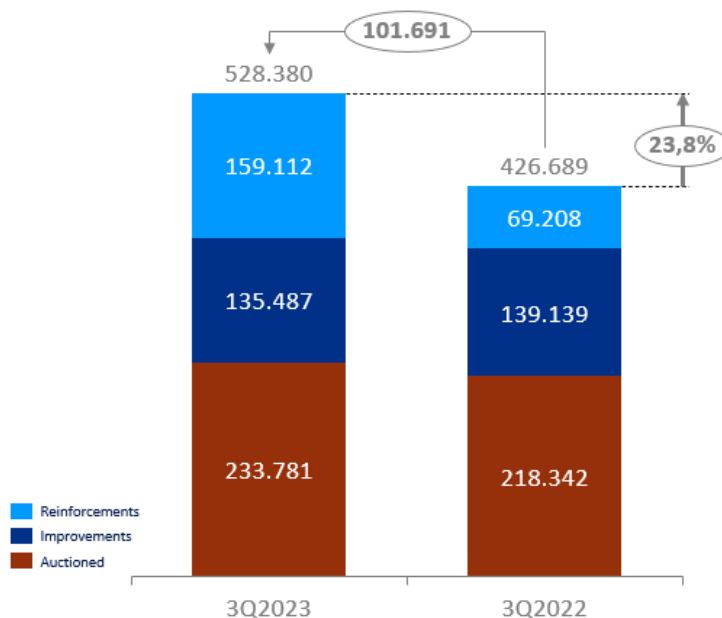


Deductions from operating revenue totaled R\$208,126 in 3Q23 against R\$201,743 in 3Q22, primarily due to the increase in current and deferred taxes on revenue (PIS and COFINS) by R\$47,341, which follows the gross revenue variations, offset by the decrease in regulatory charges amounting to R\$41,270 which varies according to the effective consumption of free consumers.

The **costs of infrastructure implementation, operation and maintenance services and services provided** (note 17.2) increased by 25.0%, totaling R\$666,524 in 3Q23 against R\$533,318 in 3Q22, of which:

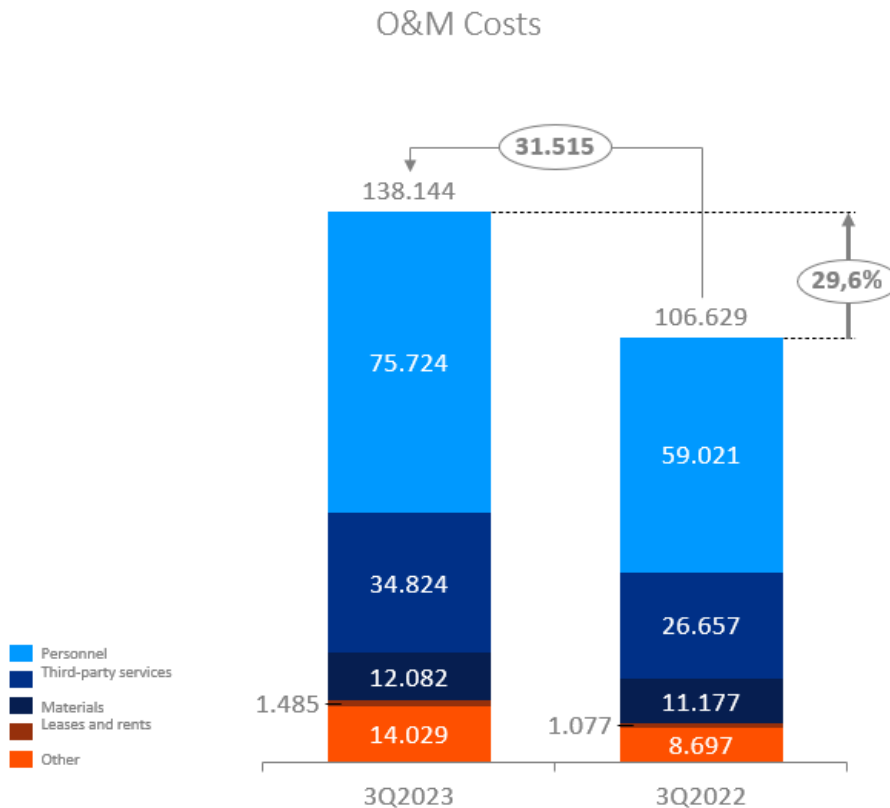
The **costs of infrastructure implementation services** followed the revenue variations and increased by R\$101,691 in 3Q23, primarily due to (i) higher investment in the Parent’s works in reinforcements, improvements and the auctioned Piraquê project in the amount of R\$193,965, offset by (ii) decrease of R\$26,511 in subsidiaries, particularly Evrecy (Minuano) due to the final percentage-of-completion of works and the partial startup of operations of Itaúnas and IEMG (Triângulo Mineiro); coupled with (iii) decrease of R\$65,763 due to the startup of operations in 2022 of subsidiaries Tibagi (Três Lagoas) and Biguaçu.

Infrastructure Implementation



Comments on Performance

Operation and maintenance costs and service costs increased by R\$31,515 in 3Q23 over 3Q22, mainly due to: (i) increase in personnel arising from the collective bargaining agreement entered into in 2022 with beginning of payment of the salary recomposition in October 2022 and increase in the staff to support the Company's continuous growth; (ii) increase in third-party services due to the higher performance of services for the maintenance and upkeep of transmission lines and substations and (iii) increase in other relating to the costs on software licenses, building insurance and property tax (IPTU).



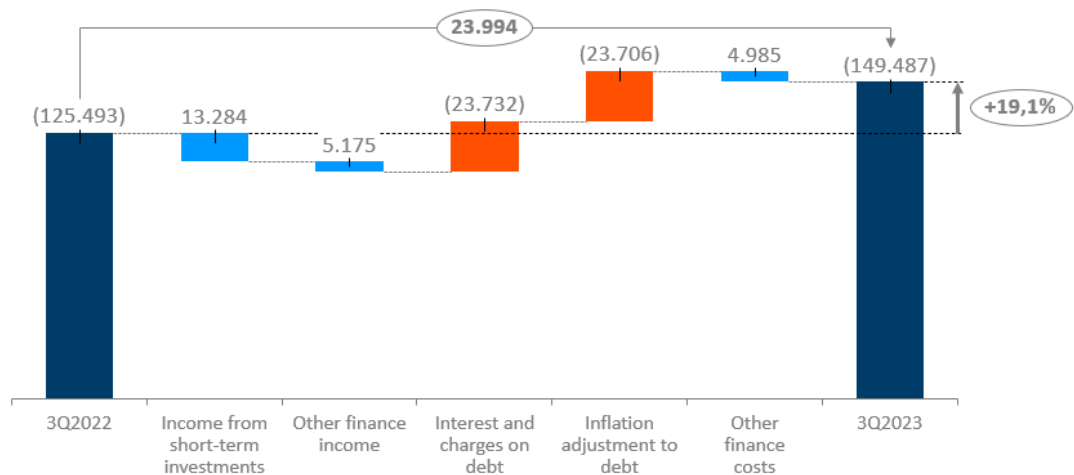
General and administrative expenses (note 17.2) did not present significant variations, with a decrease by 3.2%, totaling R\$59,017 in 3Q23 when compared to R\$60,944 in 3Q22. The variation is due to: (i) a positive variation of R\$9,788, due to lower provision to cover the actuarial liability of the pension plan as a result higher discount rate; (ii) increase in personnel in the amount of R\$3,092, mainly relating to the collective bargaining agreement; (iii) increase in third-party services in the amount of R\$2,998 arising from consulting services; and (iv) variation in contingencies in the amount of R\$2,679, arising from labor and land lawsuits.

Other operating income (expenses) totaled expenses of R\$8,064 in 3Q23 when compared to expenses of R\$2,673 in 3Q22, mainly due to the sale of scraps of equipment and materials in the amount of R\$4,398.

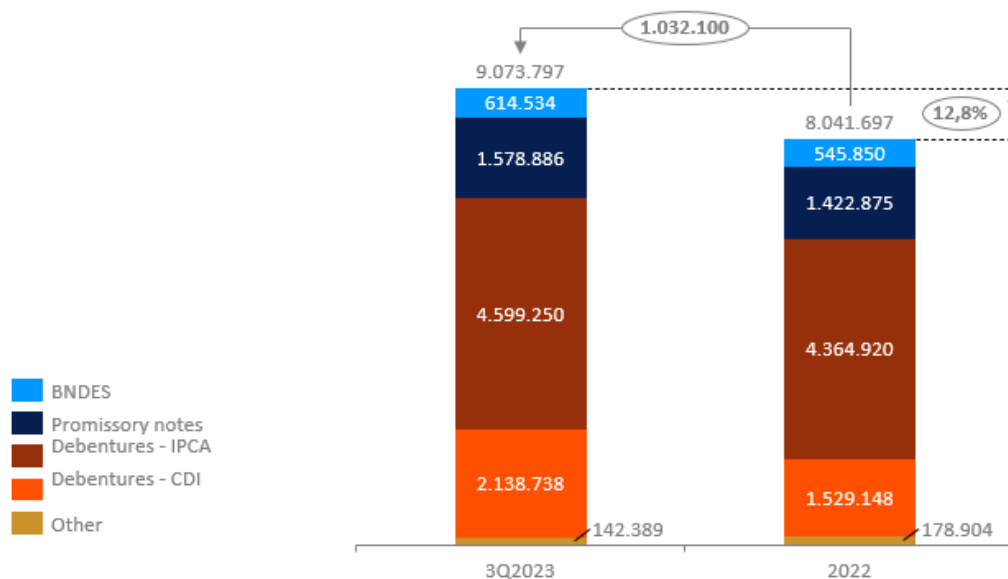
Finance income (costs) (note 19) presented net cost of R\$149,487 in 3Q23 compared to R\$125,493 in 3Q22, mainly due to: (i) increase in expenses on inflation adjustments on debentures, due to the higher inflation effect of the IPCA¹ in the 3T23 when compared to the 3Q22; coupled with (ii) the increase in the cost of debt service due to higher indebtedness when compared to the 3Q22; offset by (iii) growth in finance income by 37.0% when compared to the 3Q22, due to the higher volume of short-term investments, arising from cash flows.

¹ IPCA 3Q23 0.27% - 3Q22 (0.37%)

Comments on Performance



The consolidated **gross debt** (note 6) totaled R\$9,073,797 in 3Q23 vs. R\$8,041,697 in 2022, which increase was due to the 13th issuance of debentures in the amount of R\$550,000, BNDES disbursement in the amount of R\$105,000 and adjustment based on the indices to which the debt was indexed, mainly IPCA and CDI. The average cost of the consolidated debt was 11.79% p.a. in 3Q23 compared to 12.78% p.a. in 2022.

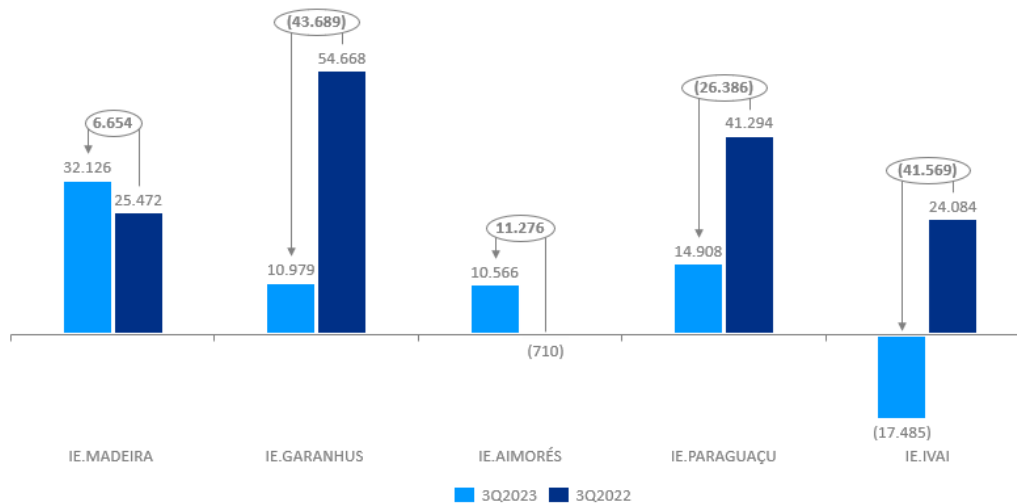


The **share of profit (loss) of investees** totaled R\$51,094 in 3Q23, compared to R\$144,808 in 3Q22, mainly due to the variations posted by jointly controlled subsidiaries below:

- (i) **IEMadeira**, in operation, variation due to the higher adjustment of the concession asset by the IPCA¹ in 3Q23.
- (ii) **IEGaranhuns**, in operation, variation mainly due to: (i) the positive impact of the RTP in the amount of R\$65,723 recognized in 3Q22, (ii) offset by higher inflationary effect of the IPCA¹ on the concession asset.
- (iii) **IEAimorés**, in operation, variation due to the higher adjustment of the concession asset by the IPCA¹ in 3Q23.
- (iv) **IEParaguaçu**, in operation since July 2022, variation mainly due to the efficiency gain of R\$23,030 with startup of operation in July 2022.
- (v) **IEIvaí**, partial startup of operation, in November 2022, the variation is mainly due to: (i) the negative impact of the RTP in the amount of R\$47,680 in 3Q23, (ii) offset by higher inflationary effect of the IPCA¹ in 3Q23 on the concession asset.

Comments on Performance

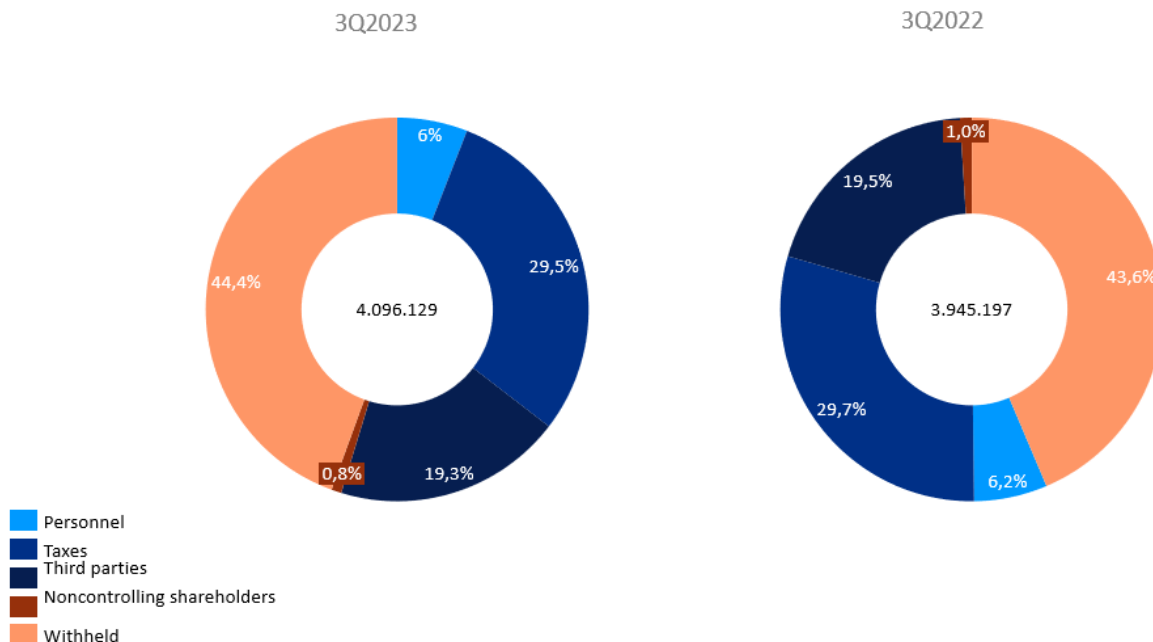
¹ IPCA 3Q23 0.27% - 3Q22 (0.37%)

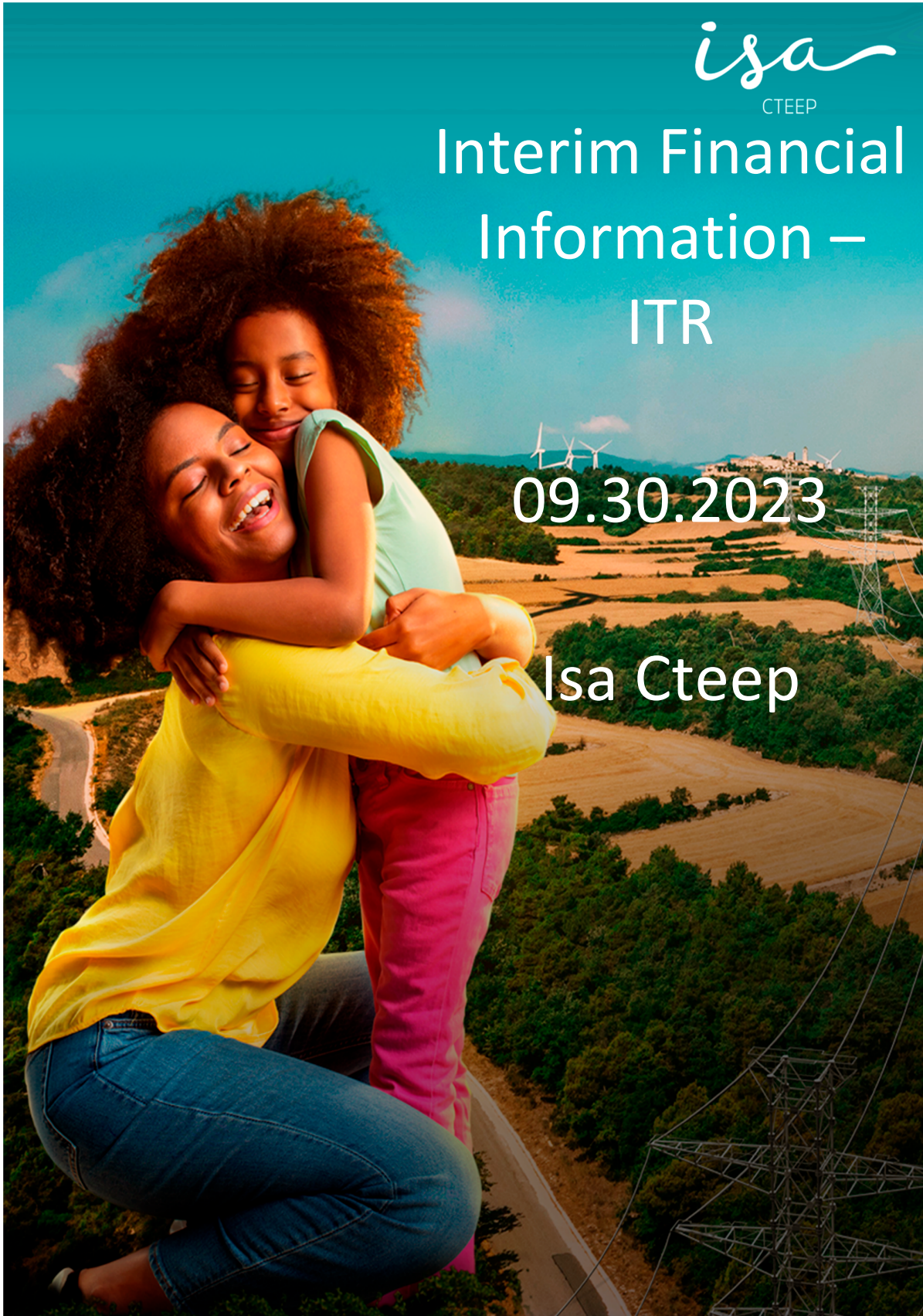


Income tax and social contribution expenses totaled R\$160,643 in 3Q23 against R\$123,888 in 3Q22 (note 19.1), following the variations in profit or loss, less the share of profit (loss) of investees. The effective tax rate is 24.8% in 3Q23 and 20.1% in 3Q22. The effective rate variation is basically due to the representativeness of the share of profit (loss) of investees.

Value added

In 3Q23, the Company’s wealth totaled R\$4,096,129, compared to R\$3,945,197 in 3Q22, distributed as follows:





Notes to the Financial Statements

CONTENTS

Highlights	32
1 General Information	33
2 Presentation of the interim financial information	36
3 Significant accounting policies	39
4 New and revised standards and interpretations	39
5 Concession assets	40
6 Net debt	42
7 Investments	52
9 Deferred taxes	59
10 Receivables - Finance Department	60
10 Property and equipment and intangible assets	63
11 Post-employment benefit	67
12 Taxes, payroll charges and contributions	68
13 Regulatory charges payable	69
14 Provisions, contingencies, sureties and restricted deposits	70
15 Equity	76
16 Net operating revenue	79
17 Costs of infrastructure implementation, operation and maintenance services, and general and administrative expenses	84
18 Other operating income (expenses)	86
19 Finance income (costs)	86
20 Income tax and social contribution	87
21 Related-party transactions	89
22. Financial instruments	92
23 Insurance	99
24 Transactions not affecting cash or cash equivalents	100
25 Events after the reporting period	100

Notes to the Financial Statements

Highlights

Management highlights below important operational, regulatory and economic-financial matters for this earnings release:

- **Operational**

Obtainment of Installation License

In July 2023, the Company obtained from the State Environmental Protection Foundation (“FEPAM”) the Installation License (“LI”) for the transmission lines of the Minuano project.

Start-up of operation

In August 2023, the commercial operations of the Triangulo Mineiro project have partially started up, which project is owned by subsidiary IEMG, upon obtainment of the Instrument of Release of Revenue (“TLR”) from the National Electric System Operator (“ONS”), with 20 months advance in relation to ANEEL’s term. As at September 30, 2023, TLR is entitled to receive 70% of the total Annual Permitted Revenue (“RAP”) of R\$42,099 (2023/2024 tariff cycle), equivalent to R\$29,469.

- **Regulatory**

Transmission Auction 01/2023

In June 2023, the Company, in addition to lots 7 (Água Vermelha project) and 9 (Itatiaia project), won lot 1 (Serra Dourada project) of Transmission Auction 01/2023 held by the National Electric Energy Agency (ANEEL), with ANEEL’s expected investments of approximately R\$3,157,194, three substations with transformation capacity of 3,177 MVA and construction of 1,093 KM transmission lines (note 11 (i)) and RAP of R\$283,817 (note 1.2), so that of the total three lots ANEEL’s investments amount to R\$5,593,668 and RAP of R\$510,157.

Confirmation Resolutions

Resolution 3.216

Confirmation Resolution No. 3.216 was published on July 7, 2023, establishing new amounts related to the Company’s and its subsidiaries’ annual permitted revenue for the 2023/2024 cycle, in the amount of R\$5,931,102, with application beginning July 2023 (note 1.2).

- **Economic and Financial**

In September 2023, the Company’s Board of Directors approved the 14th issuance of simple, non-convertible debentures, in up to two series. 1,900,000 debentures with unit par value of R\$1,000 will be initially issued on the debenture issuance date, totaling the initial amount of R\$1,900,000.

Notes to the Financial Statements

1 General Information

1.1 Corporate purpose

CTEEP - Companhia de Transmissão de Energia Elétrica Paulista (“ISA CTEEP”, “CTEEP” or “Company”) is a Brazilian publicly held corporation authorized to operate as an electric power public service concessionaire, and is principally engaged in energy transmission, which requires planning, infrastructure implementation, and operation and maintenance of subordinated power transmission systems. The Company’s headquarters are located at Avenida das Nações Unidas, 14.171, Torre C (Crystal Tower), andares 5, 6 e 7, Vila Gertrudes, in the city of São Paulo, State of São Paulo. In performing its operating activities, the Company is required to make investments and manage research & development programs related to power transmission and other activities related to the technology available. These activities are regulated and inspected by the National Electric Energy Agency (ANEEL).

The Company derived from a partial spin-off of Companhia Energética de São Paulo (“CESP”) and started to operate on April 1, 1999. On November 10, 2001, the Company merged Empresa Paulista de Transmissão de Energia Elétrica S.A. (“EPTE”), which was originated from the partial spin-off of Eletropaulo - Eletricidade de São Paulo S.A. (“Eletropaulo”). In a privatization auction held on June 28, 2006, the State Government of São Paulo sold the common shares held by it, corresponding to 50.10% of the common shares issued by CTEEP. The entity winning the auction was Interconexión Eléctrica S.A. E.S.P. (“ISA”).

Currently, the Company is consolidated in the electric energy transmission sector, operating as an economic group, and directly controls 16 companies, besides holding the shared control of another five companies. Together, these companies total 35 concession arrangements (note 1.2), 20.5 thousand kilometers of built lines, 77.9 thousand MVA of transformation capacity, in addition to more than 2.7 thousand kilometers and 7.1 thousand MVA of power at pre-operating stage.

The Company adopts B3’s Differentiated Corporate Governance Practices - Level 1 since September 2002, where its shares are listed under ticker symbols TRPL3 and TRPL4. The commitments undertaken as a result of this adhesion ensure greater transparency from the Company towards the market, investors and shareholders, thus facilitating the monitoring of Management’s actions.

The Company is a member of Brasil Amplo Index (IBRA), Dividends Index (IDIV), Electric Power Index (IEE), Corporate Governance Index (IGC), Corporate Governance Trade Index (IGCT) MidLarge Cap Index (MLCX) and Public Utility Index (UTIL), Brazil 100 Index (IBrX100), Efficient Carbon Index (ICO2) and Corporate Sustainability Index (ISE).

Notes to the Financial Statements

1.2 Concessions

The Company, its subsidiaries and jointly controlled subsidiaries are authorized to operate the following concession arrangements relating to electric energy transmission services:

Concessionaire	Arrangement	Stake (%)	Term (years)	Maturity	Periodic Tariff Revision		Adjust. index	Annual Permitted Revenue (RAP)	
					Term (years)	Next		RS thousand	Base month
CTEEP (i)	059/2001		30	12.31.42	5	2024	IPCA	3,672,766	06/23
CTEEP (ii)	012/2016		30	11.20.46	5	2027	IPCA	207,419	06/23
CTEEP (Piraquê project)	008/2022		30	09.29.52	5	2028	IPCA	313,506	06/23
CTEEP (Itatiaia project) (iv)	012/2023		30	09.28.53	5	2029	IPCA	218,979	Offered RAP
CTEEP (Serra Dourada project) (iv)	006/2023		30	09.28.53	5	2029	IPCA	283,817	Offered RAP
Subsidiaries									
IEJaguar 6 (iii)	143/2001	100	30	12.20.31	n/a	n/a	IGPM	18,962	06/23
IEMG	004/2007	100	30	04.23.37	5	2027	IPCA	19,726	06/23
IEENNE	001/2008	100	30	03.16.38	5	2028	IPCA	59,405	06/23
IEJaguar 8 (iii)	012/2008	100	30	10.15.38	5	2024	IPCA	14,248	06/23
IESul	013/2008	100	30	10.15.38	5	2024	IPCA	7,742	06/23
IEJaguar 9 (iii)	015/2008	100	30	10.15.38	5	2024	IPCA	80,102	06/23
IESul	016/2008	100	30	10.15.38	5	2024	IPCA	19,318	06/23
IEPinheiros	018/2008	100	30	10.15.38	5	2024	IPCA	8,085	06/23
Evrency	020/2008	100	30	07.17.25	4	2025	IGPM	19,238	06/23
IESerra do Japi	026/2009	100	30	11.18.39	5	2025	IPCA	53,932	06/23
IEItapura (iii)	021/2011	100	30	12.09.41	5	2027	IPCA	8,063	06/23
IEItaúnas	018/2017	100	30	02.10.47	5	2027	IPCA	64,960	06/23
IEItibagi	026/2017	100	30	08.11.47	5	2028	IPCA	21,485	06/23
IEItaquerê	027/2017	100	30	08.11.47	5	2028	IPCA	62,911	06/23
IEJaguar 6 (iii)	042/2017	100	30	08.11.47	5	2028	IPCA	13,452	06/23
IEAguapeí	046/2017	100	30	08.11.47	5	2028	IPCA	74,219	06/23
IEBiguaçu	012/2018	100	30	09.20.48	5	2024	IPCA	49,526	06/23
IEItapura	021/2018	100	30	09.20.48	5	2024	IPCA	14,346	06/23
Evrency	001/2020	100	30	03.20.50	5	2025	IPCA	48,320	06/23
IEItibagi	006/2020	100	30	03.20.50	5	2025	IPCA	5,770	06/23
IEMG	007/2020	100	30	03.20.50	5	2025	IPCA	42,099	06/23
IERiacho Grande	005/2021	100	30	03.30.51	5	2026	IPCA	85,068	06/23
IEJaguar 8 (Jacarandá project)	011/2022	100	30	09.30.52	5	2028	IPCA	14,737	06/23
IEItibagi (Água vermelha project)	014/2023	100	30	09.28.53	5	2029	IPCA	7,461	Offered RAP
Total CTEEP and Subsidiaries								5,509,662	
Jointly controlled subsidiaries									
IEMadeira	013/2009	51	30	02.25.39	5	2024	IPCA	361,623	06/23
IEMadeira	015/2009	51	30	02.25.39	5	2024	IPCA	312,946	06/23
IEGaranhuns	022/2011	51	30	12.09.41	5	2027	IPCA	127,864	06/23
IEParaguaçu	003/2017	50	30	02.10.47	5	2027	IPCA	133,525	06/23
IEAimorés	004/2017	50	30	02.10.47	5	2027	IPCA	95,896	06/23
IEIvaí	022/2017	50	30	08.11.47	5	2028	IPCA	362,611	06/23
Total jointly controlled subsidiaries								1,394,465	
Company's stake in total jointly controlled subsidiaries								705,257	

Notes to the Financial Statements

The concession arrangements above, acquired up to the 2018 auction, provide for the right of compensation from concession-related assets at the end of their effective term. As from 2019 only the assets authorized by ANEEL, through reinforcements or improvements, consider the right to indemnity. For contracts subject to periodic tariff revision, according to ANEEL's regulations, yielding income on investments in expansion, enhancements and improvements is provided for.

- (i) In CTEEP, the Annual Permitted Revenue ("RAP") relating to the Existing Service ("SE") assets increased from R\$1,549,630 as of June 2022 to R\$2,377,119 as of June 2023, as established in the Periodic Tariff Revision (RTP) for transmission concessionaires under Confirmation Resolution No. 3.216/23 of July 07, 2023.
- (ii) Concession arrangement arising from the acquisition of PBTE on March 2, 2021, merged into the Company on November 1, 2021.
- (iii) On October 31, 2022, the Company conducted a corporate reorganization in its subsidiaries IEPinheiros, IESerra do Japi, IEItapura, IEJaguar6, IEJaguar8 and IEJaguar9, upon transfer of the concession arrangements, to maximize the operating synergy optimizing geographic and organizational matters. The Company adopted the carrying amount method to account for this transactions, as it does not result in change of control of its subsidiaries, CPC 15 (IFRS 3) – Business Combinations is not applicable.
- (iv) Lots won at ANEEL Auction 01/2023 of June 2023, with expected signature of concession arrangements on September 29, 2023.
 - (a) Law No. 12.783/2013

The Extraordinary Shareholders Meeting of December 03, 2012 unanimously approved the extension of Concession Arrangement No. 059/2001, under Law No. 12.783/2013, to December 2042, ensuring the Company the right to receive the amounts relating to NI (*) and SE assets (**).

The amounts relating to NI assets, equivalent to R\$2,891,291, according to Inter-ministry Ruling No. 580, were received between 2013 and 2015 (note 5.1).

For the SE amounts, ANEEL Technical Note No. 336/2016 was issued in 2016, which presents a proposal for regulation with respect to the provisions in MME Ordinance No. 120/2016 for the calculation methodology of the cost of capital (Ke) and RAP calculation and determines payment amounts and dates for the concessionaires.

ANEEL Order No. 1.484/17 was issued on May 30, 2017, which recognized as the total value of these assets the amount of R\$4,094,440 as of December 31, 2012. The initial impact of RBSE amounts was accounted for in September 2016, and the additional value recognized by ANEEL was recognized during the second quarter of 2017 and is presented as "Concession assets" (note 5.1).

Under ANEEL Technical Note No.108/2020 – SGT/ANEEL, of June 25, 2020, the RAP amounts were recalculated as from the 2020/2021 cycle, including the portion of the remuneration of cost of capital (Ke) and the effects of the preliminary injunctions, which prevented Ke from being paid, were reversed. Such amounts were included in the calculation of the RTP and approved by ANEEL's Executive Board under Confirmation Resolution No. 2.714/2020. Currently, there are two injunctions in force.

Notes to the Financial Statements

On April 22, 2021, ANEEL judged favorably the administrative appeal filed by the Company against Confirmation Resolution No. 2.714/2020, which claimed the right to retroactive adjustment of the RBSE amounts, and applied the reprofiling of the RBSE financial component pursuant to the Technical Note No. 068/2021. The assumptions effective as from the 2021/2022 cycle are: (i) the final payment of the RBSE in 2028; (ii) the decrease of amortization of the RBSE amounts receivable during the 2021/2022 and 2022/2023 cycles; and (iii) the compensation under the regulatory WACC defined in the 2018 RTP, ensuring the recognition of R\$1.8 billion in the flow receivable which, at present value, resulted in an increase of R\$497,346 in the balance of the corresponding contract asset. As from the 2023/2024 cycle, the payment flows expected by ANEEL returned to levels similar to those approved in Authorization Resolution No. 2.714/2020.

In June 2022, ANEEL General Tariff Superintendence issued Technical Note No. 85/2022 which discusses the analysis of the requests for reconsideration filed within the scope of payment of the financial component and reprofiling of the RBSE; also in June 2022, a first-instance decision (Order 1.762/22) was handed down by ANEEL's director on the matter. The first-instance decision was suspended and such Technical Note is only effective after joint decision of ANEEL's Executive Board. On April 27, 2023, ANEEL's Tariff Management Superintendence issued Technical Note 85/2023 which discusses the statements about the calculations presented within the scope of the payment of the financial component of the RBSE in Technical Note 85/2022-SGT/ANEEL. Technical Note 85/2023 has no immediate practical effects and any and all progress related to the RBSE matter depends on a joint decision at the meeting of ANEEL's Executive Board. The assumptions, methodologies and calculations considered so far, approved through Confirmation Resolution No. 2.851/2021 are effective and remain appropriate, according to Management's understanding, and are reflected in this interim financial information.

(*) NI – facilities energized as of June 1, 2000.

(**) SE – facilities of nondepreciated assets existing on May 31, 2000.

(b) Substation Centro (CTR)

After ANEEL confirming the removal of Substation Centro (“SS Centro”) from the concession arrangement 059/2001 for purposes of bid in Auction 02/2022 held on December 16, 2022, the Company challenged the legality of the procedure at the Federal Court of Auditors’ (TCU). On January 18, 2023, the TCU has unanimously acknowledged the illegality of the bid and maintained SS Centro as part of the Company’s concession arrangement. ANEEL filed an appeal, which was not yet analyzed.

2 Presentation of the interim financial information

The explanatory notes are presented and organized according to Management’s understanding of the significance of the balance sheet and income statement items, reflecting the performance of the Company’s operating and financing activities.

A comparative table in relation to the order of the explanatory notes in the interim financial information for September 30, 2023 against September 30, 2022 is shown in “Other information the Company deems as significant”.

2.1 Basis of preparation and presentation

The individual interim financial information, identified as “Parent”, and the consolidated interim financial information, identified as “Consolidated”, has been prepared and is presented in accordance with Technical Pronouncement CPC 21 (R1) – and international standard IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and approved by the Brazilian Securities and Exchange Commission (“CVM”), which are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Since there is no difference between the consolidated equity and consolidated profit or loss attributable to the Company’s owners, included in the consolidated interim financial information, and the Parent’s equity and profit or loss, included in the individual interim financial information, the Company elected to present these individual and consolidated financial statements as a single set, in a side-by-side format.

Notes to the Financial Statements

The individual and consolidated interim financial information has been prepared at the historical cost, except for financial instruments measured at fair value, as described in the accounting practices below. The historical cost is generally based on the value of the consideration paid in exchange for an asset.

Nonfinancial data included in this interim financial information, such as electric power volume and capacity, non-supplied power, contract information, projections, insurance and environment data, was not audited.

The interim financial information was approved and authorized for disclosure by the Board of Directors on October 30, 2023.

2.2 Statement of relevance

The Company's Management applied in the preparation of the interim financial information the technical guidance OCPC 7 and CVM Resolution 727/14, for the purpose of disclosing mainly relevant information that assists the users of the interim financial information in making decisions, while meeting all the existing minimum requirements. Also, Management asserts and evidences that all relevant information specific to the interim financial information, and only this information, is being disclosed and is consistent with the information used by Management in managing the Company.

2.3 Functional and presentation currency

The financial statements of the Parent and of each one of its subsidiaries, included in the consolidated interim financial information, are presented in Brazilian reais – R\$, the currency of the main economic environment where the companies operate (“functional currency”).

2.4. Critical accounting judgments and key estimates and assumptions

Pursuant to Circular Letter CVM/SNC/SEP 03/2011 and CPC 21 (R1) (IAS 34) – Interim Financial Reporting, the Company declares that the critical accounting judgments, estimates and assumptions, as well as the significant accounting policies are in line with those adopted in the preparation of the annual financial statements for 2022.

2.5 Consolidation procedures

The consolidated interim financial information includes the interim financial information of the Company and its subsidiaries.

Control is obtained when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power in the investee.

Subsidiaries are fully consolidated from the date control is obtained until the date on which control ceases to exist.

Notes to the Financial Statements

As at September 30, 2023 and December 31, 2021, equity interests in subsidiaries were as follows:

Subsidiaries	Reporting date	Equity interest - %	
		09.30.2023	12.31.2022
Interligação Elétrica Serra do Japi S.A. (Serra do Japi)	09.30.2023	100	100
Interligação Elétrica de Minas Gerais S.A. (IEMG)	09.30.2023	100	100
Interligação Elétrica Norte e Nordeste S.A. (IENNE)	09.30.2023	100	100
Interligação Elétrica Pinheiros S.A. (Pinheiros)	09.30.2023	100	100
Interligação Elétrica do Sul S.A. (IESul)	09.30.2023	100	100
Interligação Elétrica Evrecy S.A. (Evrecy)	09.30.2023	100	100
Interligação Elétrica Itaúnas S.A. (Itaúnas)	09.30.2023	100	100
Interligação Elétrica Tibagi S.A. (Tibagi)	09.30.2023	100	100
Interligação Elétrica Itaquerê S.A. (Itaquerê)	09.30.2023	100	100
Interligação Elétrica Aguapeí S.A. (Aguapeí)	09.30.2023	100	100
Interligação Elétrica Biguaçu S.A. (Biguaçu)	09.30.2023	100	100
Interligação Elétrica Itapura S.A. (Itapura)	09.30.2023	100	100
Interligação Elétrica Riacho Grande S.A. (Riacho Grande)	09.30.2023	100	100
Interligação Elétrica Jaguar 6 S.A. (Jaguar 6)	09.30.2023	100	100
Interligação Elétrica Jaguar 8 S.A. (Jaguar 8)	09.30.2023	100	100
Interligação Elétrica Jaguar 9 S.A. (Jaguar 9)	09.30.2023	100	100
Fundo de Investimento Referenciado DI Bandeirantes (i)	09.30.2023	72 (*)	28
Fundo de Investimento Xavantes Referenciado DI (ii)	09.30.2023	55 (*)	45
Fundo de Investimento Assis Referenciado DI	09.30.2023	100 (*)	100
Fundo de Investimento Barra Bonita	09.30.2023	100 (*)	100

(*) Considers direct interest through the Company and indirect interest through the subsidiaries.

- (i) As at September 30, 2023, the jointly controlled subsidiary Interligação Elétrica do Madeira (IEMadeira) holds 28% interest in Fundo de Investimento Referenciado DI Bandeirantes.
- (ii) As at September 30, 2023, the jointly controlled subsidiaries Interligação Elétrica do Madeira (IEMadeira), Interligação Elétrica Garanhuns S.A. (IEGaranhuns) and Interligação Elétrica Ivaí S.A. (IEIvaí) hold 21%, 3%, and 21% interest, respectively, in Fundo de Investimento Xavantes Referenciado DI.

Consequently, these interests impact noncontrolling interests in investments funds, totaling R\$503,659 as at September 30, 2023. Any change in the regulation or structure of the investment funds must be agreed with and approved by CTEEP.

The following procedures were adopted in preparing the consolidated interim financial information:

- elimination of equity of subsidiaries;
- elimination of share of profit (loss) of investees; and
- elimination of assets and liabilities, income and expenses between consolidated companies.

The accounting practices were consistently applied to all consolidated companies and the fiscal year of these companies is equal to that of the Parent.

Noncontrolling interests are presented as part of equity and profit and are highlighted in the consolidated interim financial information.

The jointly controlled subsidiaries are accounted for under the equity method, in accordance with CPCs 18 (R2)/IAS 28, 19 (R2)/IFRS 11 and 36 (R3)/IFRS 10 and are parties to shareholders' agreement that define joint control.

As at September 30, 2023 and December 31, 2022, interests in jointly controlled subsidiaries are as follows:

Notes to the Financial Statements

	<u>Reporting date</u>	<u>Equity interest - %</u> <u>09.30.2023 and</u> <u>12.31.2022</u>
Jointly controlled subsidiaries		
Interligação Elétrica do Madeira S.A. (IEMadeira)	09.30.2023	51
Interligação Elétrica Garanhuns S.A. (IEGaranhuns)	09.30.2023	51
Interligação Elétrica Paraguaçu S.A. (IEParaguaçu)	09.30.2023	50
Interligação Elétrica Aimorés S.A. (IEAimorés)	09.30.2023	50
Interligação Elétrica Ivai S.A. (IEIvai)	09.30.2023	50

3 Significant accounting policies

The Company declares that the significant accounting policies, included in the annual financial statements for 2022, remain effective for this Interim Financial Information (ITR), which must be read together with the financial statements.

4 New and revised standards and interpretations

4.1 Revised and effective:

<u>Standard</u>	<u>Amendment</u>	<u>IFRS / IAS correlation</u>	<u>Effective beginning</u>
CPC 50 – Insurance Contracts	New standard	IFRS 17	01.01.2023
CPC 26 (R1) – Presentation of Financial Statements	Classification of Liabilities as Current or Non-current	IAS 1	01.01.2023
CPC 26 (R1) – Presentation of Financial Statements	Disclosure of Accounting Policies	IAS 1	01.01.2023
CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates	IAS 8	01.01.2023
CPC 32 – Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	IAS 12	01.01.2023

The Management of the Company and its subsidiaries assessed the abovementioned pronouncements and did not identify significant impacts on the financial information.

4.2 Revised and not yet effective

<u>Standard</u>	<u>Amendment</u>	<u>IFRS / IAS correlation</u>	<u>Effective beginning</u>
CPC 36 (R3) – Consolidated Financial Statements CPC 18 (R2) - Investments in Associates and Joint Ventures	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	IFRS 10 IAS 28	Not defined

The Management of the Company and its subsidiaries is analyzing the impacts of the pronouncements mentioned above.

Notes to the Financial Statements
5 Concession assets
5.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Financial assets				
O&M services (i)	90,496	220,045	155,257	270,155
Contract asset				
Receivables - Law No. 12.783 – SE				
Financial component (ii)	6,074,977	6,171,689	6,074,977	6,171,689
Economic component (ii)	3,368,975	3,566,677	3,368,975	3,566,677
Infrastructure implementation (iii)	9,839,453	8,156,999	15,928,778	13,850,451
	19,283,405	17,895,365	25,372,730	23,588,817
	19,373,901	18,115,410	25,527,987	23,858,972
Current	2,903,499	2,536,251	3,408,653	3,030,059
Noncurrent	16,470,402	15,579,159	22,119,334	20,828,913

- (i) **O&M - Operation and Maintenance** refers to the portion of revenues monthly and separately informed by the ONS for compensation of O&M services, with an average collection period below 30 days.
- (ii) **Receivables under Law No. 12.783** - amounts receivable relating to investments under Concession Arrangement No. 059/2001, which was extended under Law No. 12.783 and had the right to the receivable subdivided into SE and NI:

NI facilities

The compensation relating to NI facilities was received partly in cash partly in installments by means of transfer made to the Company by Eletrobras. However, the adjustment approach to be applied on the remaining installments is being discussed in court (note 14.1.4.2).

SE facilities

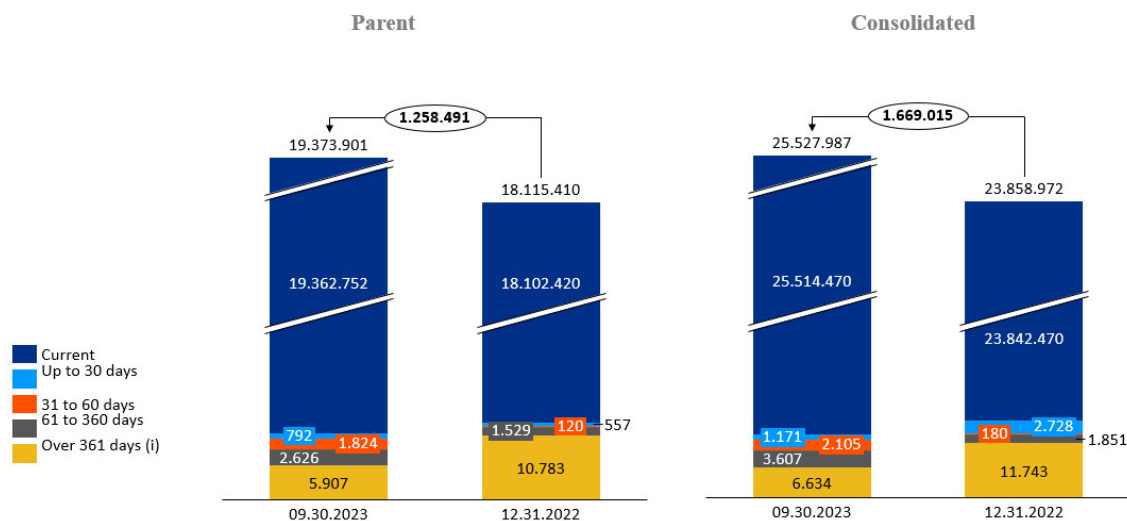
The amounts receivable relating to SE facilities have specific characteristics in view of the renewal conditions established in Administrative Ruling No. 120/16 and amounts regulated by ANEEL Technical Note No. 336/2016, and are treated as a contract asset segregated from the other assets of the Company. The future cash flow from RBSE is comprised of: (i) the portion relating to cost of equity capital (Ke) (financial component); and (ii) the portion relating to the remuneration base (economic component), which have different realization terms and whose amounts were remeasured in June 2020, according to the Periodic Tariff Revision defined in Confirmation Resolution No. 2.714, of June 30, 2020, which included Ke installments relating to 2017/2018, 2018/2019 and 2019/2020 tariff cycles.

In the 2020/2021 cycle the amounts were received as set forth in Confirmation Resolution No. 2.714. On April 22, 2021, Confirmation Resolution No. 2.851 was issued, acknowledging the right to real Ke and changing the payment flow regarding the RBSE financial component, which has been maintained since July 2021 (note 1.2).

- (iii) **Infrastructure implementation** - flow of receipt of expected cash relating to the remuneration from the implementation investments, enhancements and improvements in the electric power transmission infrastructure, discounted to present value and, when applicable, includes the portion of the investments made and not amortized through the end of the concession term (reversible assets).

Notes to the Financial Statements

5.2 Breakdown by maturity



The breakdown by current and past-due amounts show in the chart above present disproportional scales due to the immateriality of the amounts past due in relation to the total balance.

- (i) Some agents in the system challenge the billed amounts relating to the Basic Grid in court. By virtue of such dispute, escrow deposits are made by such agents, classified as noncurrent receivables. The Company billed the amounts according to authorizations granted by regulatory agencies and, therefore, no provision for risks relating to this discussion is recognized.

The Company does not have any history or expectation of losses on collection of trade receivables, which are collateralized by letters of guarantee and/or guarantee agreements managed by the National System Operator (ONS) and, therefore, no allowance for expected credit losses was recognized.

5.3 Changes

	<u>Parent</u>	<u>Consolidated</u>
Balances as of 12.31.2022	18,115,410	23,858,972
Infrastructure revenue (note 16.1)	1,424,365	1,712,467
Efficiency gain (loss) on infrastructure implementation (note 16.1)	54,381	54,511
Compensation for concession assets (note 16.1)	1,855,524	2,333,156
O&M revenues (note 16.1)	895,902	994,139
Revenues – Periodic Tariff Revision (RTP) (note 16.4.1)	-	(3,825)
Receipts	(2,971,681)	(3,421,433)
Balances as of 09.30.2023	19,373,901	25,527,987

Notes to the Financial Statements
6 Net debt

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Debentures	6,737,988	5,894,068	6,737,988	5,894,068
Borrowings and financing	2,193,420	1,968,725	2,304,826	2,090,661
Leases	29,023	54,613	30,983	56,968
Gross debt	8,960,431	7,917,406	9,073,797	8,041,697
Cash and cash equivalents	199,354	327,065	279,053	336,523
Short-term investments	931,795	462,256	1,577,130	907,326
Deductions	1,131,149	789,321	1,856,183	1,243,849
Net debt	7,829,282	7,128,085	7,217,614	6,797,848

The Company, its subsidiaries and jointly controlled subsidiaries do not obtain financing through “forfait”, “confirming”, “reverse factoring”, “payables finance”, “supplier finance program obligations”, “payor risk” transactions or other supplier financing mechanisms.

Notes to the Financial Statements

Debentures

6.1

6.1.1

Breakdown

Parent and Consolidated												09.30.2023	12.31.2022
Issue	Number of securities	Green Bonds	Total amount	Issue date	Maturity	Purpose	Borrowing costs	Charges	IRR p.a.	Payment conditions	Financial indicators Net Debt/EBITDA < 3.5 and EBITDA / Finance income (costs) > 2.0	Total	Total
5 th – Single Series	300,000	-	300,000	02.15.2017	02.15.2024	Investment in enhancements	7,397	IPCA + 5.04%	6.9%	Annual interest and Principal Bullet		422,401	408.151
7 th – Single Series	621,000	ü	621,000	04.15.2018	04.15.2025	Investment in Greenfield Projects	17,123	IPCA + 4.70%	6.5%	Semiannual interest and Principal Bullet	None	845,186	804.803
8 th – Single Series	409,325	ü	409,325	12.15.2019	12.15.2029	Investment in Greenfield Projects	21,473	IPCA + 3.50%	5.6%	Semiannual interest and Principal Bullet	None	509,113	484.568
9 th – First Series	800,000	-	800,000	11.15.2020	11.15.2028	Working Capital	6,728	CDI + 2.83%	8.3%	Semiannual interest and Principal 6th, 7th and 8th years	None	843,349	810.145
9 th – Second Series	800,000	ü	800,000	11.15.2020	05.15.2044	Investment in Greenfield Projects and Enhancements	37,619	IPCA + 5.30%	9.6%	Semiannual interest and principal	None	882,714	853.959
10 th – Single Series	672,500	ü	672,500	02.15.2021	07.15.2044	Investment in Greenfield Projects	34,215	IPCA + 5.07%	9.0%	Semiannual interest and principal (beginning 2024)	None	891,179	820.100
11 th – First Series	668,833	ü	668,833	10.15.2021	10.15.2031	Investment in Greenfield Projects	23,945	IPCA + 5.77%	9.5%	Semiannual interest and Principal Bullet	None	743,166	704.163
11 th – Second Series	281,167	ü	281,167	10.15.2021	10.15.2039	Investment in Greenfield Projects	16,739	IPCA + 5.86%	10.0%	Semiannual interest and Principal in the 16 th , 17 th and 18 th years	None	305,491	289.176
12 th – Single Series	700,000	-	700,000	04.15.2022	04.15.2029	Working Capital	2,147	CDI + 1.55%	13.5%	Semiannual interest and Principal in the 5 th , 6 th and 7 th years	None	744,845	719.003
13 th – Single Series	550,000	-	550,000	03.15.2023	03.15.2030	Working Capital	2,104	CDI + 1.50%	13.2%	Semiannual interest and Principal Bullet	None	550,544	-
Total												6.737.988	5.894.068
Current												596.288	88.833
Noncurrent												6.141.700	5.805.235

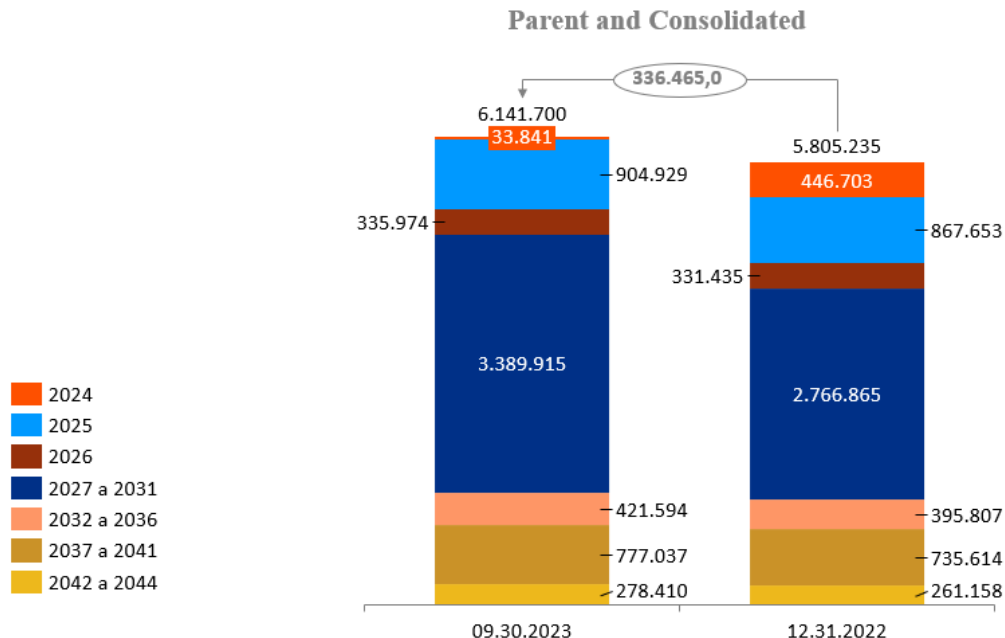
All requirements and covenants set out in the indentures of the issuances have been properly met and satisfied by the Company and its subsidiaries through the reporting date.

Debentures are not convertible into shares. The issuance costs recognized on the financial transactions through September 30, 2023 totaled R\$172,452. The balance of the remaining costs to be recognized beginning September 30, 2023 is R\$124,952.

Notes to the Financial Statements

6.1.2 Breakdown by maturity

The noncurrent portion of installments matures as follows:



6.1.3 Changes

Parent and Consolidated	
Balances as of 12.31.2021	4,889,102
Addition	700,000
Transaction cost	(2,147)
Repayments of principal	(15,582)
Payments of interest	(147,258)
Interest and inflation adjustment	531,839
Balances as of 09.30.2022	5,955,954
Balances as of 12.31.2022	5,894,068
Addition (*)	550,000
Transaction cost	(2,104)
Repayments of principal	(16,526)
Payments of interest	(254,506)
Interest and inflation adjustment	567,056
Balances as of 09.30.2023	6,737,988

(*) Amounts related to the 13th issue of Debentures in March 2023.

Notes to the Financial Statements

6.2 Borrowings and financing

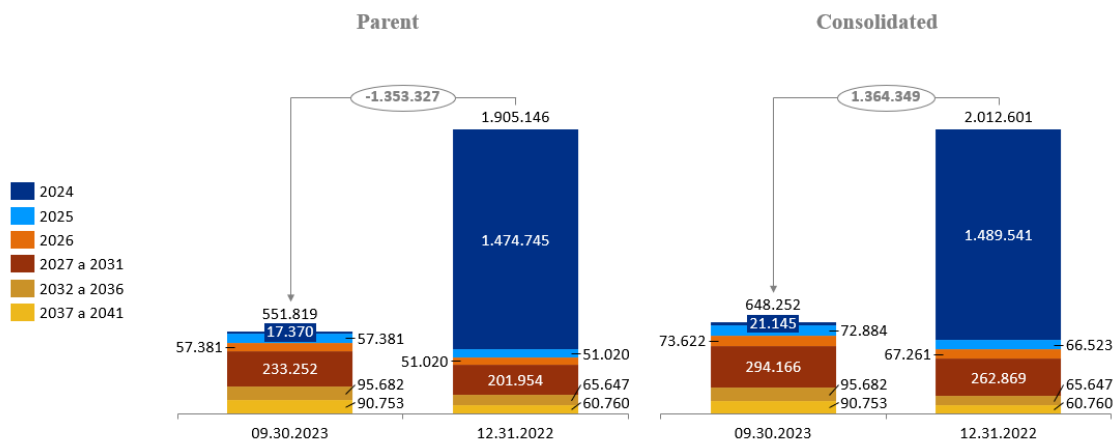
6.2.1 Breakdown

Agreement	Entity	Borrowing amount	Start date	Charges	IRR p.a.	End date	Purpose	Payment conditions	Collateral	Financial indicator	Parent		Consolidated	
											09.30.2023	12.31.2022	09.30.2023	12.31.2022
BNDES														
Agreement 13.2.1344.1 (*)	CTEEP	284,136	12.23.2013	TJLP + 1.80% p.a.	8.35%	03.15.2029	Pluriannual Investment Plan 2012 - 2015	Quarterly interest through March 2015 and payment of principal and interest beginning April 2015	Fiduciary assignment	-	107,602	121,158	107,602	121,158
		105,231		3.50% p.a.	3.60%	01.15.2024					3,408	11,069	3,408	11,069
		1,940		TJLP	6.17%	03.15.2029					33	26	33	26
Agreement 17.2.0291.2 (*)	CTEEP	272,521	08.08.2017	TJLP + 2.62% p.a.	7.04%	03.15.2032	Pluriannual Investment Plan 2016-2019	Principal and monthly interest beginning April 15, 2018	Fiduciary assignment	Net debt/ adjusted EBITDA < 3.5 and net debt / net debt + equity < 0.7	168,292	181,511	168,292	181,511
		1,378		TJLP	4.98%						38	32	38	32
Agreement 21.2.0416.1 (*)	CTEEP	567,400	01.23.2022	TJLP + 2.01%	8.00%	12.15.2041	Investment Plan Improvements 2020-2022	Principal and monthly interest beginning July 15, 2022	Fiduciary assignment	-	335,161	232,054	335,161	232,054
8 th promissory notes	CTEEP	1,200,000	05.06.2021	CDI + 1.25%	4.35%	05.06.2024	-	Principal and interest bullet	-	-	1,578,886	1,422,875	1,578,886	1,422,875
BNB	IENNE	220,000	05.19.2010	10.0% p.a.	10.00%	05.19.2030	Financing of projects of Lot A Auction 004/2008	Quarterly interest up to May 2012 and monthly beginning June 2012	Reserve account held at BNB	-	-	-	111,406	121,936
Total in local currency											2,193,420	1,968,725	2,304,826	2,090,661
Current											1,641,601	63,579	1,656,574	78,060
Noncurrent											551,819	1,905,146	648,252	2,012,601

(*) For purposes of calculation and to show that such ratios were reached, as required in the BNDES agreements, the Company consolidates all subsidiaries and jointly controlled subsidiaries (proportionately to its equity interest), provided that the equity interest held is equal to or higher than 10%.

Notes to the Financial Statements

6.2.2 Breakdown by maturity



6.2.3 Changes

	Parent	Consolidated
Balances as of 12.31.2021	2,272,463	2,470,529
Additions (i)	226,960	226,960
Transaction cost	(2,837)	(2,837)
Repayments of principal	(690,000)	(719,896)
Payments of interest	(60,743)	(71,748)
Interest, inflation adjustments and exchange rate changes	189,407	201,155
Balances as of 09.30.2022	1,935,250	2,104,163
Balances as of 12.31.2022	1,968,725	2,090,661
Additions (ii)	105,000	105,000
Repayments of principal	(47,161)	(57,661)
Payments of interest	(28,987)	(36,087)
Interest, inflation adjustments and exchange rate changes	195,843	202,913
Balances as of 09.30.2023	2,193,420	2,304,826

(i) Amount relating to the borrowing from BNDES on March 21, 2022.

(ii) Amount relating to the borrowing (second disbursement) from BNDES on August 16, 2023.

Notes to the Financial Statements

6.2.4 Collaterals

The Company participates as intervening guarantor, to the limit of its interests in subsidiaries and jointly controlled subsidiaries, in their financing agreements, as shown below:

Subsidiary	Equity interest in subsidiary	Bank	Debt type	Outstanding balance at 09.30.2023	Type of collaterals	Balance guaranteed by CTEEP	End of collateral
IENNE	100%	Banco do Nordeste	FNE	111,406	Pledge of shares/corporate	111,406	05.19.2030
IE Madeira	51%	Banco da Amazônia	Bank credit note	253,028	Pledge of shares	129,044	01.10.2033
IE Madeira	51%	BNDES	FINEM and PSI	101,392	Pledge of shares	51,710	02.15.2030
IE Madeira	51%	Itaú/BES	Infrastructure debentures	337,225	Pledge of shares/corporate	171,985	03.18.2025
IEGaranhuns	51%	BNDES	FINEM and PSI	99,150	Pledge of shares	50,567	12.15.2028
IE Ivai	50%	Itaú	Infrastructure debentures	2,326,362	Pledge of shares Corporate guarantee	1,163,181	12.15.2043 01.15.2024

In addition to the collaterals mentioned above, the financing agreements between the subsidiaries and jointly controlled subsidiaries with the development banks (BNDES/BASA/BNB) require the creation and maintenance of a reserve account for the debt service in an amount equivalent to three to six times the last installment paid under the financing, including the portion of principal and interest, classified under “other” in assets in the balance sheet in the amount of R\$16,973, consolidated (R\$29,707 as of December 31, 2022).

The BNDES financing agreements and debentures of subsidiaries and jointly controlled subsidiaries contain covenants that require the maintenance of financial ratios for the Debt Service Coverage Ratio (DSCR) as well as cross default clauses that provided for the acceleration of payment in case of failure to comply with the obligations under the agreements.

As of September 30, 2023, no acceleration of payment occurred relating to covenants under the agreements with the Parent, subsidiaries and jointly controlled subsidiaries.

Notes to the Financial Statements

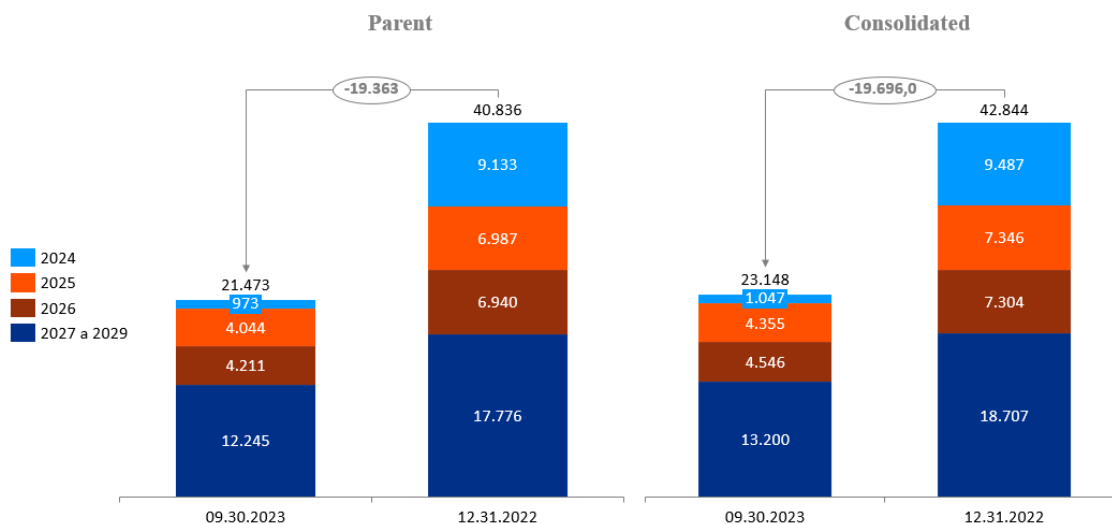
6.3 Leases

6.3.1 Breakdown

Contract	Contractual amount	Start date	Rate	End date	Payment conditions	Parent		Consolidated	
						09.30.2023	12.31.2022	09.30.2023	12.31.2022
Leases of vehicles	17,883	03.15.2019	0.60% p.m.	03.14.2024	Principal and monthly interest	3,861	9,645	3,861	9,645
Lease of properties	43,652	06.01.2019	0.59% p.m.	06.30.2029	Principal and monthly interest	25,162	44,968	27,122	47,323
Total leases						29,023	54,613	30,983	56,968
Current						7,550	13,777	7,835	14,124
Noncurrent						21,473	40,836	23,148	42,844

Notes to the Financial Statements

6.3.2 Breakdown by maturity



6.3.3 Changes

	<u>Parent</u>	<u>Consolidated</u>
Balances as of 12.31.2021	55,269	56,916
Additions	11,524	12,543
Interest	780	804
Payments	(10,173)	(10,416)
Balances as of 09.30.2022	57,400	59,847
Balances as of 12.31.2022	54,613	56,968
Additions	184	906
Interest	1,806	1,722
Payments	(11,072)	(11,125)
Write-offs (*)	(16,508)	(17,488)
Balances as of 09.30.2023	29,023	30,983

According to Circular Letters No. 02/2019 and No. 01/2020, issued on December 18, 2019 and February 05, 2020, respectively, the inflation effects on the balances reported in the financial statements relating to CPC 06 (R2) (IFRS 6) are as follows (considering the balance adjusted at the nominal rate): (i) right of use of R\$32,784, Parent, and R\$34,940, consolidated; (ii) lease liability of R\$32,119, Parent, and R\$34,189, consolidated; (iii) depreciation of R\$9,637, Parent, and R\$9,898, consolidated; and (iv) finance cost of R\$4,368, Parent, and R\$4,348, consolidated.

(*) Write-off relating to the remeasurement to reflect amendments to the contract with the supplier, from May 2023 to April 2026.

Notes to the Financial Statements

6.4 Cash and cash equivalent

6.4.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Cash and banks	23,188	8,912	27,451	11,100
Cash equivalents				
CDB (i)	176,166	318,153	251,602	325,423
Cash and cash equivalents	199,354	327,065	279,053	336,523

- (i) The accumulated average yield for the 3Q23 of the Bank Deposit Certificate (CDB) portfolio in CDI was 102.8%, Parent, and % 102.6%, Consolidated

6.5 Short-term investments

6.5.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Fundo de Investimento Bandeirantes Referenciado DI	349,675	206,806	503,562	269,741
Fundo de Investimento Xavantes Referenciado DI	317,832	206,829	791,779	584,523
Fundo de Investimento Assis Referenciado DI	259,217	40,246	259,217	39,483
Fundo de Investimento Barra Bonita Referenciado DI	5,071	8,375	22,572	13,579
	931,795	462,256	1,577,130	907,326

The Company, its subsidiaries and jointly controlled subsidiaries concentrated their short-term investments in the following investment funds:

- Fundo de Investimento Referenciado DI Bandeirantes: an investment fund organized exclusively for the Company, its subsidiaries and jointly controlled subsidiaries, managed by Banco Bradesco, having its portfolio comprised of units in Fundo de Investimento Renda Fixa Referenciado DI Coral (Referenciado DI Rubi merged into Renda Fixa Referenciado DI Coral).
- Fundo de Investimento Xavantes Renda Fixa Referenciado DI: an investment fund organized exclusively for the Company, its subsidiaries and jointly controlled subsidiaries, managed by Banco Itaú-Unibanco, having its portfolio comprised of units in Fundo de Investimento Special Renda Fixa Referenciado DI (Corp Referenciado DI merged into Special Renda Fixa Referenciado DI).
- Fundo de Investimento Assis Renda Fixa Referenciado DI: an investment fund organized exclusively for the Company, its subsidiaries and jointly controlled subsidiaries, managed by Banco Santander, having its portfolio comprised of units in Fundo de Investimento Santander Renda Fixa Referenciado DI.
- Fundo de Investimento Barra Bonita Renda Fixa Referenciado DI LP: an investment fund organized exclusively for the Company, its subsidiaries and jointly controlled subsidiaries, managed by Banco do Brasil, having its portfolio comprised of units in Fundo de Investimento Top DI Renda Fixa Referenciado DI LP.

Notes to the Financial Statements

Said investment funds are highly liquid, readily convertible into a cash amount, regardless of the assets, and any risk of change in value will be directly linked to the composition of the funds, which holds government bonds and private securities. Portfolios are comprised of fixed income securities, such as federal government bonds and private securities, in order to follow the variation of the Interbank Certificates of Deposits (CDI) and/or of the SELIC rate. The average accumulated yield for the 3Q23 of the CDI-indexed portfolio is 109.3% in the Parent and 109.4% in the Consolidated.

The investment funds are consolidated as described in note 2.5 and amounts equivalent to the Company's, subsidiaries' and jointly controlled subsidiaries' interests (IE Madeira, IE Garanhuns and IE Ivaí) are added to the total balances. As of September 30, 2023, the amount of short-term investment held by jointly controlled subsidiaries, not consolidated, amounted to R\$503,659. This balance is eliminated through noncontrolling interests in the Consolidated.

Management's analysis of the exposure of these assets to interest rate risks, among others, is disclosed in note 22.4.

Notes to the Financial Statements

7 Investments

7.1 Changes in investments

							Parent
	Balances as of 12.31.2022	Capital payment	Share of profit (loss) of investees	Realization of control acquisition	Adjustment to financial instrument	Dividends	Balances as of 09.30.2023
IESerra do Japi	417,470	7,500	40,670	-	-	(6,908)	458,732
IEMG (*)	382,018	111,600	6,639	1,016	-	-	501,273
IENNE	366,744	-	58,928	-	-	(7,500)	418,172
IEPinheiros	61,416	1,200	13,086	-	-	(4,643)	71,059
Evrecy (*)	270,046	79,312	(19,315)	(1,867)	-	-	328,176
IEItaúnas	501,602	8,050	22,272	-	-	-	531,924
IEItabagi	241,535	-	18,712	-	-	-	260,247
IEItaquerê	553,667	-	54,885	-	-	-	608,552
IEItapura	177,686	-	18,044	-	-	(5,000)	190,730
IEAguapeí	631,454	-	43,664	-	-	(424)	674,694
IESul (*)	173,551	-	18,402	2,283	-	(156)	194,080
IEBiguaçu	433,438	-	52,935	-	-	(6,428)	479,945
IERiacho Grande	95,139	41,297	(643)	-	(17,414)	-	118,379
IEJ6	243,242	-	4,699	-	-	(9,487)	238,454
IEJ8	105,239	18,400	8,209	-	-	-	131,848
IEJ9	421,764	-	70,179	-	-	(3,603)	488,340
IEMadeira	1,902,465	-	161,503	-	-	-	2,063,968
IEGaranhuns	545,343	-	46,890	-	-	(22,758)	569,475
IEParaguaçu	551,304	-	56,083	-	-	(26,917)	580,470
IEAimorés	364,023	-	37,159	-	-	(40,812)	360,370
IEIvaí	431,558	-	77,192	-	-	-	508,750
Total	8,870,704	267,359	790,193	1,432	(17,414)	(134,636)	9,777,638

(*) The adjusted equity includes the fair value adjustments according to appraisal report as of the acquisition date.

Notes to the Financial Statements

	Balances as of 12.31.2022	Share of profit (loss) of investees	Dividends	Consolidated Balances as of 09.30.2023
IEMadeira	1,902,465	161,503	-	2,063,968
IEGaranhuns	545,343	46,890	(22,758)	569,475
IEParaguaçu	551,304	56,083	(26,917)	580,470
IEAimorés	364,023	37,159	(40,812)	360,370
IEIvaí	431,558	77,192	-	508,750
Total	<u>3,794,693</u>	<u>378,827</u>	<u>(90,487)</u>	<u>4,083,033</u>

7.2 Breakdown of share of profit (loss) of investees

	Parent		Consolidated	
	<u>09.30.2023</u>	<u>09.30.2022</u>	<u>09.30.2023</u>	<u>09.30.2022</u>
Share of profit (loss) of investees	790,193	813,389	378,827	454,589
*Realization of control acquisition	1,432	1,521	-	-
	<u>791,625</u>	<u>814,910</u>	<u>378,827</u>	<u>454,589</u>

(*) Control acquisition dates: IEMG (February 2011); Evrecy (December 2012); IESUL (September 2018).

Notes to the Financial Statements
7.3 Information on investments in subsidiaries

		Reporting date	Number of common shares	Share of paid-in capital - %	Paid-in capital	Assets	Liabilities	Equity	Adjusted equity (*)	Gross revenue	Profit (loss) for the year
IESerra do Japi	Operational	09.30.2023	89,985,000	100	89,985	491,767	33,035	458,732	-	49,753	40,670
		12.31.2022	44,394,000	100	44,394	476,923	59,453	417,470	-	89,458	76,366
IEMG	Operational Partial	09.30.2023	540,507,000	100	540,507	570,521	48,253	522,268	501,273	141,851	6,639
		12.31.2022	428,907,000	100	428,907	444,851	40,821	404,030	382,018	303,706	(33,587)
IENNE	Operational	09.30.2023	338,984,000	100	338,984	569,744	151,572	418,172	-	52,351	58,928
		12.31.2022	338,984,000	100	338,984	526,224	159,480	366,744	-	73,710	47,018
IEPinheiros	Operational	09.30.2023	20,885,000	100	20,885	78,298	7,239	71,059	-	18,245	13,086
		12.31.2022	29,606,000	100	29,606	76,300	14,884	61,416	-	94,321	76,191
Evrecy	Operational Partial	09.30.2023	381,252,000	100	381,252	374,074	50,464	323,610	328,176	96,967	(19,315)
		12.31.2022	301,940,000	100	301,940	289,887	26,274	263,613	270,046	196,916	(59,381)
IEItaúnas	Pre-Operational	09.30.2023	342,359,000	100	342,359	575,459	43,535	531,924	-	43,439	22,272
		12.31.2022	334,309,000	100	334,309	542,309	40,707	501,602	-	119,693	28,471
IETibagi	Operational	09.30.2023	180,869,000	100	180,869	288,085	27,838	260,247	-	28,351	18,712
		12.31.2022	180,869,000	100	180,869	278,951	37,416	241,535	-	50,633	23,658
IEItaquerê	Operational	09.30.2023	206,096,000	100	206,096	676,098	67,546	608,552	-	64,104	54,885
		12.31.2022	206,096,000	100	206,096	642,225	88,558	553,667	-	88,469	72,838
IEItapura	Operational	09.30.2023	106,137,000	100	106,137	206,491	15,761	190,730	-	27,386	18,044
		12.31.2022	86,284,000	100	86,284	191,587	13,901	177,686	-	39,484	31,585

(*) The adjusted equity includes the fair value adjustments according to appraisal report as of the acquisition date.

Notes to the Financial Statements

(Continued)

		Reporting date	Number of common shares	Share of paid-in capital - %	Paid-in capital	Assets	Liabilities	Equity	Adjusted equity (*)	Gross revenue	Profit (loss) for the year
IEAguapeí	Operational	09.30.2023	351,108,000	100	351,108	723,831	49,137	674,694	-	81,947	43,664
		12.31.2022	351,108,000	100	351,108	710,040	78,586	631,454	-	121,965	107,687
IESul	Operational	09.30.2023	220,660,000	100	220,660	271,484	31,481	240,003	194,080	31,404	18,402
		12.31.2022	220,660,000	100	220,660	252,086	30,329	221,757	173,551	30,331	14,821
IEBiguaçu	Operational	09.30.2023	415,551,000	100	415,551	542,467	62,522	479,945	-	53,099	52,935
		12.31.2022	415,551,000	100	415,551	516,513	83,075	433,438	-	185,668	42,603
IE Riacho Grande	Pre-Operational	09.30.2023	146,447,000	100	146,447	158,875	40,496	118,379	-	51,536	-643
		12.31.2022	105,150,000	100	105,150	107,140	12,001	95,139	-	48,958	(876)
IEJ6	Operational	09.30.2023	159,865,000	100	159,865	252,503	14,049	238,454	-	8,771	4,699
		12.31.2022	196,164,000	100	196,164	257,637	14,395	243,242	-	2,439	2,158
IEJ8	Operational Partial	09.30.2023	68,058,000	100	68,058	144,161	12,313	131,848		34,771	8,209
		12.31.2022	46,934,000	100	46,934	112,810	7,571	105,239		2,407	2,228
IEJ9	Operational	09.30.2023	202,438,000	100	202,438	529,940	41,600	488,340	-	80,725	70,179
		12.31.2022	194,097,000	100	194,097	469,054	47,290	421,764	-	12,471	9,638

(*) The adjusted equity includes the fair value adjustments according to appraisal report as of the acquisition date.

Notes to the Financial Statements

7.4 Information on investments in jointly controlled subsidiaries

	09.30.2023					12.31.2022				
	IEMadeira	IEGaranhuns	IEParaguaçu	IEAimorés	IEIvaí	IEMadeira	IEGaranhuns	IEParaguaçu	IEAimorés	IEIvaí
Current assets										
Cash and cash equivalents	31	2,140	39,144	20,681	106,457	35	3,399	37,487	66,037	46,301
Short-term investments	334,576	18,121	-	-	57,117	217,120	41,207	-	-	100,702
Concession asset	664,476	179,042	138,172	88,983	341,686	639,607	107,539	133,070	85,697	281,029
Other assets	89,848	8,218	33,133	24,193	9,995	74,509	20,719	20,687	13,859	39,580
Noncurrent assets										
Concession asset	6,169,901	1,290,447	1,472,532	933,225	3,753,494	6,108,840	1,247,419	1,434,985	909,397	3,343,385
Other noncurrent assets	135,381	69,185	14,306	9,297	306,358	142,303	18,177	13,878	4,448	4,210
Current liabilities										
Borrowings and financing	157,258	26,315	-	-	-	156,071	28,583	-	-	-
Debentures	58,769	-	-	-	120,174	67,669	-	-	-	213,888
Other liabilities	376,652	94,943	57,347	35,095	279,445	410,926	14,920	92,388	61,332	61,803
Noncurrent liabilities										
Borrowings and financing	817,494	72,859	-	-	-	913,773	93,289	-	-	-
Debentures	278,457	-	-	-	2,206,188	315,056	-	-	-	2,046,110
Other liabilities	1,658,589	256,419	478,999	320,545	951,801	1,588,596	232,367	445,110	290,060	630,290
Equity	4,046,995	1,116,617	1,160,941	720,739	1,017,499	3,730,323	1,069,301	1,102,609	728,046	863,116

	09.30.2023					09.30.2022				
	IEMadeira	IEGaranhuns	IEParaguaçu	IEAimorés	IEIvaí	IEMadeira	IEGaranhuns	IEParaguaçu	IEAimorés	IEIvaí
Net operating revenue	558,980	196,016	145,876	96,478	751,604	616,227	140,762	340,459	231,273	564,527
Infrastructure and O&M costs	(38,922)	(71,398)	(1,763)	-	(248,274)	(25,353)	(47,191)	(125,357)	(54,748)	(246,098)
Revenues – Periodic Tariff Revision (RTP)	-	-	-	-	(95,359)	-	128,869	-	-	-
General and administrative expenses	(12,085)	(12,520)	(5,411)	(3,120)	(15,085)	(8,708)	(11,881)	(2,561)	(2,467)	(4,353)
Finance income (costs)	(91,700)	(4,060)	5,338	3,657	(154,385)	(89,092)	(4,551)	1,662	2,983	(174,992)
Other operating income (expenses)	781	-	-	-	-	-	134	-	-	-
Income tax and social contribution	(100,382)	(16,096)	(31,875)	(22,698)	(84,117)	(121,100)	(30,302)	(72,811)	(60,176)	(46,929)
Profit	316,672	91,942	112,165	74,317	154,384	371,974	175,840	141,392	116,865	92,155
CTEEP's equity interest (%)	51%	51%	50%	50%	50%	51%	51%	50%	50%	50%

Notes to the Financial Statements

7.5 Operating information on subsidiaries and jointly controlled subsidiaries

Operating agreements

Company	Incorporation	Agreement	Start of commercial operations	Substations	Installed power (MVA)	Transmission lines	Extension of lines (KM)	Region
IESerra do Japi	07.01.2009	026/2009	2011	Jandira and Salto	2,000	-	-	São Paulo
IEMG	12.13.2006	004/2007	2008	-	-	Neves 1 – Mesquita	173	Minas Gerais
IENNE	12.03.2007	001/2008	2010	-	-	Colinas - Ribeiro Gonçalves - C2Ribeiro Gonçalves - São João Do Piauí - C2	711	Maranhão, Piauí e Tocantins
IEPinheiros	07.22.2008	018/2008	2010	Atibaia II	400	-	-	São Paulo
Evrecy	11.14.2006	020/2008	2008	Aimorés, Mascarenhas	450	Aimores-Se - U. Mascarenhas - C1, Aimores - Conselheiro Pena - C1, Conselheiro Pena - Governador Valadares 6 - C1, Governador Valadares 6 - Governador Valadares 2 - C1	163	Espírito Santo and Minas Gerais
IESul	07.23.2008	016/2008 013/2008	2010	Forquilha, Scharlau 2	900	Curitiba - Joinville Norte - C2- Jorge Lacerda B - Tubarão Sul - C1 Tubarão Sul - Siderópolis - C1 and Nova Santa Rita - Scharlau - C1 and C2	179	Paraná, Santa Catarina e Rio Grande do Sul
IEItaquerê	04.11.2017	027/2017	2020	SE Araraquara 2 - 3 x Synchronous compensators 500 kV - (-180/+300) Mvar	900	-	-	São Paulo
IETibagi	04.11.2017	026/2017	2020	Rosana	500	Nova Porto Primavera – Rosana C1 and C2	17	São Paulo and Paraná
IEAguapeí	04.11.2017	046/2017	2021	Baguaçu and Alta Paulista	1,400	Marechal Rondon – Taquaruçu e Ilha Solteira – Bauru C1/C2	-	São Paulo
IEItapura	04.11.2017	021/2018 021/2011	2021 2013	Lorena Itapeti	2,000	- -	-	São Paulo
IETibagi (*)	04.11.2017	006/2020	2022	-	500	Ilha Solteira - Três Irmãos C2	37	Mato Grosso do Sul and São Paulo
IEBiguaçu (**)	07.06.2018	018/2017 143/2001	2022 2004	Ratones -	300 -	- Botucatu – Chavantes C4	54 137	Santa Catarina São Paulo
IEJaguar 6	11.19.2018	042/2017	2019	Bauru – Static compensator 440 kV (-125/250) Mvar	250	-	-	São Paulo
IEJaguar 8	11.19.2018	012/2008	2010	Piratininga II	1,200	Interlagos – Piratininga II	1	São Paulo
IEJaguar 9	11.19.2018	015/2008	2010	Mirassol II, Getulina, Araras	2,100	-	-	São Paulo
IEItaúnas (****)	01.13.2017	018/2017	2023	João Neiva 2	1,200	Viana 2 – João Neiva 2	79	Espírito Santo
IEMadeira	12.18.2008	013/2009 015/2009	2013	Rectifying station Porto Velho and inverter Araraquara	7,464	Porto Velho – Araraquara II	2.385	Rondônia, Mato Grosso, Goiás, Minas Gerais and São Paulo
IEGaranhuns	10.07.2011	022/2011	2015	Garanhuns II and Pau Ferro	2,100	Luiz Gonzaga – Garanhuns, Garanhuns – Pau Ferro, Garanhuns – Campina Grande III, Garanhuns – Angelim, Angelim I	633	Paraíba, Pernambuco and Alagoas
IEAimorés	11.18.2016	004/2017	2022	-	-	Padre Paraíso 2 – Governador Valadares 6 C2	208	Minas Gerais
IEParaguaçu	11.18.2016	003/2017	2022	-	-	Poções III – Padre Paraíso 2 C2	338	Bahia and Minas Gerais
IEIvai (***)	05.17.2017	022/2017	2022	Guaira, Sarandi and Paranavai Norte	2,988	Guaira – Sarandi, Foz do Iguaçu – Guaira, Londrina – Sarandi, Sarandi – Paranavai Norte	589	Paraná
IEMG (*****)	12.19.2019	007/2020	2023	Nova Ponte Araxá 3 Uberlândia 10 and Monte Alegre de Minas 2	1,600	Nova Ponte - Araxá 3 Nova Ponte - Uberlândia 10	173	Minas Gerais

Notes to the Financial Statements

(*) TrêsLagoas (006/2020): started commercial operations on June 08, 2022, fourteen months earlier than ANEEL's estimated date. A double circuit project.

(**) IEBiguaçu: started commercial operations on September 02, 2022, one year earlier than ANEEL's estimated date.

(***) IELvai: started commercial operations in November 2022. A double circuit project.

(****) IELtaúnas: started partial commercial operations in March 2023.

(*****) IEMG (Triângulo Mineiro): started commercial operations in August 2023, 20 months earlier than ANEEL's estimated date.

Pre-operating agreements										
Company	Incorporation	Agreement	Expected start of operation (*)	Substations	Installed power (MVA)	Transmission lines	Extension of lines (KM)	Region	Estimated investment (**)	Agreement execution date
Evrecy	12.19.2019	001/2020	60 months	Caxias Norte	2,700	Caxias Norte – Caxias 6 C1 Caxias Norte - Vinhedos C1 Caxias Norte - Monte Claro	169	Rio Grande do Sul	R\$681,550	03.20.2020
IERiacho Grande	12.17.2020	005/2021	60 months	São Caetano do Sul	800	Miguel Reale - São Caetano do Sul, C1/C2; Sul - São Caetano do Sul, C1/C2; TL sections between SE Sul - LT Ibiuna - Tijuco Preto C2.	63	São Paulo	R\$1,140,629	03.31.2021
IEJaguar 8 (projeto Jacarandá)	06.30.2022	011/2022	42 months	Substation 440/88 kV Água Azul - new yard of 88 kV and transformation 440/88 kV	600 MVA	-	-	São Paulo	R\$232,292	09.30.2022
IEtibagi (Água Vermelha project)***	06.30.2023	014/2023	36 months	- Substation 500/138 kV Água Vermelha - new transformation 500/138 kV	400 MVA	-	-	Minas Gerais	R\$94,000	09.29.2023

(*) Term for placement into operation as from the agreement execution date, according to ANEEL's estimate.

(**) Investment according to ANEEL's estimate.

(***) Lot won in ANEEL Auction 001/2023 conducted on June 30, 2023.

8 Deferred taxes

8.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Deferred income tax and social contribution	4,289,576	4,184,419	4,475,010	4,357,908
Deferred PIS	315,454	293,186	354,840	329,927
Deferred COFINS	1,453,002	1,350,434	1,634,783	1,519,961
	1,768,456	1,643,620	1,989,623	1,849,888
	6,058,032	5,828,039	6,464,633	6,207,796

8.2 Deferred PIS and COFINS (taxes on revenue)

Deferred PIS and COFINS relate to infrastructure implementation revenues and compensation for concession assets determined on the contract asset recorded on an accrual basis. Payment is made as monthly revenues are billed, as provided for in Law No. 12.973/14.

8.3 Deferred income tax and social contribution

Assets / (Liabilities)	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Receivables - Law No. 12.783 – SE (i)	(1,490,478)	(1,714,735)	(1,490,478)	(1,714,735)
IFRS adjustments (ICPC 01 (R1) and CPC 47) (ii)	(3,129,935)	(2,738,197)	(3,314,688)	(2,911,560)
Deferred taxes – Acquisition of SF Energia (iii)	(41,477)	(51,566)	(41,477)	(51,566)
Accrued receivables - Finance Department (note 9)	175,527	175,527	175,527	175,527
Other temporary differences	196,787	144,552	196,106	144,426
Total, net	(4,289,576)	(4,184,419)	(4,475,010)	(4,357,908)

- (i) Deferred income tax and social contribution on the compensation for concession assets relating to SE facilities, which will be incorporated into the tax base as amounts are actually received.
- (ii) Refers to income tax and social contribution on revenue from infrastructure implementation to provide the electric power transmission services and compensation for concession assets (ICPC 01 (R1) and CPC 47 (IFRS 15)) recognized on an accrual basis, which are taxed when amounts are actually received, as provided for in article 168 of Regulatory Instruction No. 1700/17 and article 36 of Law No. 12973/14.
- (iii) Amount arising from the business combination on the acquisition of SF Energia Participações. Income tax and social contribution refer to the gain arising on the bargain purchase regarding the acquisition of shares of PBTE by SF Energia Participações on April 12, 2019, prior to the acquisition by the Company. After the merger of SF Energia into the Company, this amount will be amortized over a 5-year period.

The Company's Management believes that deferred income tax and social contribution assets arising from temporary differences will be realized proportionately to the lawsuits, trade receivables and the materialization of the events that gave rise to the provisions for risks.

9 Receivables - Finance Department

9.1 Breakdown

	Parent and Consolidated	
	09.30.2023	12.31.2022
Payroll processing - Law No. 4.819/58 (i)	2,513,108	2,384,441
Labor claims - Law No. 4.819/58 (ii)	318,061	307,314
Expected credit losses (iii)	(516,255)	(516,255)
	<u>2,314,914</u>	<u>2,175,500</u>

- (i) Refers to amounts receivable for settlement of the payroll relating to the retirement supplementation plan governed by State Law No. 4.819/58, in the period from January 2005 to September 2023. The increase in relation to prior year is due to compliance with the first-instance court decision issued by the STF Justice which confirmed the injunction suspending the effects of the decision handed down by the TJ/SP, maintaining the same payroll operating system, whereby CTEEP, as the defendant, monthly transfers funds to Vivest (former Funcesp) supplementing the amounts disallowed and not transferred by the Finance Department of the State of São Paulo (FESP), to process payments to retired employees.
- (ii) Refer to certain labor claims settled by CTEEP, upon a court order, relating to employees retired under the terms of State Law No. 4.819/58, which should be borne by the State Government of São Paulo.
- (iii) The expected loss recognized on September 30, 2013, was based on decisive factors such as the extension of the expected term for realization of part of accounts receivable from the State of São Paulo and on the status of pending litigation in that period. The Company monitors the progress of this issue and regularly revises the expected loss, evaluating the need for supplementing or reversing the provision based on legal events that may change the opinion of its advisors. Through September 30, 2023, no events occurred that would indicate the need to change the expected loss (impairment).

9.2 Retirement supplementation plan governed by Law 4.819/58

The supplementary pension plan under State Law No. 4819/58, which established the creation of the State Social Security Fund, is applicable to government body's employees, corporations in which the State of São Paulo holds the majority of shares, with right to control and industrial services owned and managed by the State, hired through May 13, 1974, and also provided for supplementary pension plans, bonus leave and family allowance. The funds necessary to cover the charges under such plan are borne by the relevant bodies of the State Government of São Paulo, whose implementation was made as set forth in the agreement entered into among the Finance Department of the State of São Paulo (SEFAZ-SP) and CTEEP, on December 10, 1999.

Such procedure was properly carried out up to December 2003 by Vivest (Fundação CESP), with the funds provided by SEFAZ-SP, transferred by CESP and subsequently by the Company. Since January 2004, SEFAZ-SP has processed payments of benefits directly, without the intermediation of CTEEP and Vivest (Fundação CESP) at amounts lower than those historically paid up to December 2003.

(a) Civil class action under discussion at the 2nd Court of the Treasury Department

The change in SEFAZ's method used to pay retirements and pensions made retirees to file lawsuits, especially a civil class action. The 2nd Court of the Treasury Department issued a decision thereon in June 2005 overruling the pension supplementation claim and allowing the processing of payroll and payments of retirements and pensions by SEFAZ-SP under Law No. 4819/58. The Association of Funesp Retirees (AAFC), which represents retirees and pensioners, filed an appeal against the decision and the fact that the lawsuit was upheld to the common courts. On November 24, 2015, a final and unappealable decision was issued by the Superior Court of Justice, which maintained the discussion at the common courts.

Accordingly, on June 27, 2016, AAFC's appeal was stayed, and the labor court injunction (item "b" below) should be maintained until the appeal is judged.

Since June 2016, a public-interest civil action is in progress in conjunction with a class action whose status is reported in item (b.(i)) below. Although these actions are in progress together, they are independent from each other.

(b) Civil class action under discussion at the 2nd Court of the Treasury Department/SP (former Labor Claim which was discussed at the 49th Labor Court)

Class action filed by AAFC, simultaneously to the civil class action referred to above. This time, however, before the Labor Court, in an individual lawsuit for which advanced relief had been granted. On July 11, 2005, the advanced relief was ratified so that Vivest (Fundação CESP) resumed the processing of payments of those benefits under State Law No. 4819/58, under the respective regulation, the same way as that effective until December 2003, in which the Company was acting as an intermediary between SEFAZ-SP and Vivest (Fundação CESP).

Currently, the public-interest civil action and civil class action are being discussed at the common courts, as established in the decision obtained by the Company in a conflict of jurisdiction before the STF.

Following the decision on the Conflict of Jurisdiction mentioned above, the class action was received at the 2nd Court of the Treasury Department on May 20, 2016 and, on May 30, 2016, a decision was issued revoking the preliminary injunction that ordered the Company to make monthly payments, extinguishing the claims relating to payroll processing, and considering groundless the request for refunding any differences that may be owed to retirees and pensioners under Law No. 4819/58.

SEFAZ-SP resumed payroll processing in June 2016. However, after filing an appeal against the decision, AAFC requested São Paulo Court of Justice to stay the effect of the appeal, which was granted on June 27, 2016.

On July 22, 2016, a new decision was issued clarifying that the labor injunction should be maintained until AAFC's appeal was judged.

Since June 2016, the class action was in progress in conjunction with the public-interest civil action whose status is reported in item (b.i) below. Although these actions are in progress together, they are independent from each other.

(i) Status of the Public-interest Civil Action and Class Action (items a and b)

On August 2, 2017, the São Paulo Court of Justice (TJ/SP) unanimously considered the decision groundless, condemned AAFC's position due to malicious abuse of legal process, and revoked the injunction.

Following the unanimous decision above, on August 8, SEFAZ sent an Official Letter to the Company informing that they were assuming the payroll of the retirees and pensioners under Law No. 4819/58 beginning August 2017. AAFC filed appeals against TJ/SP's unanimous decision: one special appeal with the STJ and one extraordinary appeal with the STF, both of them claiming TJ/SP's unanimous decision to be stayed.

The TJ/SP, on October 18, 2017, and STJ, on October 31, 2017, denied the claim filed by AAFC. However, STF granted an injunction staying the effects of the decision issued by TJ/SP and ordering defendants to continue to adopt the same procedures as those were adopted before the matter was judged by TJ/SP until STF analyzes the grounds of the request.

As a result of this court injunction, SEFAZ determined that the payroll should be processed by Vivest (Fundação CESP) beginning December 2017.

In April 2020, the STJ did not recognize the Special Appeals filed by AAFC, which filed a new appeal. According to STJ's judge-rapporteur, the court decision should be analyzed by the STF before being analyzed by the STJ to avoid conflicting decisions. Therefore, the lawsuit was immediately distributed to the STF so that AAFC's Extraordinary Appeals could be judged.

On December 26, 2020, a first-instance decision by the STJ's judge-rapporteur for the public-interest civil action was issued ratifying the injunction published on January 08, 2021, against which the Company filed an appeal, which is pending judgment.

On September 13, 2021, the STF issued a first-instance decision on the class action unfavorable to the company, similarly to the decision issued on December 26, 2020 on the public-interest civil action, against which the Company filed an appeal, which is pending judgment.

(c) Claims filed by individuals and by multiple plaintiffs with the Labor Court and State Court

The Company is also a party to 745 claims filed by individuals and by multiple plaintiffs amounting to approximately R\$531,244. If the outcome of such claims is not favorable, according to the assessment of the Company and of its external legal counsel, any amounts to be paid will be subsequently charged from the State of São Paulo Finance Department and, additionally, recorded in "trade receivables".

(d) Collection claim

SEFAZ-SP has transferred to the Company, since September 2005, amounts lower than those established by the decision issued by the 49th Labor Court, referred to in letter (b) above.

By virtue of this decision, the Company transferred to Vivest (Fundação CESP), from January 2005 to September 2023, the amount of R\$6,736,855 for the payment of benefits under State Law No. 4.819/58, and received from SEFAZ-SP the amount of R\$4,223,747 for such purpose. The difference between the amounts transferred to Vivest (Fundação CESP) and reimbursed by SEFAZ-SP, in the amount R\$2,513,108 (note 9.1 (i)), has been requested by the Company for reimbursement by SEFAZ-SP. In addition, there are amounts relating to labor claims settled by the Company and under the responsibility of SEFAZ-SP, in the amount of R\$318,061 (note 9.1 (ii)), totaling R\$2,831,169.

In December 2010, CTEEP filed a collection claim against SEFAZ-SP to recover the amounts that were not received. After a decision that dismissed the case without analyzing its grounds in May 2013, the decision was upheld by TJ/SP in December 2014.

The Company filed an appeal and, on August 31, 2015, TJ/SP accepted the Company's appeal and sentenced SEFAZ-SP to make the transfers relating to supplementary retirement and pension as agreed with the Company and in accordance with the governing legislation, except for the disallowed amounts.

Seeking the inclusion of the disallowed amounts in the decision, the Company filed a new appeal for clarifications, which was accepted on February 1, 2016 by the TJ/SP, which upheld the decision of August 31, 2015 and determined the measurement of the amounts pending transfers by SEFAZ-SP at the settlement phase.

SEFAZ-SP, on March 7, 2016, filed an appeal that was rejected by a judgment held on July 4, 2016, thus upholding the sentence of SEFAZ-SP, which filed a new appeal also denied by TJ/SP on June 5, 2017.

After the Special Appeal was rejected by TJ/SP, SEFAZ filed a new appeal which is pending judgment by STJ.

In August 2018, the Company was granted a decision by São Paulo Court Justice under which SEFAZ is required not to make any disallowance in the transfer to pay the benefits provided for by Law No. 4819/58 until the administrative proceedings started to determine irregularity in payments are closed. In March 2019, the STJ in a first-instance decision suspended the effects of the decision that prohibited SEFAZ from making discounts in the transfers to the Company, which started to receive again the transfer with the disallowances and complement the payment amount since April 2019. The appeal was included in the judgment docket on September 3, 2019, but was postponed without definition of a new date. The other procedural changes occurred did not involve or change the merits of the decision in effect. The Company continues to make efforts for the favorable decision granted by São Paulo Court Justice to be maintained.

CTEEP's opinion

The Company continues to seek a final and unappealable decision that maintains the procedure of making direct payments of the benefit payroll under State Law No. 4819/58 by SEFAZ-SP. The Company also reinforces the opinion of its legal department and external legal advisors that the expenses in connection with State Law No. 4819/58 and respective regulation should be fully borne by SEFAZ-SP and continues to adopt additional measures to protect the Company's interests.

Due to the new developments occurred through 2013, especially those related to the claim in progress for collection of the amounts due by SEFAZ-SP, as described above, and also considering the progress of the other proceedings and lawsuits mentioned above, the Company's Management recognized in 2013 an allowance for losses on the collection of receivables relating to a portion of the amounts receivable from SEFAZ-SP, mainly considering the then expected realization period and the fact that such receivables have not yet been determined as SEFAZ-SP's sole responsibility. Despite the developments occurred after such allowance was recognized, the Company still considers the current allowance amount appropriate and, to date, no significant event has occurred that might cause the allowance amount to be revised.

The Company's Management has monitored the progress and new facts related to the legal aspects of the issue and has, also, continuously assessed the potential impacts that the matter may have on its financial statements.

10 Property and equipment and intangible assets

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Property and equipment	101,313	112,328	103,918	114,932
Intangible assets	526,540	539,412	464,268	475,858
	627,853	651,740	568,186	590,790

10.1 Property and equipment
10.1.1 Breakdown

Refers mainly to chattels used by the Company and not related to the concession arrangement.

					Parent
			09.30.2023	12.31.2022	Average annual depreciation rates
	Cost	Accumulated depreciation	Net	Net	%
Land	2,060	-	2,060	2,060	-
Buildings	1,246	(977)	269	277	3.44%
Lease of buildings (i)	53,058	(23,818)	29,240	43,886	9.79%
Machinery and equipment	32,862	(5,746)	27,116	14,940	9.27%
Furniture and fixtures	11,836	(6,247)	5,589	5,979	6.24%
IT equipment	33,146	(20,922)	12,224	10,877	16.66%
Company cars	11,733	(10,502)	1,231	1,574	14.29%
Leases of vehicles (i)	36,935	(33,295)	3,640	8,774	36.06%
Leasehold improvements	11,828	(4,283)	7,545	8,680	12.79%
Property and equipment in progress	12,399	-	12,399	15,281	
	207,103	(105,790)	101,313	112,328	

(i) Depreciation rate over the lease agreement term.

					Consolidated
			09.30.2023	12.31.2022	Average annual depreciation rates
	Cost	Accumulated depreciation	Net	Net	%
Land	2,060	-	2,060	2,060	-
Buildings	1,246	(977)	269	277	3.44%
Lease of buildings (i)	56,106	(24,829)	31,277	46,177	9.79%
Machinery and equipment	33,002	(5,766)	27,236	15,002	9.27%
Furniture and fixtures	11,846	(6,250)	5,596	5,986	6.24%
IT equipment	33,267	(20,985)	12,282	10,948	16.66%
Company cars	11,733	(10,502)	1,231	1,573	14.29%
Leases of vehicles (i)	37,197	(33,558)	3,639	8,773	36.06%
Leasehold improvements	11,828	(4,283)	7,545	8,680	12.79%
Property and equipment in progress	12,783	-	12,783	15,456	
	211,068	(107,150)	103,918	114,932	

(i) Depreciation rate over the lease agreement term.

10.1.2 Changes

						Parent
	Balances as of 12.31.2022	Additions	Depreciation	Write- offs (*)	Transfers	Balances as of 09.30.2023
Land	2,060	-	-	-	-	2,060
Buildings	277	-	(8)	-	-	269
Lease of properties	43,886	184	(4,487)	(10,343)	-	29,240
Machinery and equipment	14,940	-	(1,438)	-	13,614	27,116
Furniture and fixtures	5,979	-	(388)	(2)	-	5,589
IT equipment	10,877	-	(2,934)	-	4,281	12,224
Company cars	1,574	-	(228)	(115)	-	1,231
Leases of vehicles	8,774	-	(5,134)	-	-	3,640
Leasehold improvements	8,680	-	(1,135)	-	-	7,545
Property and equipment in progress	15,281	15,013	-	-	(17,895)	12,399
	112,328	15,197	(15,752)	(10,460)	-	101,313
						Consolidated
	Balances as of 12.31.2022	Additions	Depreciation	Write- offs (*)	Transfers	Balances as of 09.30.2023
Land	2,060	-	-	-	-	2,060
Buildings	277	-	(8)	-	-	269
Lease of properties	46,177	906	(4,740)	(11,066)	-	31,277
Machinery and equipment	15,002	-	(1,444)	-	13,678	27,236
Furniture and fixtures	5,986	-	(388)	(2)	-	5,596
IT equipment	10,948	-	(2,946)	-	4,280	12,282
Company cars	1,573	-	(227)	(115)	-	1,231
Leases of vehicles	8,773	-	(5,134)	-	-	3,639
Leasehold improvements	8,680	-	(1,135)	-	-	7,545
Property and equipment in progress	15,456	15,285	-	-	(17,958)	12,783
	114,932	16,191	(16,022)	(11,183)	-	103,918

(*) Write-off in lease of properties refers to the remeasurement to reflect amendments to the contract with the supplier, from May 2023 to April 2026.

10.2 Intangible assets
10.2.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
ERP-SAP and software (i)	22,632	19,191	22,713	19,422
Concession asset generated on acquisition of subsidiary (ii)	503,908	520,221	441,555	456,436
	526,540	539,412	464,268	475,858

- (i) Primarily refers to expenses incurred to upgrade ERP-SAP and software licenses, amortized on a straight-line basis over five years.
- (ii) Refers to concession intangible assets, calculated according to reports prepared by independent consultants, generated upon the acquisitions of subsidiaries Evrecy, IEMG, IESul, PBTE and SF Energia which have as business basis prospect future economic benefit arising from concession arrangement of the acquirees during the related concession exploitation terms, amortized according to the remaining periods of the concession arrangements of the subsidiaries, as prescribed by ICPC 09 (R2) - Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method of Accounting. These are, Evrecy contract 020/2008, IEMG contract 004/2007, IESul contracts 013/2008 and 016/2008, and PBTE contract 012/2016 (merged into the Company), maturing as described in note 1.2.

10.2.2 Changes

	Parent				
	Balances as of 12.31.2022	Additions	Amortization/ Realization (**)	Transfers	Balances as of 09.30.2023
Software	3,091	-	(947)	511	2,655
Licenses	5,347	-	(1,977)	357	3,727
Intangible assets in progress	10,752	6,366	-	(868)	16,250
Concession-related intangible assets	520,222	-	(16,314)	-	503,908
	539,412	6,366	(19,238)	-	526,540

(**) Realization of control acquisition of SF Energia and PBTE

	Consolidated				
	Balances as of 12.31.2022	Additions	Amortization/ Realization (**)	Transfers	Balances as of 09.30.2023
Software	3,112	-	(962)	511	2,661
Licenses	5,569	-	(2,113)	357	3,813
Intangible assets in progress	10,741	6,366	-	(868)	16,239
Concession-related intangible assets	456,436	-	(14,881)	-	441,555
	475,858	6,366	(17,956)	-	464,268

(**) Realization of control acquisition of IEMG, Evrecy, IESul, SF Energia and PBTE.

11 Post-employment benefit

11.1 Retirement and pension plan - PSAP/CTEEP

At the meeting held on February 15, 2022, the Board of Directors approved the withdrawal of sponsorship of the retirement and pension supplementation plan (“PSAP/CTEEP”). The process for withdrawal of sponsorship is suspended due to the injunction under a lawsuit filed by unions and one association. The Company is working to resume Vivest’s governance processes for subsequent submission to the National Supplementary Social Security Superintendence (PREVIC).

The Company continues to monitor the progress of such sponsorship withdrawal and as at September 30, 2023, it was not possible to determine any additional impacts on the interim financial information.

PSAP/CTEEP includes the following subplans:

- Proportional Supplemental Settled Benefit (BSPS) - (Plan “B”);
- Defined benefit (BD) - (Plan “B1”);
- Variable contribution (VC) - (Plan “B1”).

PSAP/CTEEP, governed by Supplementary Law No. 109/2001 and managed by Vivest (formerly “Funesp”), is sponsored by the Company itself and offers retirement and survivors’ pension supplementation benefits, whose reserves are determined on a funded basis.

PSAP/CTEEP originated from the spin-off of PSAP/CESP B1 on September 1, 1999 and covers all participants transferred to the Company. On January 1, 2004, PSAP/EPTE was merged into PSAP/Transmissão, whose name was changed from that date to PSAP/Transmissão Paulista and from December 1, 2014 changed to PSAP/CTEEP.

Subplan “BSPS” refers to the Proportional Supplemental Settled Benefit arising from the Supplementary Retirement and Pension Plan PSAP/CESP B, transferred to this plan on September 1, 1999 and from PSAP/Eletropaulo Alternativo, transferred to this plan after the merger of PSAP/EPTE on January 1, 2004, calculated on December 31, 1997 (CTEEP) and March 31, 1998 (EPTE), based on effective regulations, and the actuarial asset-liability balance was obtained at the time.

The Defined Benefit (“DB”) subplan defines contributions and related matching responsibilities between the Company and Participants on 70% of employees’ Actual Contribution Salary in order to obtain the plan’s actuarial asset-liability balance. This subplan ensures lifetime income retirement and death benefits to employees, former employees and beneficiaries in order to supplement the benefits provided by the official social security system.

The CV subplan defines voluntary contributions from Participants with limited compensation of the Company, levied on 30% of the Actual Contribution Salary of these employees in order to provide additional supplementation in the cases of retirement and death pension. On the date of receipt of the benefit, the Variable Contribution (CV) subplan may become a Defined Benefit (“BD”) if the lifetime income is chosen by the Participant as a form of receipt of this supplementation.

11.2 Actuarial valuation

The actuarial valuation prepared by an independent actuary relating to the PSAP/CTEEP pension plans adopted the projected unit credit method.

As of September 30, 2023, PSAP/CTEEP recorded actuarial deficit of R\$153,379 (R\$153,836 as of December 31, 2022), calculated in conformity with the methodology set forth in CPC 33.

11.3 Agreements with Vivest

In order to adjust the actuarial deficit in PSAP/CTEEP, in conformity with the prevailing law, the Company has formalized legal instruments with VIVEST in 2022, in the form of debt acknowledgement agreements, which represent in practice the Company's commitment to ensure the future payment flow, as sponsor of the plans, in the total amount of R\$398,791, as follows:

- The first agreement, entered into on March 7, 2022, in the net amount of R\$11,193, determined on December 31, 2020, included in a specific Actuarial Opinion, corresponding to the portion of ISA CTEEP of the deficit of CV subplan of PSAP/CTEEP. The amortization period was 16.73 years (201 months).
- On December 26, 2022, two new agreements were entered into, in the net amounts of R\$372,761 and R\$14,837, determined on December 31, 2021, included in a specific Actuarial Opinion, corresponding to the portion of ISA CTEEP of the deficits of BPS and CV subplans of PSAP/CTEEP, respectively. The amortization periods were 15.75 years (189 months) for the deficit of the BPS subplan and 17.60 years (212 months) for the deficit of the CV subplan.

These agreements are part of the actuarial liability determined by the independent actuary and have variable clauses providing for annual revision due to the actuarial gains and/or losses observed at the end of each fiscal year, without constituting new liabilities or financial liabilities. The differences between the actuarial liability recorded for purposes of compliance with CVM Resolution 110/2022 and the balances of these agreements as of September 30, 2023 refer solely to the set of assumptions and the methodology used in each calculation.

11.4 Defined Contribution Retirement Plan ISA CTEEP – ISA CTEEP PREV

ISA CTEEP PREV is a Defined Contribution Plan, approved by the National Superintendence of Supplementary Pension Plan (PREVIC) on January 25, 2022, which started to be offered to the Company's new employees and those who were unable to join the PSAP/CTEEP due to the entry fee, beginning February 1, 2022.

The participant's basic contribution varies according to the Real Benefit Salary (SRC) with maximum percentage ranging between 4% and 9% of the SRC. The sponsor's basic contribution corresponds to 100% of the participant's basic contribution.

All Plan monthly income benefits will be paid as income calculated in terms of quotas or percentage rate, determined based on the balance in the Participant's Total Account.

12 Taxes, payroll charges and contributions

12.1 Recoverable taxes

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Prepaid income tax	109,482	46,176	109,482	46,124
Prepaid social contribution	59,953	21,826	59,953	21,826
Withholding income tax	4,901	2,579	8,144	4,798
Withholding social contribution	-	-	2	2
Tax on revenue (COFINS)	33,401	26,254	33,443	26,260
Tax on revenue (PIS)	7,252	5,700	7,261	5,701
Taxes in installments	5,030	4,682	5,030	4,682
Other	6,781	4,715	7,258	4,842
	226,800	111,932	230,573	114,235

12.2 Taxes and payroll charges payable

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Income tax	270,328	-	275,343	2,998
Social contribution	104,840	-	107,374	2,097
Tax on revenue (COFINS)	36,397	33,883	38,195	35,346
Tax on revenue (PIS)	7,565	7,013	7,956	7,331
Social security contribution (INSS)	7,841	7,253	9,308	9,218
Severance pay fund (FGTS)	231	1,098	231	1,098
Withholding income tax	3,031	5,773	3,164	5,955
Income tax on interest on capital	-	105,000	-	105,000
Other	27,570	24,175	38,025	24,847
	461,749	185,865	484,779	197,315

13 Regulatory charges payable
13.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Research & Development - R&D (i)	52,384	41,462	57,639	44,562
Global Reversal Reserve (RGR) (ii)	10,339	12,199	10,339	12,199
Energy Development Account (CDE) (iii)	19,695	29,523	19,695	29,523
Alternative Power Sources Incentive Program (PROINFA)	4,585	5,144	4,585	5,144
ANEEL inspection fee	-	-	-	1
	87,003	88,328	92,258	91,429
Current	53,747	62,338	55,248	63,287
Noncurrent	33,256	25,990	37,010	28,142

- (i) The Company and its subsidiaries recognize obligations relating to tariff amounts already billed (1% of net operating revenue), invested in the Research and Development (R&D) Program, monthly adjusted, as from the second month subsequently to its recognition up to its actual realization, based on SELIC (Central Bank interest rate) as established in ANEEL Resolutions 300/2008 and 316/2008. According to Official Letter No. 0003/2015, of May 18, 2015, expenditures invested in R&D are accounted for in assets and, by completion of the project, they are recognized as obligation settled and, subsequently, submitted to audit and final evaluation by ANEEL. The amount invested in projects not completed by September 30, 2023 totals R\$47,444 (R\$37,649 at December 31, 2022) and is recorded in other assets.
- (ii) Refers to the funds deriving from the reversal reserve, amortization and portion retained in the Company of the monthly shares of the Global Reversal Reserve (RGR) relating to investments of funds to expand power services and repay borrowings raised for the same purpose, occurred through December 31, 1971. According to ANEEL order, 5% interest is levied on the reserve amount, with monthly settlement. Pursuant to article 27 of Decree 9.022, of March 31, 2017, electric power concessionaires must fully amortize the RGR debts as from January 2018 up to December 2026.
- (iii) The CDE is a fee transmission companies are required to transfer based on amounts collected from free consumers.

14 Provisions, contingencies, sureties and restricted deposits

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Provisions	97,053	118,149	119,901	140,759
	97,053	118,149	119,901	140,759
Sureties and restricted deposits	42,455	41,271	42,460	41,298
	42,455	41,271	42,460	41,298
	54,598	76,878	77,441	99,461

14.1 Provisions and contingencies
14.1.1 Lawsuits and administrative proceedings

Lawsuits and administrative proceedings are assessed periodically and classified based on their likelihood of loss for the Company and its subsidiaries. Provisions are recognized for all lawsuits for which it is probable that an outflow of funds will be required to settle the obligation and a reliable estimate can be made.

14.1.2 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Labor (i)	39,721	41,836	40,531	43,278
Civil (ii)	49,406	45,332	50,073	45,493
Tax – IPTU (iii)	4,836	26,075	4,836	26,075
Land (iv)	3,090	4,906	24,352	25,811
Other	-	-	109	102
	97,053	118,149	119,901	140,759

(i) Labor

The Company is a defendant in certain lawsuits that are under discussion at different courts relating to claims for salary equalization, overtime, hazardous duty premium, among others. The balance corresponding to these deposits as of September 30, 2023 is R\$24,903, Parent, and R\$24,908, consolidated (R\$24,792 and R\$24,819 as of December 31, 2022, respectively), as shown in note 14.2.1.

(ii) Civil

The Company is a party to civil lawsuits relating to issues including real estate, indemnities, collections, annulment and class actions arising in the normal course of business, that is, operation and maintenance of transmission lines, substations and equipment under the electric power transmission concession arrangement. The principal amount refers to the lawsuit that discusses the remaining indemnity amount of NI facilities, reclassified to lawsuits in 2021.

The indemnity arising from the extension of Concession Arrangement No. 059/2001 under Law No. 12.783/2013, relating to NI facilities, corresponded to the original amount of R\$2,891,291, adjusted for inflation to R\$2,949,121, as determined by Inter-ministry Ruling No. 580. The equivalent to 50% of this amount was received on January 18, 2013, and the remaining 50% were divided into 31 monthly installments, which had been transferred to the Company by Eletrobras. However, the terms under which these remaining installments should be adjusted are still under discussion. Following a Federal Court of Auditors' (TCU) request, ANEEL revised the amounts transferred as compensation for NI facilities to all concessionaires and understood that incorrect adjustment calculations were made, which resulted in overpayments to concessionaires. Although recognizing that calculations were incorrect, Eletrobras challenged ANEEL'S understanding of the matter. Based on an independent appraisal report and on the opinion of its legal counsel, the Company's interpretation of the adjustment approach differs from that applied by ANEEL. Based on this, the Company maintained its best estimate for the involved amount of R\$47,861 (not including the fine and late payment interest that would be due in favor of the Company, considering the delays in the transfers) recorded. Eletrobras filed a collection action against ISA CTEEP and, on December 17, 2020, a decision was published requiring the return of the amount overpaid to the Company, less the amounts related to late payment effects, due to the delayed payment of the indemnity portions. Eletrobras and the Company filed an appeal, which decision thereon was handed down by the Court determining that the parameters relating to the amount charged and, therefore, credit on behalf of the federal government charged by Eletrobras must be discussed during the settlement phase, upon preparation of calculations. Eletrobras and the Company filed new appeals, which are pending judgment, and the determination of the amounts will depend on the lawsuit being settled.

(iii) Tax – IPTU (property tax)

The Company is a party to tax lawsuits relating to the collection of Property Tax (IPTU) and recognizes a provision to cover debts to the government of various municipalities in the State of São Paulo. In the nine-month period ended September 30, 2023, lawsuits from 2005 to 2007 were settled.

(iv) Land

Civil-land lawsuits relating to properties, involving right of ways, expropriation, indemnities and other claims arising in the normal course of business, that is, operation and maintenance of transmission lines, substations and equipment under the electric power transmission concession arrangement.

14.1.3 Changes

						Parent
	Labor	Civil	Tax – IPTU (property tax)	Land	Other	Total
Balances as of 12.31.2022	41,836	45,332	26,075	4,906	-	118,149
Recognition	6,808	1,379	199	1,082	-	9,468
Reversal	(8,600)	(363)	(5,667)	(1,742)	-	(16,372)
Payment	(3,578)	(39)	(17,484)	(1,393)	-	(22,494)
Adjustment	3,255	3,097	1,713	237	-	8,302
Balances as of 09.30.2023	39,721	49,406	4,836	3,090	-	97,053

	Consolidated					
	Labor	Civil	Tax – IPTU (property tax)	Land	Other	Total
Balances as of 12.31.2022	43,278	45,493	26,075	25,811	102	140,759
Recognition	7,526	1,891	199	9,887	-	19,503
Reversal	(9,430)	(363)	(5,667)	(10,847)	-	(26,307)
Payment	(4,218)	(90)	(17,484)	(1,965)	-	(23,757)
Adjustment	3,375	3,142	1,713	1,466	7	9,703
Balances as of 09.30.2023	40,531	50,073	4,836	24,352	109	119,901

14.1.4 Proceedings whose likelihood of loss is assessed as possible

The Company and its subsidiaries are parties to labor, civil, social security and tax lawsuits involving risks of loss which, based on the assessment of the legal counsel, Management classified as possible, in the estimated amounts of R\$898,169 and R\$924,898 as of September 30, 2022 (R\$1,032,316 and R\$1,050,249 as of December 31, 2022), Parent and consolidated, respectively, for which no provision was recognized.

	Parent	
Classification	09.30.2023	12.31.2022
Labor	25,815	20,438
Social security	7,943	3,297
Civil	145,128	146,985
Civil - Land	6,598	4,926
Civil – Annulment of merger of EPTE into CTEEP (i)	374,002	558,656
Tax - Goodwill amortization (ii)	187,351	188,016
Tax - CSLL tax loss carryforwards (iii)	47,198	40,982
Tax – IPTU (property tax)	88,732	60,590
Tax – Other	15,402	8,426
	898,169	1,032,316
	Consolidated	
Classification	09.30.2023	12.31.2022
Labor	27,133	20,671
Social security	7,943	3,297
Civil	158,181	154,575
Civil - Land	16,083	14,552
Civil – Annulment of merger of EPTE into CTEEP (i)	374,002	558,656
Tax - Goodwill amortization (ii)	187,351	188,016
Tax - CSLL tax loss carryforwards (iii)	47,198	40,982
Tax – IPTU (property tax)	88,748	60,604
Tax – Other	18,259	8,896
	924,898	1,050,249

(i) **Annulment of merger of EPTE into CTEEP**

• **Declaratory Action**

Ordinary Action whereby noncontrolling shareholders claim the annulment of Empresa Paulista de Transmissão de Energia Elétrica's (EPTE) merger into the Company or, in a jointly liable manner, the declaration of its right to withdrawal and determination of the payment of the share reimbursement value. After acceptance of the request for dismissal by the Court of Justice of São Paulo, the noncontrolling shareholders started to enforce the decision, causing the Company to file an objection. The objection was partially accepted by the Court (August 2022) to, on practical terms, determine the settlement of the amounts, with subsequent return of the shares by the noncontrolling shareholders – there are appeals filed at the Superior Court of Justice discussing this decision, including filed by the Company, which seeks the extinguishment of the right of noncontrolling shareholders. Concurrently, the award calculation phase was initiated upon determination of production of documentary evidence to obtain reliable and accurate information on the number of shares held by the noncontrolling shareholders on the corporate transaction date. Such evidence was accepted to enable the calculation of any credit that the noncontrolling shareholders might be entitled to due to their respective shareholding positions on the merger date (October 31, 2001), and to identify the number of shares they must consequently return to the Company.

In addition to the defenses above, on January 22, 2015, the Company filed a rescission claim against the decision that acknowledged the right of withdrawal of the noncontrolling shareholders and obtained an injunction subjecting the possible withdrawal of amounts by the plaintiffs to the submission of an appropriate bond. On October 22, 2019, the rescission claim was deemed groundless by majority of votes and the Company filed an appeal with the Superior Court of Justice, which was accepted and is pending judgment.

• **Action for damages**

In October 2020, the Company's noncontrolling shareholders filed a new action against the Company claiming that the indemnity for the value of the shares be calculated based on the RBSE report. The noncontrolling shareholders submitted an economic technical opinion indicating the amount of around R\$133 million for the lawsuit. The Company issued an opinion on the technical opinion submitted by the noncontrolling shareholders and presented a regulatory technical opinion. On August 25, 2022, the action was deemed groundless and an appeal was filed by noncontrolling shareholders. Considering the favorable decision and the current stage of the litigation, the likelihood of loss is assessed as remote.

(ii) **Tax - Goodwill amortization**

Lawsuits arising from tax assessment notices issued by the Federal Revenue Service (SRFB) from 2013 to 2017 (period from 2008 to 2013), relating to the goodwill paid by ISA Capital on the acquisition of CTEEP shareholding control.

- The 2008 case was judged at the higher court of the Administrative Board of Tax Appeals (CARF), which granted an unfavorable decision. The Company filed a lawsuit which was partially granted (for the income tax but not for the social contribution). An appeal was filed with the appellate court and is pending judgment.
- The 2009, 2010, 2011 and 2012 cases were awarded a final favorable decision by the superior court of the Administrative Board of Tax Appeals (CARF).

For 2013, the decision was partially favorable to the Company at the lower court. An appeal was filed, which is pending judgment.

The existence of CARF's unfavorable decision is not binding upon the other ongoing lawsuits awaiting judgment since CARF does not have an unanimous opinion on the matter, as unfavorable judgments were preceded by a deadlock, subsequently decided by the deciding vote of the President of the Panel/Chamber.

(iii) Tax - CSLL tax loss carryforwards

Lawsuit arising from a tax assessment notice issued in 2007, in connection with the failure to confirm the CSLL tax loss carryforwards basis, arising from the partial spin-off of CESP. Administrative Proceeding with CARF had an unfavorable outcome by a casting vote. The Company discusses the issue at the judicial level and obtained an injunction to suspend the requirement to pay the debt without posting a bond. In September 2020, the Company was awarded an unfavorable decision and filed an appeal which is pending judgment. However, a favorable decision was granted to the Company, suspending the enforceability of the debt with no bond being required.

14.1.5 Lawsuits whose likelihood of loss is assessed as remote**14.1.5.1 PIS/COFINS (taxes on revenue)**

The Company is a defendant to tax assessment notices relating to PIS and COFINS (taxes on revenue) for the period from 2003 to 2011, under the allegation that the Company would be required to pay PIS/COFINS on a cumulative basis. The Company paid PIS/COFINS on a cumulative basis until 2003. With the changes introduced in legislation in October 2003, the general rule became paying PIS/COFINS on a non-cumulative basis, except for revenues meeting the four following requirements: i) agreements executed before October 2003, ii) with an effective term longer than one year, iii) at preset prices, iv) for purchases of goods or services. Since SE revenue (Agreement 059/2001 prior to Law No. 12.783/2013) meets these requirements, and, also, following ANEEL's instructions, the Company requested the offset of the amounts overpaid in the period the Company paid PIS and COFINS on a non-cumulative basis and started paying such taxes cumulatively on the portion of SE revenue.

In 2009 the Company submitted 49 Declarations for Offset (DCOMPs) claiming the homologation of the offsets carried out to utilize the credit arising from the amounts unduly paid as PIS/COFINS under the non-cumulative regime from February to October 2004. The theory discussed is that the adjustment of the agreements by the IPG-M does not disqualify the preset price, in conformity with the other requirements set forth in the law, and the calculation under the cumulative regime must be maintained. Decision orders not homologating the offsets were issued. The Company filed voluntary appeals, which are pending judgment. The adjusted amount of these lawsuits is R\$218 million.

Currently, the cases from 2003 to 2010 which, after adjusted, total approximately R\$1,592 million, were closed at the CARF with unfavorable decision for the Company. In 2022 the Company filed a lawsuit to discuss the merit of the matter for these periods and obtained a preliminary decision suspending the collection without the need of posting a bond.

The proceeding relating to 2011 was granted an unfavorable decision at CARF's lower level. CARF's Lower Panel determined that the National Treasury Attorney General should analyze the report prepared by the specialized consulting firm, which was analyzed and validated. In September 2022 there was a judgment at CARF's Lower Panel with decision favorable to the Company. The Finance Department filed an appeal against this decision, which was denied on July 17, 2023, and the lawsuit was dismissed on July 20, 2023.

14.1.5.2 Retroactive collection - Eletropaulo

The debt discussed originated in 1989, when Eletrobras has filed an ordinary collection action against Eletropaulo, relating to the financing agreement balance. In October 2001, Eletrobras has enforced the sentence related to the above-mentioned financing agreement, collecting R\$429.0 million from Eletropaulo and R\$49.0 million from EPTE, a company resulting from Eletropaulo's partial spin-off, carried out in December 1997. In November 2001, the Company merged EPTE and did not recognize a provision for risks, as it believes that such amount must be borne by Eletropaulo in view of the failure to transfer this contingency at the spin-off process. In 2018 Eletrobras and Eletropaulo entered into an agreement to settle the debt, in the amount of R\$1.4 billion for Eletrobras and in the same year the agreement was homologated and CTEEP was excluded from the lawsuit. In October 2018 Eletropaulo has filed an appeal in an attempt to include CTEEP in the lawsuit again. In 2019 the Court of Justice of Rio de Janeiro has judged the appeal and confirmed the full homologation of the settlement and CTEEP's exclusion from the lawsuit, which court ruling was final and unappealable.

The Company is a defendant to a retroactive collection actin filed by Eletropaulo in March 2021 claiming the recognition of the Company's liability for the total debt arising from the financing agreement entered into among Eletropaulo (ENEL) and Eletrobrás and that it be sentenced to reimburse the past-due and falling-due installments of the agreement entered into by Eletropaulo and pay court costs and burden of defeat (up to 20% of the amount under discussion).

In 2021, the Company received a favorable decision, where the lower court judged the lawsuit with grounds. The parties filed an appeal. In September 2023 an appellate court decision was handed down favorably to the Company, denying the appeal filed by Eletropaulo (ENEL). The adjusted amount of the lawsuit is R\$2,341 million.

14.2 Sureties and restricted deposits

14.2.1 Breakdown

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Escrow deposits				
Labor (note 14.1.2) (i)	24,903	24,792	24,908	24,819
Taxes on revenue (PIS and COFINS) (i)	15,000	14,049	15,000	14,049
Assessments - ANEEL (ii)	2,419	2,307	2,419	2,307
Other	133	123	133	123
	42,455	41,271	42,460	41,298

(i) In March 2015, through Decree No. 8.426/15, the PIS/COFINS rate applicable on finance income was reinstated at 4.65% effective as from July 1, 2015. For the period from July 2015 to February 2018, the Company filed a lawsuit seeking the non-levy of such tax based on the fact that the levy could only be required by Law, as set forth in article 150, item I, of the Federal Constitution, and that Decree No. 8.426/15 also violates the principle of non-cumulative taxation established in paragraph 12 of article 194.

(ii) Refers to deposits for the purpose of voiding ANEEL assessment notices which the Company has challenged.

14.2.2 Changes

	Parent				Total
	Labor	PIS/COFINS (taxes on revenue)	ANEEL assessments	Other	
Balances as of 12.31.2022	24,792	14,049	2,307	123	41,271
New deposits	390	-	-	3	393
Withdrawal on behalf of the Company	(589)	-	-	-	(589)
Withdrawal against the Company	(15)	-	-	-	(15)
Adjustment	325	951	112	7	1,395
Balances as of 09.30.2023	24,903	15,000	2,419	133	42,455

	Consolidated				
	Labor	PIS/COFINS (taxes on revenue)	ANEEL assessments	Other	Total
Balances as of 12.31.2022	24,819	14,049	2,307	123	41,298
New deposits	390	-	-	3	393
Withdrawal on behalf of the Company	(611)	-	-	-	(611)
Withdrawal against the Company	(15)	-	-	-	(15)
Adjustment	325	951	112	7	1,395
Balances as of 09.30.2023	24,908	15,000	2,419	133	42,460

15 Equity

15.1 Capital

As of September 30, 2023, the Company's issued capital is R\$5,000,000, of which R\$1,957,386 in common shares and R\$3,042,614 in preferred shares, all registered, book-entry, and without par value.

The subscribed and paid-in capital as of September 30, 2023 and December 31, 2022 totals R\$3,590,020, represented by common and preferred shares as follows:

	09.30.2023		12.31.2022	
	Number of Shares	R\$ thousand	Number of Shares	R\$ thousand
Common	257,937,732	1,405,410	257,937,732	1,405,410
Preferred	400,945,572	2,184,610	400,945,572	2,184,610
	658,883,304	3,590,020	658,883,304	3,590,020

Common shares entitle their holders the right to one vote at the resolutions of general meetings.

Preferred shares are not entitled to vote; however, they have priority in the refund of capital and payment of dividends corresponding to this class of shares.

15.2 Dividends and interest on capital

The Company's bylaws establish that the allocation of profit for the year in the following order: (i) recognition of the legal reserve; (ii) of the balance, payment of dividends attributed to preferred and common shares, at the higher value between R\$218,461 and R\$140,541, respectively, and 25% of profit for the year; (iii) of the balance, up to 20% of profit for recognition of the statutory reserve.

15.3 Capital reserves

	09.30.2023	12.31.2022
Investment grants - CRC	78	78
Special goodwill reserve - merger	588	588
	666	666

15.4 Reserves and earnings retention

	<u>09.30.2023</u>	<u>12.31.2022</u>
Legal reserve (i)	718,004	718,004
Statutory reserve (ii)	2,315,253	2,315,253
Earnings retention (iii)	846,456	846,456
Unrealized special earnings reserve (iv)	<u>8,728,429</u>	<u>8,728,429</u>
	<u>12,608,142</u>	<u>12,608,142</u>

(i) Legal reserve

Recognized as 5% of profit for the year, before any allocation, up to 20% of capital. In the year ended December 31, 2019, the Company reached the maximum percentage for recognition of the legal reserve.

(ii) Statutory reserve

Pursuant to article 36, item IV, of the Company's Bylaws, of the balance of profit for the year, after deducting the legal reserve and mandatory dividend, up to 20% must be allocated to the statutory reserve, the amount of which may not exceed the capital amount. The statutory reserve may be used for the following purposes: (a) support investments to expand the Company's activities; (b) help maintain a proper working capital; (c) maintain funds necessary to meet obligations with third parties, including lenders; and (d) protect the Company against potential contingencies or losses arising from regulatory risks. If Management understands that the reasons that justified the recognition of the statutory reserve are no longer applicable, it can propose its reversal and subsequently distribute the amount to the shareholders.

(iii) Earnings retention

Management proposes to maintain in equity prior years' retained earnings, in earnings retention, which is intended to meet the capital budget approved at the General Shareholders' Meeting in the respective periods, in conformity with art. 196 of Law 6.404/76. The earnings retention based on capital budget is not considered for the calculation of the limit prescribed by art. 199 of Law 6.404/76.

(iv) Unrealized special earnings reserve

The unrealized special earnings reserve includes the impacts of (i) amounts receivables from SE (note 5.1); (ii) adjustments due to application of ICPC 01 (R1) Concession Arrangements; (iii) first-time adoption of CPC 47 (IFRS 15); and (iv) share of profit of investees, which will be realized in the future. Once realized, in case the special reserve is not absorbed by subsequent losses, the Company will allocate its balance for: (i) capital increase, distribution of dividends or recognition of other earnings reserves, pursuant to article 19 of CVM Instruction 247/1996 for amounts recognized up to the date of revocation of such Instruction; (ii) distribution of dividends for amounts recognized after the revocation of CVM Instruction 247/1996, considering Management's proposals to be made on a timely basis.

15.5 Other Comprehensive Income (OCI)

The Company recognizes in Other Comprehensive Income the remeasurement arising from the actuarial deficit liability and respective tax effects as supported by a report prepared by an independent actuary. As of September 30, 2023, this amounts to R\$18,408, net of taxes (R\$18,408 as of December 31, 2022).

Derivative financial instruments are also classified in Other Comprehensive Income, namely non-deliverable forwards (NDF) to manage the currency risk of the cash flow of the Company's subsidiary IERiacho Grande in the amount of R\$22,950, net of taxes, whereby the effective portion of changes in the fair value of the hedge accounting is recorded in equity.

15.6 Earnings (loss) per share
15.6.1 Calculation of earnings (loss) per share

Basic earnings or loss per share are calculated through the Company's profit or loss, based on the weighted average number of common and preferred shares outstanding in the respective period. Diluted earnings or loss per share are calculated by obtaining such average number of outstanding shares, adjusted by instruments potentially convertible into shares. In this case, the Company considered shares that may be issued through capitalization of the special goodwill reserve on merger in favor of the controlling shareholder.

As prescribed in CVM Instruction No. 319, to the extent that the tax benefit of the special goodwill reserve on merger is realized, included in the Company's equity, this benefit can be capitalized on behalf of the Parent, and other shareholders shall have an interest in such capital increase, so as to maintain its ownership interest in the Company.

Those shares issued based on this realization were considered as dilutive for purposes of calculating the Company's earnings or loss per share, based on the assumption that all issuance conditions have been met. As of September 30, 2023 and 2022, the share issuance conditions relating to goodwill amortization have been met.

The table below shows the profit or loss and share data used to calculate basic and diluted earnings per share:

	Quarter ended		Parent Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Basic and diluted earnings per share				
Profit – R\$ thousand	470,042	476,937	1,819,761	1,719,716
Weighted average number of shares				
Common	257,937,732	257,937,732	257,937,732	257,937,732
Preferred	400,945,572	400,945,572	400,945,572	400,945,572
	<u>658,883,304</u>	<u>658,883,304</u>	<u>658,883,304</u>	<u>658,883,304</u>
Weighted adjusted number of shares				
Common	257,956,045	257,956,874	257,957,155	257,955,997
Preferred	400,969,587	400,970,887	400,970,515	400,969,932
	<u>658,925,632</u>	<u>658,927,761</u>	<u>658,927,670</u>	<u>658,925,929</u>
Basic earnings per share (common and preferred)	<u>0.71339</u>	<u>0.72386</u>	<u>2.76189</u>	<u>2.61005</u>
Diluted earnings per share (common and preferred)	<u>0.71335</u>	<u>0.72381</u>	<u>2.76170</u>	<u>2.60988</u>

16 Net operating revenue
16.1 Breakdown of net operating revenue

	Quarter ended		Parent Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Gross revenue				
Infrastructure revenue (i)	564,662	322,732	1,424,365	818,575
Efficiency gain on infrastructure implementation (ii)	2,487	26,186	54,381	42,212
Compensation for concession assets (iii)	569,064	294,412	1,855,524	1,771,477
Operation & Maintenance (iv)	263,994	385,236	895,902	988,048
Revenue from rentals and services rendered	21,050	15,349	55,566	36,223
Total gross revenue	1,421,257	1,043,915	4,285,738	3,656,535
Taxes on revenue				
Tax on revenue (COFINS)	(119,959)	(77,539)	(333,443)	(272,581)
Tax on revenue (PIS)	(26,044)	(16,834)	(72,392)	(59,179)
Other	(978)	(673)	(2,583)	(1,612)
	(146,981)	(95,046)	(408,418)	(333,372)
Regulatory charges				
Energy Development Account (CDE)	(27,517)	(59,503)	(90,330)	(153,909)
Research and Development (R&D)	(9,129)	(7,798)	(24,014)	(20,206)
Alternative Power Sources Incentive Program (PROINFA)	(6,424)	(18,008)	(19,311)	(40,270)
Electric Power Service Inspection Fee	(3,577)	(3,036)	(8,638)	(8,009)
	(46,647)	(88,345)	(142,293)	(222,394)
Net operating revenue	1,227,629	860,524	3,735,027	3,100,769

	Quarter ended		Consolidated Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Gross revenue				
Infrastructure revenue (i)	672,954	518,422	1,712,467	1,439,299
Efficiency gain on infrastructure implementation (ii)	2,487	61,447	54,511	78,391
Compensation for concession assets (iii)	695,402	385,756	2,333,156	2,235,428
Operation & Maintenance (iv)	310,503	420,578	994,139	1,057,662
Revenue from rentals and services rendered	9,287	8,228	26,314	16,645
Total gross revenue	1,690,633	1,394,431	5,120,587	4,827,425
Taxes on revenue				
Tax on revenue (COFINS)	(128,537)	(89,641)	(359,552)	(308,156)
Tax on revenue (PIS)	(27,900)	(19,455)	(78,066)	(66,884)
Other	(985)	(673)	(2,590)	(1,623)
	(157,422)	(109,769)	(440,208)	(376,663)
Regulatory charges				
Energy Development Account (CDE)	(27,517)	(59,503)	(90,330)	(153,909)
Global Reversal Reserve (RGR)	(1,830)	(9,132)	(4,777)	(23,496)
Research and Development (R&D)	(10,765)	(1,767)	(28,326)	(5,013)
Alternative Power Sources Incentive Program (PROINFA)	(6,424)	(18,008)	(19,311)	(40,270)
Electric Power Service Inspection Fee	(4,168)	(3,564)	(10,107)	(9,292)
	(50,704)	(91,974)	(152,851)	(231,980)
Net operating revenue	1,482,507	1,192,688	4,527,528	4,218,782

(i) Infrastructure implementation services

The revenue from the performance obligation relating to infrastructure implementation for providing electric power transmission services, including new facilities, enhancements and improvements under the concession arrangement is recognized as performance obligations are satisfied, which is determined based on expenses incurred plus the estimated margin for each project and gross-up of taxes.

For concession arrangement 059/2001 regulated by Law No. 12.783/2013, the Company recognized infrastructure implementation revenue also for electric power facility improvement projects, as prescribed in ANEEL Order No. 4.413 of December 27, 2013 and Regulatory Resolution No. 443 of July 26, 2011.

(ii) Efficiency gain on infrastructure implementation

Efficiency gain on the infrastructure implementation reflects the positive variances determined reliably when enhancement projects and improvement are placed into operation and new concession arrangements arising from savings in investments in relation to the estimate made at the beginning of the works, revision of the RAP and placement into operation earlier than the date determined by ANEEL. The other variances such as excess costs or delay in works are recognized when known. As of September 30, 2023, the efficiency gain refers to enhancement projects and improvement that came into operation.

(iii) Compensation for concession assets

Revenue from compensation for assets is recognized on a straight-line basis at the implicit rate of each project on the future flow of cash receipts, considering the specific characteristics of each enhancement project, improvements and auctions and that compensates the transmission infrastructure investment. The purpose of the implicit rate is to price the financial component of the contract asset established at the commencement of the contracts/projects and is not subsequently adjusted. The rate levies on the amount receivable of the future flow of cash receipts and ranges between 4.3% and 9.9% per year.

(iv) Operation & Maintenance

Revenue from performance obligation of operation and maintenance services is recognized when services are provided by the Company, beginning after the end of the construction stage and intended not to interrupt the availability of these facilities, recognized based on the consideration for services. When the Company provides more than one service under a concession arrangement, the compensation received is allocated by reference to the fair values of the services delivered.

16.2 Performance obligation margins

	Parent		Consolidated	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Infrastructure implementation				
Infrastructure revenue	1,424,365	818,575	1,712,467	1,439,299
Infrastructure implementation cost	(996,189)	(532,518)	(1,325,425)	(1,231,670)
Margin	428,176	286,057	387,042	207,629
Efficiency gain	54,381	42,212	54,511	78,391
O&M				
O&M revenue	895,902	988,048	994,139	1,057,662
O&M cost	(365,870)	(315,500)	(388,043)	(335,354)
Margin	530,032	672,548	606,096	722,308
Compensation for concession assets	1,855,524	1,771,477	2,333,156	2,235,428

16.3 Variable Portion (PV) and RAP Additional

Regulatory Resolution 906, of December 8, 2020, regulates the Variable Portion (PV) and RAP Additional. The Variable Portion is the pecuniary penalty applied by the Concession Grantor for any unavailability or operating restrictions of the facilities comprising the Basic Grid. The RAP Additional corresponds to the pecuniary premium granted to transmission companies as an incentive for improving the availability of transmission facilities. For both situations, a revenue and/or O&M revenue reduction is recognized in the period they occur.

16.4 Periodic revision of the Annual Permitted Revenue (RAP)

Under concession arrangements, at every four and/or five years, after the contract execution date, ANEEL will periodically revise the electric power transmission RAP to promote tariff efficiency and moderation.

Each arrangement has its specific characteristics; however, in general terms, concessionaires have their RAP revised three times (every five years), when the cost of debt capital is revised. Enhancement and improvements related to the bid agreements are revised every five years. A revenue reduction may also be applied for Operation and Maintenance (O&M) costs to capture Business Efficiency Gains.

The considerations above do not apply to the revenue associated with subsidiary IEJaguar6's Concession Arrangement No. 143/2001, which is not subject to a Periodic Tariff Revision (RTP) of the portion related to the auctioned revenue. However, Preret 9.2, release 3.0, established that, beginning 2019, the enhancements and improvements of arrangements that do not contain a revision clause would be revised every five years. Considering that Concession Arrangement No. 143/2001 does not include enhancements or improvements, its RAP was not affected.

The periodic tariff revision for concession arrangements, such as Concession Arrangement No. 059/2011, of concessionaires considered as existing, is made every five years and includes the revenue repositioning upon determination of the following:

- the regulatory compensation basis for RBNI and RBSE;
- efficient operating costs;
- optimal capital structure and definition of the transmission companies' compensation;
- identification of the amount to be considered as tariff reduction - Other Revenues;
- application of the "x" factor (ratio set by ANEEL in the periodic revision process to promote efficiency and capture productivity gains for the consumer).

The information on the latest periodic tariff revisions is described below:

<u>Concessionaire</u>	<u>Agreement</u>	<u>Confirmation Resolution (REH)</u>	<u>REH date</u>	<u>Effective date</u>
CTEEP	059/2001	2,714	06.30.2020	07.01.2020
CTEEP	012/2016	3,050	07.01.2022	07.01.2022
Subsidiaries				
IESerra do Japi	026/2009	2,840	03.30.2021	07.01.2020
IEMG	004/2007	3,050	07.01.2022	07.01.2022
IENNE	001/2008	3,205	06.13.2023	07.01.2023
IEJaguar8	012/2008	2,556	06.11.2019	07.01.2019
IEJaguar9	015/2008	2,556	06.11.2019	07.01.2019
IEPinheiros	018/2008	2,556	06.11.2019	07.01.2019
IEItapura	021/2011	3,050	07.01.2022	07.01.2022
Evrecy	020/2008	2,883	06.22.2021	07.01.2018
IESul	013 and 016/2008	2,556	06.11.2019	07.01.2019
IEItaúnas	018/2017	3,050	07.01.2022	07.01.2022
IETibagi	026/2017	3,205	06.13.2023	07.01.2023
IEItaquerê	027/2017	3,205	06.13.2023	07.01.2023
IEJaguar 6	042/2017	3,205	06.13.2023	07.01.2023
IEAguapeí	046/2017	3,205	06.13.2023	07.01.2023
Jointly controlled subsidiaries				
IEMadeira	013 and 015/2009	2,556	06.11.2019	07.01.2019
IEGaranhuns	022/2011	3,050	07.01.2022	07.01.2022
IEAimorés	004/2017	3,050	07.01.2022	07.01.2022
IEParaguaçu	003/2017	3,050	07.01.2022	07.01.2022
IEIvaí	022/2017	3,205	06.13.2023	07.01.2023

16.4.1 Confirmation Resolution No. 3.205

On June 13, 2023, Confirmation Resolution 3.205 was published, repositioning the RAP of subsidiaries IENNE, IETibagi, IEItaquerê, IEJaguar 6, IEAguapeí and jointly controlled subsidiary IEIvaí with accounting impacts recognized in the third quarter of 2023, totaling a negative amount of R\$3,685 recorded in Periodic Tariff Revision. However, the effects of said Resolution were ruled out in Confirmation Resolution 3.216 (note 16.5) for the RAP 2023/2024 cycle. The Company filed an administrative appeal with ANEEL, claiming the consideration of the tariff repositioning.

The next periodic tariff revisions for the RAP of the Company and its subsidiaries and jointly controlled subsidiaries are described in note 1.2.

16.4.2 Postponement of the periodic tariff revision for 2023

ANEEL, through Ordinance 402/2023, has decided to postpone the Periodic Tariff Revision for the entire agreement 059/2001 and for the enhancements and improvements of the agreements subject to bid. Such Ordinance establishes that the tariff revision will occur in the 2024/2025 tariff cycle.

16.5 Annual revenue adjustment

Confirmation Resolution No. 3.216, published on July 7, 2023, established new amounts for the annual permitted revenues for the Company and its subsidiaries for the availability of the transmission facilities comprising the Basic Grid and other transmission facilities, for a 12-month cycle, from July 1, 2023 to June 30, 2024, as shown in the table below:

Concessionaire	Rate	REH 3.067 (*)	RAP Cycle 23/24						
			Inflation	Enhancements/ improvements	RBSE (***)	Other	REH 3.216	PA	Total
ISA CTEEP	IPCA	3,047,437	119,942	37,927	766,498	-	3,971,804	(91,618)	3,880,186
Operating subsidiaries (**)	IPCA	590,134	19,801	3,357	-	(4,706)	608,586	6,903	615,489
Total		3,637,571	139,743	41,284	766,498	(4,706)	4,580,390	(84,715)	4,495,675

(*) RAP of 2022/2023 cycle where the amounts do not include the positive adjustment portion (PA) of R\$70,425.

(**) Considering the RAP of subsidiaries Biguaçu and Itaúnas, which started to operate during the 2022/2023 cycle.

(***) Full recomposition of the financial component, after the reprofiling set forth in REH 2.851.

The Company's and its subsidiaries' Regulatory Revenue, net of PIS and COFINS, is as follows:

Concession arrangement	Basic grid				Other transmission facilities (DIT)				Total 2023 (*)	Total 2022 (*)
	RBSE	RBNI	Auctioned	PA	RPC (***)	RCDM (***)	Auctioned	PA		
059/2001	2,403,163	291,723	-	(50,041)	796,391	265,972	-	(34,442)	3,672,766	2,917,317
012/2016	-	-	214,555	(7,136)	-	-	-	-	207,419	199,976
143/2001	-	-	19,355	(393)	-	-	-	-	18,962	19,644
004/2007	-	-	19,745	(19)	-	-	-	-	19,726	24,585
012/2008	-	9	11,395	(180)	-	1,284	1,718	22	14,248	13,709
015/2008	-	28,361	21,794	11,886	-	10,286	534	7,241	80,102	50,297
018/2008	-	209	5,613	841	-	1,846	68	(492)	8,085	6,819
021/2011	-	-	6,174	(375)	-	-	2,265	(1)	8,063	7,879
026/2009	-	7,185	38,827	(920)	-	-	8,831	9	53,932	52,378
001/2008	-	9	61,309	(1,913)	-	-	-	-	59,405	52,513
020/2008	-	16,197	-	(356)	-	3,396	-	1	19,238	21,564
013/2008	-	-	7,956	(214)	-	-	-	-	7,742	7,237
016/2008	-	4,110	13,964	922	-	-	323	(1)	19,318	19,257
018/2017 (**)	-	-	64,524	(921)	-	-	1,357	-	64,960	-
026/2017	-	-	22,290	(805)	-	-	-	-	21,485	19,588
027/2017	-	-	64,935	(2,024)	-	-	-	-	62,911	61,089
046/2017	-	-	65,548	(1,593)	-	-	9,925	339	74,219	87,613
042/2017	-	-	15,085	(1,633)	-	-	-	-	13,452	13,718
006/2020	-	-	6,805	(1,035)	-	-	-	-	5,770	6,548
012/2018 (**)	-	-	50,919	(2,155)	-	-	762	-	49,526	-
021/2018	-	-	13,673	673	-	-	-	-	14,346	13,155
	<u>2,403,163</u>	<u>347,803</u>	<u>724,466</u>	<u>(57,391)</u>	<u>796,391</u>	<u>282,784</u>	<u>25,783</u>	<u>(27,324)</u>	<u>4,495,675</u>	<u>3,594,886</u>

(*) Including the amounts relating to the adjustment portion (PA).

(**) Placement into operation in 2022 and in the 1st half of 2023.

(***) RPC represents the equivalent to "RBSE" whereas RCDM represents the equivalent to "RBNI" for the DITs.

17 Costs of infrastructure implementation, operation and maintenance services, and general and administrative expenses

17.1 Parent

	Quarter ended				
	09.30.2023		09.30.2022		
	Implementation and O&M costs	Costs of services rendered	Expenses	Total	Total
Management fees	-	-	(3,239)	(3,239)	(2,956)
Personnel	(90,257)	-	(21,904)	(112,161)	(98,714)
Outside services	(204,985)	-	(20,079)	(225,064)	(104,368)
Depreciation and amortization	-	-	(6,292)	(6,292)	(6,606)
Materials	(214,982)	-	(273)	(215,255)	(133,114)
Other	(21,844)	-	(7,253)	(29,097)	(22,466)
	<u>(532,068)</u>	<u>-</u>	<u>(59,040)</u>	<u>(591,108)</u>	<u>(368,224)</u>

					Nine-month period ended	
					09.30.2023	09.30.2022
	Implementation and O&M costs	Costs of services rendered	Expenses	Total	Total	Total
Management fees	-	-	(12,520)	(12,520)	(11,389)	(11,389)
Personnel	(252,141)	-	(67,696)	(319,837)	(299,802)	(299,802)
Outside services	(458,551)	(1,877)	(46,493)	(506,921)	(261,191)	(261,191)
Depreciation and amortization	-	-	(18,676)	(18,676)	(19,782)	(19,782)
Materials	(584,679)	-	(978)	(585,657)	(360,150)	(360,150)
Other	(64,811)	-	(17,355)	(82,166)	(72,717)	(72,717)
	(1,360,182)	(1,877)	(163,718)	(1,525,777)	(1,025,031)	(1,025,031)

17.2 Consolidated

					Quarter ended	
					09.30.2023	09.30.2022
	Implementation and O&M costs	Costs of services rendered	Expenses	Total	Total	Total
Management fees	-	-	(3,239)	(3,239)	(2,956)	(2,956)
Personnel	(90,252)	-	(23,340)	(113,592)	(99,742)	(99,742)
Outside services	(266,450)	-	(20,038)	(286,488)	(223,896)	(223,896)
Depreciation and amortization	-	-	(6,439)	(6,439)	(6,774)	(6,774)
Materials	(280,444)	-	(361)	(280,805)	(228,065)	(228,065)
Other	(29,378)	-	(5,600)	(34,978)	(32,829)	(32,829)
	(666,524)	-	(59,017)	(725,541)	(594,262)	(594,262)

					Nine-month period ended	
					09.30.2023	09.30.2022
	Implementation and O&M costs	Costs of services rendered	Expenses	Total	Total	Total
Management fees	-	-	(12,520)	(12,520)	(11,389)	(11,389)
Personnel	(252,141)	-	(71,526)	(323,667)	(302,751)	(302,751)
Outside services	(622,478)	(1,877)	(49,355)	(673,710)	(531,207)	(531,207)
Depreciation and amortization	-	-	(19,097)	(19,097)	(20,268)	(20,268)
Materials	(759,080)	-	(688)	(759,768)	(753,816)	(753,816)
Other	(77,892)	-	(18,624)	(96,516)	(135,878)	(135,878)
	(1,711,591)	(1,877)	(171,810)	(1,885,278)	(1,755,309)	(1,755,309)

	Quarter ended		Consolidated Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
	Expenses			
Interest on borrowings	(13,010)	(14,700)	(31,472)	(63,487)
Interest expense	(230)	(200)	(484)	(571)
Debt charges	(182,816)	(157,424)	(537,275)	(424,458)
Inflation adjustments	(17,082)	(159)	(207,638)	(270,853)
Other	(4,680)	(2,882)	(12,145)	(12,214)
	<u>(217,818)</u>	<u>(175,365)</u>	<u>(789,014)</u>	<u>(771,583)</u>
	<u>(149,487)</u>	<u>(125,493)</u>	<u>(640,964)</u>	<u>(657,068)</u>

20 Income tax and social contribution

20.1 Reconciliation of the effective tax rate

The reconciliation of income tax (IRPJ) and social contribution (CSLL) expenses for the year with book profit is as follows:

	Parent			
	Quarter ended		Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Profit before income tax and social contribution	619,019	586,873	2,319,900	2,176,430
Statutory rates	34%	34%	34%	34%
Income tax and social contribution at statutory rate	<u>(210,466)</u>	<u>(199,537)</u>	<u>(788,766)</u>	<u>(739,986)</u>
Income tax and social contribution on permanent differences				
Other income – non-taxable (i)	345	199	10,292	3,450
Share of profit (loss) of investees	55,373	84,290	269,153	277,069
Losses on physical inventory	(1,288)	(615)	(1,832)	(1,139)
Other	<u>7,059</u>	<u>5,727</u>	<u>11,014</u>	<u>3,892</u>
Income tax and social contribution at effective rates	<u>(148,977)</u>	<u>(109,936)</u>	<u>(500,139)</u>	<u>(456,714)</u>
Income tax and social contribution				
Current	(180,523)	(142,296)	(393,658)	(197,098)
Deferred	<u>31,546</u>	<u>32,360</u>	<u>(106,481)</u>	<u>(259,616)</u>
	<u>(148,977)</u>	<u>(109,936)</u>	<u>(500,139)</u>	<u>(456,714)</u>
Effective rate	<u>24.1%</u>	<u>18.7%</u>	<u>21.6%</u>	<u>21.0%</u>

- (i) Inflation adjustment of receivables from the expropriation of tracts of land of former EPTE before the Municipal Government of São José dos Campos, in the amounts of R\$9,292 and R\$3,600, relating to the nine-month periods ended September 30, 2023 and 2022, respectively.

	Consolidated			
	Quarter ended		Nine-month period ended	
	09.30.2023	09.30.2022	09.30.2023	09.30.2022
Profit before income tax and social contribution	646,824	616,892	2,387,216	2,257,597
Statutory rates	34%	34%	34%	34%
Income tax and social contribution at statutory rate	(219,920)	(209,743)	(811,653)	(767,583)
Income tax and social contribution on permanent differences				
Other income – non-taxable (i)	345	199	10,292	3,450
Share of profit (loss) of investees	17,372	49,235	128,801	154,560
Losses on physical inventory	(1,288)	(615)	(1,832)	(1,139)
Effect of adopting the deemed income regime for subsidiaries (ii)	35,788	31,310	130,671	108,573
Other	7,060	5,726	11,016	3,892
Income tax and social contribution at effective rates	(160,643)	(123,888)	(532,705)	(498,247)
Income tax and social contribution				
Current	(188,419)	(147,609)	(413,723)	(212,420)
Deferred	27,776	23,721	(118,982)	(285,827)
	(160,643)	(123,888)	(532,705)	(498,247)
Effective rate	24.8%	20.1%	22.3%	22.1%

(i) Inflation adjustment of receivables from the expropriation of tracts of land of former EPTE before the Municipal Government of São José dos Campos, in the amounts of R\$9,292 and R\$3,600, relating to the nine-month periods ended September 30, 2023 and 2022, respectively.

(ii) The deemed income regime was adopted to calculate income tax and social contribution for subsidiaries.

21 Related-party transactions

The main balances and transactions with related parties in the year are as follows:

21.1 Balance sheet

Related parties	Dividends	Sublease, reimbursement and expense sharing (b)	Services rendered (c)	Assets	(Liabilities)	09.30.2023	12.31.2022
				Short-term investments - investment funds (note 6.5)	Other	Total	Total
ISA Capital	-	10	32	-	-	42	(213,078)
IEMG	-	193	459	-	-	652	435
IEPinheiros	-	28	14	-	-	42	5,979
IESerra do Japi	-	83	118	-	-	201	26,820
Evrecy	-	191	2,500	-	-	2,691	2,507
IENNE	-	211	900	-	-	1,111	559
IEItaúnas	-	121	1,363	-	-	1,484	62
IEIibagi	2,396	73	161	-	-	2,630	12,109
IEItaquere	22,821	90	84	-	-	22,995	45,022
IEtapura	-	61	152	-	-	213	297
IEAguapei	-	130	511	-	-	641	26,046
IESul	-	117	191	-	-	308	1,547
IEGaranhuns	13,631	-	47	-	-	13,678	43
IEMadeira	52,161	-	-	-	-	52,161	52,161
IEBiguaçu	-	167	-	-	-	167	6,199
Internexa Brasil	-	-	447	-	-	447	589
Riacho Grande	-	44	288	-	-	332	101
IEAimorés	-	-	-	-	-	-	15,987
IEParaguaçu	-	-	-	-	-	-	19,583
IEIvaí	-	666	1,840	-	-	2,506	1,159
IEJaguar 6	-	34	60	-	-	94	512
IEJaguar 8	-	118	62	-	-	180	-
IEJaguar 9	-	43	75	-	-	118	13,897
Eletrabras	-	-	-	-	(47,861)	(47,861)	(44,139)
Bandeirantes	-	-	-	503,562	-	503,562	269,741
Xavantes	-	-	-	791,779	-	791,779	584,523
Assis	-	-	-	259,217	-	259,217	39,483
Barra Bonita	-	-	-	22,572	-	22,572	13,579
Total	91,009	2,380	9,304	1,577,130	(47,861)	1,631,962	881,723

21.2 Profit or loss

Related parties	Income (expense)					09.30.2023	09.30.2022
	Short-term benefits (a)	Sublease, reimbursement and expense sharing (b)	Services rendered (c)	Short-term investments - investment funds (note 6.5)	Other	Total	Total
Management	(12,520)	-	-	-	-	(12,520)	(11,389)
ISA Capital	-	-	-	-	-	-	320
IEMG	-	335	4,110	-	-	4,445	2,835
IEPinheiros	-	433	769	-	-	1,202	1,886
IESerra do Japi	-	276	1,078	-	-	1,354	1,373
Evrecy	-	372	3,097	-	-	3,469	2,968
IENNE	-	677	2,430	-	-	3,107	3,425
IEItaúnas	-	179	2,253	-	-	2,432	1,354
IEItabagi	-	215	1,916	-	-	2,131	2,411
IEItaquere	-	285	754	-	-	1,039	969
IEtapura	-	201	1,205	-	-	1,406	1,487
IEAguapei	-	404	4,121	-	-	4,525	3,007
IESul	-	314	4,579	-	-	4,893	327
IEMadeira	-	-	430	-	-	430	-
IEGaranhuns	-	-	-	-	-	-	392
IEBiguaçu	-	393	1,795	-	-	2,188	1,198
Internexa Brasil	-	-	-	-	-	-	909
Riacho Grande	-	104	905	-	-	1,009	607
IEAimorés	-	-	-	-	-	-	50
IEParaguaçu	-	-	-	-	-	-	99
IEIvaí	-	2,118	8,557	-	-	10,675	222
IEJaguar 6	-	34	204	-	-	238	-
IEJaguar 8	-	162	260	-	-	422	-
IEJaguar 9	-	42	374	-	-	416	-
AISCE	-	-	-	-	(20)	(20)	(10)
IABRATE	-	-	-	-	(150)	(150)	(4)
Bandeirantes	-	-	-	20,705	-	20,705	20,746
Xavantes	-	-	-	36,040	-	36,040	44,761
Assis	-	-	-	5,735	-	5,735	5,379
Barra Bonita	-	-	-	678	-	678	3,123
Total	(12,520)	6,544	38,837	63,158	(170)	95,849	88,445

- (a) Refers to management fees, which, as disclosed in the Company's statement of profit and loss, amount to R\$12,520, Parent and consolidated (R\$11,389 as at September 30, 2022).

The Company's compensation policy does not include post-employment benefits, other long-term benefits, severance benefits or share-based compensation.

- (b) The sublease agreement comprises the sub-leased area of the Company's headquarters building, as well as apportionment of common area and maintenance expenses, reimbursement of shared services, among others.

The personnel expenses sharing agreement requires the proportional allocation of expenses relating to employees shared between the Company and its subsidiaries.

- (c) The Company maintains the following service agreements: (i) ISA Capital - tax and accounting bookkeeping services, tax calculation and payroll processing; (ii) IEAguapei, IETibagi, IEItapura, IEItaquere, Evrecy, IEMG, IEPinheiros, IESerra do Japi, IENNE, IESul, IEBiguaçu and IEGaranhuns - operation and maintenance of its facilities; (iii) Internexa Brasil, a subsidiary of ISA Group - two service agreements including assignment of right of use, on an onerous basis, of the support infrastructure necessary for the installation of fiber optic cables, auxiliary services and related improvements and sharing of IT infrastructure. Additionally, the Company contracted the provision of 10 Mbps internet link services with Internexa Brasil; (iii) IEAguapei, IETibagi, IEItapura, IEItaquere, Evrecy, IEItaúnas, IEMG, IENNE, IESUL, IESerra do Japi, IEPinheiros, IERiacho Grande, IEBiguaçu, IEJaguar and Ivaí – services including engineering, analysis of basic and executive projects, technical support to the acquisition of materials and equipment, and substation and transmission line construction management.

The transactions between related parties are conducted under terms and conditions set forth in an agreement and are recognized pursuant to specific contractual terms, and are adjusted based on the charges set forth in the agreements, when applicable. No transactions assessed as atypical were conducted that are outside the normal course of business.

The Company has free lease agreements with subsidiaries IEItapura, IEPinheiros and IENNE to formalize the borrowing of pieces of equipment and materials that the companies did not have readily available in inventory.

The Company entered into a non-onerous Procurement Management Cooperation Agreement with Interconexión Eléctrica S.A. E.S.P. to generate increased synergy and efficiency in managing the quotation and negotiation process for ISA Group's purchases.

Additionally, the Company contributes as a founding member of Brazil's Association for Social and Cultural and Business Interchange – Colombia (AISCE), whose objective is to be the largest platform of bilateral relationship between Brazil and Colombia, fostering bilateral social, culture and trade investments.

The Company, as sponsor, entered into a Cooperation Agreement with Instituto Abrate de Energia (IABRATE) for implementation of the Research & Development (R&D) project of the Analytical Intelligence System of the Electric Sector (SIASE).

22 Financial instruments

22.1 Identification of the main financial instruments

	Level	Parent		Consolidated	
		09.30.2023	12.31.2022	09.30.2023	12.31.2022
Financial assets					
<u>Fair value through profit or loss</u>					
Cash equivalents	1	176,166	318,153	251,602	325,423
Short-term investments	2	931,795	462,256	1,577,130	907,326
Derivative financial instruments	2	-	816	-	816
Restricted cash	2	6,519	16,443	6,519	34,299
<u>Amortized cost</u>					
Concession assets - O&M services	-	90,496	220,045	155,257	270,155
Accounts receivable - São Paulo State Finance Department		2,314,914	2,175,500	2,314,914	2,175,500
Receivables from related parties	-	102,693	231,655	68,834	89,563
Sureties and restricted deposits	-	42,455	41,271	42,460	41,298
Other - Receivables	-	56,520	50,192	56,520	50,192
Financial liabilities					
<u>Fair value through profit or loss</u>					
Derivative financial instruments	2	3,075	-	25,160	4,117
<u>Amortized cost</u>					
Borrowings and financing					
Current	-	1,641,601	63,579	1,656,574	78,060
Noncurrent	-	551,819	1,905,146	648,252	2,012,601
Debentures					
Current	-	596,288	88,833	596,288	88,833
Noncurrent	-	6,141,700	5,805,235	6,141,700	5,805,235
Leases					
Current	-	7,550	13,777	7,835	14,124
Noncurrent	-	21,473	40,836	23,148	42,844
Trade payables	-	111,974	88,350	154,182	111,557
Interest on capital and dividends payable	-	13,454	611,208	13,454	611,208

The carrying amounts of financial assets and financial liabilities, when compared to the amounts that could be obtained if they are traded in an active market or, in the absence of such market, the net present value adjusted based on the prevailing market interest rate, approximate their fair values. The Company classifies financial instruments as required by CPC 46 (IFRS 13) - Fair Value Measurement:

Level 1 – quoted prices (unadjusted) in active markets, net and observable for identical assets or liabilities, available on the measurement date;

Level 2 – quoted prices (which can be adjusted or unadjusted) for similar assets or liabilities in active markets, other inputs not directly or indirectly observable in Level 1, pursuant to asset or liability terms; and

Level 3 - assets and liabilities whose prices are unavailable or prices or valuation techniques supported by a small or inexistent, unobservable or illiquid market. In this level, the fair value estimate becomes highly subjective. As of September 30, 2023 and December 31, 2022, the Company, its subsidiaries and jointly controlled subsidiaries did not use Level 3 information to measure the fair value of any asset or liability.

22.2 Derivative instruments and hedging activities

22.2.1 Hedge contracts

In December 2020, subsidiary IERiacho Grande entered into NDF currency hedge contracts with BTG Pactual, whereby the company bought future dollar with a notional value of USD32,723. The purpose of these transactions was to hedge foreign currency commitments assumed (CAPEX) by the subsidiary.

In July and September 2023, the Company entered into NDF currency hedge contracts with Citibank, whereby the Company fixed the aluminum price in reais, with a notional total amount of R\$566,807. The purpose of these transactions is to hedge the fluctuation in the aluminum price, which will be used in Lots 1 and 7 won in Auction 001/2023.

The Company and its subsidiaries classify the derivative instruments contracted as cash flow hedge and, based on the requirements of CPC 48 and IFRS 9, the Company adopted the hedge accounting for such transactions.

Financial instrument management is in line with the Risk Management Policy and Financial Risk Guidelines of the Company and its subsidiaries. The results from these transactions and adoption of controls to manage these risks are part of the monitoring of the financial risks adopted by the Company and its subsidiaries as follows:

Consolidated									
09.30.2023									
Company	Instrument	Hedging purpose	Nature	Counterparty	Contract date	Final maturity flow	Currency	Notional value	Fair value adjustment (RS)
Riacho Grande	Non-Deliverable Forward - NDF	USD	Purchase	BTG Pactual	Dec/20	Jul/25	USD	25,903	(22.085)
CTEEP	Non-Deliverable Forward - NDF	Aluminum BRL	Purchase	Citibank	Jul/23	May/26	BRL	232.501	5,169
CTEEP	Non-Deliverable Forward - NDF	Aluminum BRL	Purchase	Citibank	Sep 23	Aug/27	BRL	334.306	(8,244)

22.3 Financing

Debt-to-equity ratio

As of September 30, 2023, the debt-to-equity ratio is as follows:

	Parent		Consolidated	
	09.30.2023	12.31.2022	09.30.2023	12.31.2022
Borrowings and financing				
Current	1,641,601	63,579	1,656,574	78,060
Noncurrent	551,819	1,905,146	648,252	2,012,601
Leases				
Current	7,550	13,777	7,835	14,124
Noncurrent	21,473	40,836	23,148	42,844
Debentures				
Current	596,288	88,833	596,288	88,833
Noncurrent	6,141,700	5,805,235	6,141,700	5,805,235
Total debt	8,960,431	7,917,406	9,073,797	8,041,697
Cash and cash equivalents and short-term investments	1,131,149	789,321	1,856,183	1,243,849
Net debt (*)	7,829,282	7,128,085	7,217,614	6,797,848
Equity	17,977,231	16,177,451	18,480,890	16,536,480
Net debt ratio	43.6%	44.1%	39.1%	41.1%

CTEEP and its subsidiaries are parties to borrowings and financing agreements that contain covenants determined based on debt ratios (notes 6.1 and 6.2). As of September 30, 2023, the Company and its subsidiaries are compliant with the requirements relating to covenants.

(*) In the Consolidated, when excluding cash and cash equivalents of non-consolidated companies, the net debt totals R\$7,721,273 as of June 30, 2023 (R\$R\$7.156.877 as of December , 2022).

The carrying amount of borrowings and financing, considering the financial instruments applicable, and debentures is pegged to the TJLP, CDI and IPCA fluctuation and approximates the fair value.

22.4 Risk management

The main risk factors inherent in the Company's and its subsidiaries' transactions are as follows:

- (i) Credit risk - The Company and its subsidiaries enter into agreements with the ONS concessionaires and other agents, governing the provision of services relating to the basic grid, including a bank guarantee clause. The Company and its subsidiaries also maintain agreements governing the provision of services directly to free consumers, also containing a bank guarantee clause, to mitigate the risk of default.
- (ii) Price risk - The Company's and its subsidiaries' revenues are, as set forth in the concession arrangement, annually adjusted by ANEEL, based on the IPCA and IGP-M fluctuation, and a portion of the revenues is subject to periodic tariff revision (note 16.4).

- (iii) Interest rate risk - The adjustment of financing agreements is pegged to the TJLP, IPCA and CDI fluctuation (notes 6.1 and 6.2). Additionally, the Company's Management monitors the valuation of the pension plan's actuarial assets, pegged to the interest rate, which is determined based on market inputs for returns on NTN-B notes.
- (iv) Currency risk - The Company and its subsidiaries do not have foreign currency-denominated trade receivables and other assets; however, there are transactions involving the acquisition of cables as well as the provision of the services necessary to their implementation, in subsidiary Riacho Grande, with future cash disbursements in dollars, for which a NDF derivative instrument has been contracted to manage the cash flow's currency risk.
- (v) Borrowing risk – The deterioration of Brazil's political and/or economic condition would give rise to credit decrease, which scenario would result in higher competition of funds in the market. The Company and its subsidiaries may face difficulties in the future to raise funds at costs and payment terms aligned with their cash generation profile and/or debt obligations. In this case, the Company and its subsidiaries, in order to make investments, would have to raise funds at higher interest rates, thus adversely impacting its finance income (costs).

(vi) Guarantee risk – The main guarantee risks are the following:

- Management of risks related to the retirement and health care benefits via Vivest (formerly “Funcesp”), a closed-end supplementary private pension entity, through its representation in management bodies.
- Participation as intervening guarantor, within the limit of its interests, for subsidiaries and jointly controlled subsidiaries, in their financing agreements (note 6.2).

(vii) Liquidity risk - The Company’s and its subsidiaries’ main sources of cash are the following:

Its operations, mainly the collection for the use of the electric power transmission system by other concessionaries and market participants. The cash amount, represented by the RAP linked to the basic grid’s facilities and other transmission facilities (DIT) is defined, as set forth in prevailing laws, by ANEEL.

The Company is compensated for the transmission system availability, and any electric power rationing will have no impact on revenue and respective cash receipts.

The Company manages the liquidity risk by maintaining adequate credit facilities and lines of credit to raise borrowings it considers appropriate, based on the continuous monitoring of budgeted and actual cash flows, and the combination of the maturity profiles of financial assets and financial liabilities.

Receipt of the facilities indemnity installment related to the SE represents an important source of cash generation for the Company in order to be able to comply with its financial planning for the coming years. The Company manages any matters and changes to the regulatory standards that may impact the schedule and receivables.

						Parent	
						09.30.2023	12.31.2022
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Total
Financial liabilities							
Trade payables	67,995	36,219	6,608	-	1,152	111,974	89,370
Borrowings and financing	7,819	16,823	1,616,959	132,132	419,687	2,193,420	1,968,725
Debentures	71,302	85,449	439,537	1,274,744	4,866,956	6,737,988	5,894,068
Leases	845	2,559	4,146	18,811	2,662	29,023	54,613
	147,961	141,050	2,067,250	1,425,687	5,290,457	9,072,405	8,006,776
						Consolidated	
						09.30.2023	12.31.2022
	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Total
Financial liabilities							
Trade payables	91,580	36,460	19,917	5,073	1,152	154,182	117,613
Borrowings and financing	9,394	20,477	1,626,703	167,651	480,601	2,304,826	2,090,661
Debentures	71,302	85,449	439,537	1,274,744	4,866,956	6,737,988	5,894,068
Leases	868	2,629	4,338	20,280	2,868	30,983	56,968
	173,144	145,015	2,090,495	1,467,748	5,351,577	9,227,979	8,159,310

22.5 Sensitivity analysis

The Company analyzes the sensitivity to interest rate and currency risks. The Company's Management does not consider as material its exposure to other risks described above.

For purposes of defining a base scenario for analyzing the sensitivity of interest rate, price index and currency fluctuations, we used the same assumptions defined for the Company's long-term financial and economic plan. These assumptions are based on the macroeconomic environment in Brazil and the opinions of market specialists.

Therefore, to assess the effects of changes in the Company's cash flow, the sensitivity analysis below, for items pegged to floating rates, considers:

Base scenario: Interest rate quotation (pre-DI curve) on December 30, 2023, determined on September 29, 2023, according to B3, which are shown in the interest risk tables; and positive and negative 25% (scenario I) and 50% (scenario II) variations were applied.

Interest rate risk – Effects on finance income (cost) – Parent and Consolidated

Transaction	Risk	Balances as of 09.30.2023	Base scenario	Risk of rate increase		Risk of rate decrease	
				Scenario I	Scenario II	Scenario I	Scenario II
Financial assets							
Short-term investments and cash equivalents	107.3% of CDI	1,107,961	53,308	61,155	68,846	45,299	37,120
Financial liabilities							
5 th issue of debentures	IPCA + 5.04%	422,401	10,067	11,253	12,430	8,871	7,665
7 th issue of debentures	IPCA + 4.70%	845,186	19,305	22,352	24,689	17,620	15,224
8 th issue of debentures	IPCA + 3.50%	509,113	10,216	11,640	13,053	15,815	12,092
9 th issue of debentures – 1 st series	CDI + 2.83%	843,349	24,342	30,676	36,440	18,796	12,667
9 th issue of debentures – 2 nd series	IPCA + 5.30%	882,714	21,302	23,748	26,174	18,835	16,348
10 th issue of debentures	IPCA + 5.07%	891,179	21,311	23,814	26,296	18,787	16,242
11 th issue of debentures – 1 st series	IPCA + 5.77%	743,166	22,815	25,320	27,805	20,287	17,740
11 th issue of debentures – 2 nd series	IPCA + 5.86%	305,491	23,015	25,521	28,007	20,488	17,940
12 th issue of debentures	CDI + 1.55%	744,845	20,982	25,958	30,837	15,903	10,717
13 th issue of debentures	CDI + 1.50%	550,545	16,175	20,010	23,770	12,260	8,263
8 th promissory notes	CDI + 1.25%	1,578,886	46,432	57,441	68,233	35,195	23,719
FINEM BNDES	TJLP+1.80% to 2.62%	275,965	5,924	6,644	7,730	4,546	3,452
FINEM BNDES	TJLP + 2.01%	335,161	8,898	9,629	10,561	7,740	6,784
Net effect of changes			(197,476)	(232,851)	(267,179)	(169,844)	(131,733)
Benchmark for financial assets and financial liabilities							
100% CDI (December 2023)			12.26%	15.33%	18.39%	9.20%	6.13%
IPCA 12 months p.a.(August 2023)			4.61%	5.76%	6.92%	3.46%	2.31%
TJLP p.a. (4 th quarter of 2023)			6.55%	8.19%	9.83%	4.91%	3.28%

23 Insurance

The Company's insurance coverage and effective terms by insurance line is as follows:

Parent			
Insurance line	Effective date	Insured amount - R\$ thousand	Premium - R\$ thousand
Property (a)	12/01/22 to 06/01/24	2,688,079	9,100
General civil liability (b)	12/19/22 to 12/19/23	60,000	123
National transportation (c)	12/19/22 to 12/19/23	433,858	35
Group personal accident (d)	04/30/23 to 04/30/24	92,407	5
Vehicles (e)	12/19/22 to 12/19/23	Market value	243
Performance bond (f)	08/08/19 to 08/16/28	960,166	6,144
			15,650
Consolidated			
Insurance line	Effective date	Insured amount - R\$ thousand	Premium - R\$ thousand
Property (a)	09/22/22 to 12/19/24	4,434,288	13,963
General civil liability (b)	12/19/22 to 12/19/23	60,000	123
National transportation (c)	12/19/22 to 12/19/23	433,858	35
Group personal accident (d)	04/30/23 to 04/30/24	92,407	5
Vehicles (e)	12/19/22 to 12/19/23	Market value	243
Performance bond (f)	08/08/19 to 08/16/28	960,166	6,144
			20,513

- (a) **Property** - Coverage against fire and electrical damages for the main equipment installed in transmission substations, buildings and related components, storeroom supplies and facilities, as set forth in concession arrangements, where the transmission companies should keep insurance policies to ensure the proper coverage of the most important equipment of the transmission system facilities, and the transmission company should define the assets and facilities to be insured.
- (b) **General civil liability** - Coverage against repairs for involuntary, personal and/or property damages caused to third parties, as a result of the Company's activities.
- (c) **National transportation** - Coverage against damages caused to the Company's assets and equipment transported in Brazilian territory.
- (d) **Group personal accident** - Coverage against personal accidents of executives and apprentices.
- (e) **Vehicles** - Coverage against crash, fire, theft and third parties.
- (f) **Performance bond** – replacement of sureties and/or escrow deposits made by the Judicial Branch.

There is no coverage for potential damages to the transmission lines against fire, lightning, explosion, short circuit and power interruption.

The assumptions adopted to contract insurance, given their nature, are not included in the scope of an audit work. Consequently, they were not reviewed by the independent auditors.

24 Transactions not affecting cash or cash equivalents

	<u>Parent</u>		<u>Consolidated</u>	
	<u>09.30.2023</u>	<u>12.31.2022</u>	<u>09.30.2023</u>	<u>12.31.2022</u>
Leases	184	12,381	906	13,399
Derivative financial instruments	(21,858)	(30,206)	(21,858)	(30,206)
Deferred taxes on derivative financial instruments	1,876	(223)	1,876	(223)
Interest on capital / dividends	-	595,000	-	595,000
Dividends receivable	-	213,452	-	52,161
Withholding taxes on interest on capital	-	105,000	-	105,000
Post-employment benefit	-	373,380	-	373,380
Deferred taxes on post-employment benefit	-	(126,950)	-	(126,950)

25 Events after the reporting period

Issue of debentures

In October 2023, the Company completed the raising of funds through the 14th issuance of simple, non-convertible debentures, in two series, in the total issue amount of R\$1,900,000.

* * * * *

Other Information the Company Considers Relevant

1. Comparative table in relation to the order of the explanatory notes in the interim financial information for - 09.30.2023 against 09.30.2022.

Interim financial information – 09.30.2023	Interim financial information – 09.30.2022
1. General information	1. General information
2. Presentation of the interim financial information	2. Presentation of the interim financial information
3. Significant accounting policies	3. Significant accounting policies
4. New and revised standards and interpretations	4. New and revised standards and interpretations
5. Concession assets	7. Concession asset
6. Net debt	14. Borrowings and financing
	15. Debentures
	16. Leases
	5. Cash and cash equivalents
	6. Short-term investments
7. Investments	11. Investments
8. Deferred taxes	18. Deferred taxes on revenue (PIS and COFINS)
9. Receivables - Finance Department	8. Receivables - Finance Department
	30. Retirement supplementation plan governed by Law 4819/58
10. Property and equipment and intangible assets	12. Property and equipment
	13. Intangible assets
11. Post-employment benefit	21. Post-employment Benefits – Parent and consolidated
12. Taxes, payroll charges and contributions	17. Taxes and payroll charges payable
	9. Recoverable taxes
13. Regulatory charges payable	19. Regulatory charges payable
14. Provisions, contingencies, sureties and restricted deposits	20. Provisions
	10. Sureties and restricted deposits
15. Equity	22. Equity
16. Net operating revenue	23. Net operating revenue
17. Costs on infrastructure implementation and operation and maintenance services and general and administrative expenses	24. Costs of infrastructure implementation, operation and maintenance services, and general and administrative expenses
18. Finance income (costs)	25. Finance income (costs)
19. Income tax and social contribution	26. Income tax and social contribution
20. Related-party transactions	27. Related-party transactions
21. Financial instruments	28. Financial instruments
22. Insurance	29. Insurance
23. Transactions not affecting cash or cash equivalents	Not applicable as of 09.30.2022
24. Events after the reporting period	31. Events after the reporting period

Other Information the Company Considers Relevant**2. Reconciliation of the Corporate and Regulatory Balance Sheet and Statement of Profit and Loss**

Assets	Consolidated		
	Corporate	Adjustments	Regulatory (*)
Current			
Cash and cash equivalents	279,053	-	279,053
Short-term investments	1,577,130	-	1,577,130
Concession assets	3,408,650	(2,969,767)	438,883
Inventories	103,345	(75,957)	27,388
Recoverable taxes	230,573	-	230,573
Restricted cash	6,519	-	6,519
Receivables from related parties	68,834	841	69,675
Prepaid expenses	25,142	-	25,142
Other	145,255	(17,185)	128,070
	5,844,501	(3,062,068)	2,782,433
Noncurrent			
Long-term assets			
Restricted cash	18,349	-	18,349
Concession assets	22,119,337	(21,753,527)	365,810
Receivables - Finance Department	2,314,914	-	2,314,914
Sureties and restricted deposits	42,460	-	42,460
Inventories	129,214	(129,214)	-
Deferred income tax and social contribution	-	680	680
Other	42,733	-	42,733
	24,667,007	(21,882,061)	2,784,946
Investments	4,083,033	(2,405,079)	1,677,954
Property and equipment	103,918	11,273,733	11,377,651
Intangible assets	464,268	1,166,917	1,631,185
	4,651,219	10,035,571	14,686,790
	29,318,226	(11,846,490)	17,471,736
Total assets	35,162,727	(14,908,558)	20,254,169
(*) not audited and/or not reviewed			

Other Information the Company Considers Relevant

Liabilities	Consolidated		
	Corporate	Adjustments	Regulatory (*)
Current			
Borrowings and financing	1,656,574	-	1,656,574
Debtentures	596,288	-	596,288
Leases	7,835	-	7,835
Derivative financial instruments	11,518	-	11,518
Trade payables	147,957	837	148,794
Taxes and payroll charges payable	484,779	(36)	484,743
Regulatory charges payable	55,248	-	55,248
Interest on capital and dividends payable	13,454	-	13,454
Labor obligations	63,271	-	63,271
Amounts payable - Vivest	698	-	698
Other	33,116	(6)	33,110
	3,070,738	795	3,071,533
Noncurrent			
Long-term liabilities			
Borrowings and financing	648,252	-	648,252
Debtentures	6,141,700	-	6,141,700
Leases	23,148	-	23,148
Derivative financial instruments	13,642	-	13,642
Trade payables	6,225	-	6,225
Employee benefit – actuarial deficit	153,379	-	153,379
Deferred taxes on revenue (PIS and COFINS)	1,989,623	(1,956,418)	33,205
Deferred income tax and social contribution	4,475,010	(3,502,038)	972,972
Regulatory charges payable	37,010	-	37,010
Provisions	119,901	(3,090)	116,811
Obligations related to the service concession	-	683,067	683,067
Other	3,209	-	3,209
	13,611,099	(4,778,479)	8,832,620
Equity			
Capital	3,590,020	-	3,590,020
Capital reserves	666	-	666
Earnings reserves	14,427,903	(11,810,719)	2,617,184
Other comprehensive income	(41,358)	1	(41,357)
Revaluation reserve	-	1,679,844	1,679,844
	17,977,231	(10,130,874)	7,846,357
Noncontrolling interests in investment funds	503,659	-	503,659
	18,480,890	(10,130,874)	8,350,016
Total liabilities and equity	35,162,727	(14,908,558)	20,254,169

(*) not audited and/or not reviewed

Other Information the Company Considers Relevant

	Consolidated		
	(Period ended 09.30.2023)		
	Corporate	Adjustments	Regulatory (**)
O&M revenue	994,139	-	994,139
CAAE (annual cost of electric assets) revenue	-	825,040	825,040
RBSE revenue	1,079,023	383,749	1,462,772
Infrastructure implementation	1,712,467	(1,712,467)	-
Concession asset compensation	1,254,133	(1,254,133)	-
Efficiency gain on infrastructure implementation	54,511	(54,511)	-
Other income	26,314	6,906	33,220
Deductions from operating revenue	(593,059)	153,677	(439,382)
Net operating revenue	4,527,528	(1,651,739)	2,875,789
Infrastructure implementation cost (*)	(1,325,425)	1,325,425	-
Operation & maintenance costs	(386,166)	12,828	(373,338)
Cost of services	(1,877)	-	(1,877)
Cost of construction services, O&M and services	(1,713,468)	1,338,253	(375,215)
Revenues – Periodic Tariff Revision (RTP)	(3,685)	3,685	-
General and administrative expenses	(152,713)	2,107	(150,606)
Depreciation and amortization	(19,097)	(479,117)	(498,214)
Finance income (costs)	(640,964)	237	(640,727)
Share of profit (loss) of investees	378,827	(159,162)	219,665
Goodwill amortization	(27)	-	(27)
Other operating income (expenses)	10,814	(58,415)	(47,601)
Profit before income tax and social contribution	2,387,215	(1,004,151)	1,383,064
Income tax and social contribution	(532,705)	226,117	(306,588)
Noncontrolling interests	1,854,510	(778,034)	1,076,476
Profit for the period	(34,749)	-	(34,749)
Profit for the period	<u>1,819,761</u>	<u>(778,034)</u>	<u>1,041,727</u>

(*) The infrastructure implementation cost corresponds to CAPEX of the concession assets in the regulatory financial statements.

(**) not audited and/or not reviewed

Other Information the Company Considers Relevant

3. EBITDA reconciliation - IFRS and Regulatory

	<u>Consolidated</u>
	<u>09.30.2023</u>
EBITDA IFRS (ICVM 156/22)	3,047,306
(-) Revenue from infrastructure implementation	(1,712,467)
(-) Compensation for concession assets	(2,333,155)
(-) Efficiency gain on infrastructure implementation	(54,511)
(-) O&M revenue	(994,139)
(+) Revenue from use of electric grid	3,281,951
(+) Other income	6,905
(+) Deferred PIS and COFINS (taxes on revenue)	153,677
(+) Infrastructure implementation cost	1,325,427
(-) O&M cost	12,827
(-) General and administrative expenses	2,105
(-) Share of profit (loss) of investees	(159,162)
(-) Revenues – Periodic Tariff Revision (RTP)	3,685
(-) Other operating income (expenses)	(58,417)
REGULATORY EBITDA (CVM 156/22)	<u>2,522,032</u>
Share of profit (loss) of investees	(219,665)
ADJUSTED EBITDA	2,302,367

Other Information the Company Considers Relevant

4. Company's Shareholding Structure

In compliance with the provisions of the Corporate Governance practices, we are pleased to submit below the Company's shareholding structure and the shareholders who hold more than 5% of each Company share type and class, either directly or indirectly, up to the level of individuals.

The Company's main shareholders are as follows:

Shareholders	09.30.2023					
	Common		Preferred		Total	
	Number	%	Number	%	Number	%
Controlling shareholder						
ISA Capital do Brasil S. A	<u>230,856,832</u>	<u>89.50</u>	<u>5,144,528</u>	<u>1.28</u>	<u>236,001,360</u>	<u>35.82</u>
Management						
Officers	-	-	-	-	-	-
Board of Directors Supervisory Board	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-
Total controlling group	<u>230,856,832</u>	<u>89.50</u>	<u>5,144,528</u>	<u>1.28</u>	<u>236,001,360</u>	<u>35.82</u>
Outstanding shares Federal Government						
Centrais Elétricas Brasileiras S. A – ELETROBRAS (i)	<u>25,106,829</u>	<u>9.73</u>	<u>210,399,836</u>	<u>52.48</u>	<u>235,506,665</u>	<u>35.74</u>
Other (ii)	<u>1,974,071</u>	<u>0.77</u>	<u>185,401,208</u>	<u>46.24</u>	<u>187,375,279</u>	<u>28.44</u>
Total outstanding shares	<u>27,080,900</u>	<u>10.50</u>	<u>395,801,044</u>	<u>98.72</u>	<u>422,881,944</u>	<u>64.18</u>
Total capital	<u>257,937,732</u>	<u>100.00</u>	<u>400,945,572</u>	<u>100.00</u>	<u>658,883,304</u>	<u>100.00</u>

(i) Centrais Elétricas Brasileiras S.A. - Eletrobras is a publicly-held company registered with CVM under code 2437.

(ii) Includes shareholders who individually hold a number of shares lower than 5% of the voting capital.

Other Information the Company Considers Relevant

	09.30.2022					
	Common		Preferred		Total	
Shareholders	Number	%	Number	%	Number	%
Controlling shareholder						
ISA Capital do Brasil S. A	<u>230,856,832</u>	<u>89.50</u>	<u>5,144,528</u>	<u>1.28</u>	<u>236,001,360</u>	<u>35.82</u>
Management						
Officers	-	-	-	-	-	-
Board of Directors	-	-	-	-	-	-
Supervisory Board	<u>-</u>	<u>-</u>	<u>1,704</u>	<u>-</u>	<u>1,704</u>	<u>-</u>
	-	-	1,704	-	1,704	-
Total controlling group	<u>230,856,832</u>	<u>89.50</u>	<u>5,146,232</u>	<u>1.28</u>	<u>236,003,064</u>	<u>35.82</u>
Outstanding shares						
Federal government						
Centrais Elétricas Brasileiras S. A – ELETROBRAS (i)	<u>24,901,192</u>	<u>9.65</u>	<u>178,706,438</u>	<u>44.57</u>	<u>203,607,630</u>	<u>30.90</u>
Other (ii)	<u>2,179,708</u>	<u>0.85</u>	<u>217,092,902</u>	<u>54.15</u>	<u>219,272,610</u>	<u>33.28</u>
Total outstanding shares	<u>27,080,900</u>	<u>10.50</u>	<u>395,799,340</u>	<u>98.72</u>	<u>422,880,240</u>	<u>64.18</u>
Total capital	<u>257,937,732</u>	<u>100.00</u>	<u>400,945,572</u>	<u>100.00</u>	<u>658,883,304</u>	<u>100.00</u>

(i) Centrais Elétricas Brasileiras S.A. - Eletrobras is a publicly-held company registered with CVM under code 2437.

(ii) Includes only those shareholders who individually hold a number of shares lower than 5% of the voting capital.

Other Information the Company Considers Relevant

Shareholding position per type and class of share of holders of more than 5% of each type and class of Company shares, up to the level of individuals

Shareholders	09.30.2023					
	Common		Preferred		Total	
	Number	%	Number	%	Number	%
ISA Capital do Brasil S. A.						
ISA Interconexión Eléctrica S.A. E.S.P. (a)	840,625,000	100,00	-	-	840,625,000	100.00
Other shareholders	-	-	-	-	-	-
	<u>840,625,000</u>	<u>100,00</u>	<u>-</u>	<u>-</u>	<u>840,625,000</u>	<u>100,00</u>
(a) Interconexión Eléctrica S.A. E.S.P.						
Empresa Colombiana de Petroleos Ecopetrol (b)	569,472,561	51,41	-	-	569,472,561	51.41
Empresas Públicas de Medellín E.S.P. (c)	97,724,413	8,82	-	-	97,724,413	8.82
Other shareholders	<u>440,480,920</u>	<u>39,77</u>	<u>-</u>	<u>-</u>	<u>440,480,920</u>	<u>39.77</u>
	<u>1,107,677,894</u>	<u>100,00</u>	<u>-</u>	<u>-</u>	<u>1,107,677,894</u>	<u>100,00</u>
(b) Empresa Colombiana de Petroleos Ecopetrol						
Colombia state-owned entities	36,384,788,417	88,49	-	-	36,384,788,417	88.49
Other shareholders	<u>4,731,906,273</u>	<u>11,51</u>	<u>-</u>	<u>-</u>	<u>4,731,906,273</u>	<u>11.51</u>
	<u>41,116,694,690</u>	<u>100,00</u>	<u>-</u>	<u>-</u>	<u>41,116,694,690</u>	<u>100,00</u>
(c) Empresas Públicas de Medellín E.S.P.						
City of Medellín	<u>4,223,308</u>	<u>100,00</u>	<u>-</u>	<u>-</u>	<u>4,223,308</u>	<u>100,00</u>
	<u>4,223,308</u>	<u>100,00</u>	<u>-</u>	<u>-</u>	<u>4,223,308</u>	<u>100,00</u>

Other Information the Company Considers Relevant**Shareholding position per type and class of share of holders of more than 5% of each type and class of Company shares, up to the level of individuals**

Shareholders	09.30.2022					
	Common		Preferred		Total	
	Number	%	Number	%	Number	%
ISA Capital do Brasil S. A.						
ISA Interconéxion Eléctrica S.A. E.S.P. (a)	840,625,000	100.00	-	-	840,625,000	100.00
Other shareholders	-	-	-	-	-	-
	<u>840,625,000</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>840,625,000</u>	<u>100.00</u>
(a) Interconéxion Eléctrica S.A. E.S.P.						
Ecopetrol S.A. (b)	569,472,561	51.41	-	-	569,472,561	51.41
Empresas Públicas de Medellín E.S.P. (c)	97,724,413	8.82	-	-	97,724,413	8.82
Other shareholders	<u>440,480,920</u>	<u>39.77</u>	<u>-</u>	<u>-</u>	<u>440,480,920</u>	<u>39.77</u>
	<u>1,107,677,894</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>1,107,677,894</u>	<u>100.00</u>
(b) Ecopetrol S.A.						
Ministry of Finance and Public Credit (b)	36,384,788,417	88.49	-	-	36,384,788,417	88.49
Other shareholders	<u>4,731,906,273</u>	<u>11.51</u>	<u>-</u>	<u>-</u>	<u>4,731,906,273</u>	<u>11.51</u>
	<u>41,116,694,690</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>41,116,694,690</u>	<u>100.00</u>
(c) Empresas Públicas de Medellín E.S.P.						
City of Medellín	<u>4,223,308</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>4,223,308</u>	<u>100.00</u>
	<u>4,223,308</u>	<u>100.00</u>	<u>-</u>	<u>-</u>	<u>4,223,308</u>	<u>100.00</u>

Opinions and Statements/Report of the Supervisory Board or Equivalent Body

The Supervisory Board of CTEEP - Companhia de Transmissão de Energia Elétrica Paulista ("Company"), in the discharge of its statutory duties and in compliance with the provisions of Article 163, VI, of Law 6404/76, analyzed the Company's interim financial information for the quarter ended September 30, 2013 and the Report on Review of Interim Financial Information issued by the independent auditor Deloitte Touche Tohmatsu Auditores Independentes, and issued an opinion favorable to the issue of the Interim Financial Information.

São Paulo, October 30, 2023 Ricardo

Lopes Cardoso

Manuel Domingues de Jesus e Pinho

Carla Alessandra Trematore

Bruna Reis de Arantes

Pedro Henrique da Costa Motta

Summarized Audit Committee Opinions and Statements / Opinion or Report, if any (either statutory or not)

The Internal Audit Committee is established to strengthen the Company's internal control system, risk management and Corporate Governance practices. It is not a statutory body; it is only the Company's internal management body, without the specific duties of an Official and Statutory Audit Committee, such as, for example, the issuance of opinion on the standard financial statements.

Opinions and Statements / Officers' Statement on the Financial Statements

The Company's officers declare that (i) they have reviewed, discussed and agreed with the information in the Interim Financial Information Form for the quarter ended September 30, 2023, (ii) they agree with the opinion in the Independent Auditor's Report of Deloitte Touche Tohmatsu, and (iii) all significant information related to the Interim Financial Information, and only such information, is being disclosed and correspond to that used in the Company's management. Therefore, the Officers approve the issuance of the Interim Financial Information Form for the quarter ended September 30, 2023.

São Paulo, October 30, 2023 Rui

Chammas
Chief Executive Officer

Dayron Esteban Urrego Moreno
Chief Project Officer

Carisa Santos Portela Cristal
Chief Finance and Investors Relations Officer

Silvia Diniz Wada
Chief Business Development and Strategy Officer

Gabriela Desirê Olímpio Pereira Chief
Operating Officer

Opinions and Statements / Officers' Statement on the Independent Auditor's Report

The Company's officers declared that they have reviewed, discussed and agree with the opinions in the independent auditor's report.

São Paulo, October 30, 2023 Rui

Chammas
Chief Executive Officer

Dayron Esteban Urrego Moreno Chief
Project Officer

Carisa Santos Portela Cristal
Chief Finance and Investors Relations Officer

Silvia Diniz Wada
Chief Business Development and Strategy Officer

Gabriela Desirê Olímpio Pereira Chief
Operating Officer