EDP - Energias do Brasil S.A.

Financial Statements

Year ended December 31, 2022 and 2021

EDP - ENERGIAS DO BRASIL S.A.
BALANCE SHEETS AT
(In thousands of reais)

	Note	Parent Company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
ASSETS					
Current assets					
Cash and cash equivalents	5	971,534	932,703	4,197,196	2,699,490
Securities	6			1,952	11,722
Accounts receivable	7			2,445,137	2,856,290
Recoverable income tax and social contribution	9	99,731	56,760	238,560	280,791
Other recoverable taxes	9	61,416	63,140	456,679	552,974
Deferred PIS and COFINS	10.1			139,427	56,661
Loans receivable	11		216,606		
Derivative financial instruments	38.1.3	8,918		13,463	
Dividends	14	516,028	360,465	71,004	50,015
Inventories	12			275,722	460,408
Pledges and restricted deposits	13	350	350	19,782	10,001
Sectorial financial assets	8			80,687	643,174
Concession assets	21			700,042	55,184
Future commitments	15			1,347,737	440,678
Other receivables	16	33,378	29,012	316,639	425,434
		1,691,355	1,659,036	10,304,027	8,542,822
Non-current assets held for sale	17		1,228,954		1,328,481
Total current assets		1,691,355	2,887,990	10,304,027	9,871,303
Non-current assets					
Indemnifiable financial assets	20			5,706,847	4,362,393
Concession assets	21			7,483,925	5,685,037
Accounts receivable	7			227,962	103,977
Securities	6	4,197		6,697	2,500
Recoverable income tax and social contribution	9		55,421	99,234	139,812
Other recoverable taxes	9		1,909	433,092	930,969
Deferred taxes	10			558,280	575,217
Deferred PIS and COFINS	10.1			87,368	26,205
Loans receivable	11	316,408	94,132	14,689	12,713
Derivative financial instruments	38.1.3			66,824	
Advance for future capital increase	11	241,980	346,285		
Pledges and restricted deposits	13	16,503	4,892	471,746	419,776
Sectorial financial assets	8			72,641	786,263
Future commitments	15			754,187	427,583
Other receivables	16	47,918	40,986	30,522	32,570
		627,006	543,625	16,014,014	13,505,015
Investments	18	9,450,419	8,954,824	2,409,755	1,311,885
Investment properties	22	9,484	9,484	63,858	11,381
Property, plant and equipment	23	60,510	67,567	4,656,890	6,068,213
Intangible assets	24	56,055	38,425	3,552,648	2,610,942
		9,576,468	9,070,300	10,683,151	10,002,421
Total non-current assets		10,203,474	9,613,925	26,697,165	23,507,436
TOTAL ASSETS		**11,894,829**	**12,501,915**	**37,001,192**	**33,378,739**

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
BALANCE SHEETS AT
(In thousands of reais)

	Note	Parent Company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
LIABILITIES					
Current liabilities					
Suppliers	25	42,471	50,834	1,486,113	1,944,092
Income tax and social contribution payable	9		3,899	211,838	136,043
Other taxes payable	9	148,346	122,691	433,864	634,891
Deferred taxes	10			1,079	329
Deferred PIS and COFINS	10.1			161,454	67,229
Dividends	14	558,012	515,900	731,665	680,874
Debentures	26	22,308	201,893	1,412,755	779,421
Loans, financing and debt charges	27		105,305	1,678,112	801,082
Derivative financial instruments	38.1.3	8,918		164,823	
Post-employment benefits	28			79,566	51,615
Sectorial charges	29			110,439	132,454
Use of public property	30			46,082	43,269
Refund for unavailability				500	2,945
Provisions	31			87,946	65,503
Sectorial financial liabilities	8			1,039,653	627,003
Future commitments	15			1,120,243	379,905
Other accounts payable	16	98,880	73,567	385,953	464,929
		878,935	1,074,089	9,152,085	6,811,584
Non-current liabilities held-for-sale	17				178,000
Total current liabilities		878,935	1,074,089	9,152,085	6,989,584
Non-current liabilities					
Other taxes payable	9	6,055	11,409	272,352	291,986
Deferred taxes	10	203,856	206,202	1,174,637	736,722
Deferred PIS and COFINS	10.1			737,883	491,114
Debentures	26	25,985	34,736	7,822,488	6,944,962
Loans, financing and debt charges	27			3,127,081	2,072,049
Derivative financial instruments	38.1.3			157,815	
Post-employment benefits	28			699,450	798,634
Use of public property	30			484,370	462,865
Provisions	31	27,941	8,099	669,067	587,029
Provision for unsecured liabilities	18	38	1,065	4,070	2,329
Sectorial financial liabilities	8			117,094	1,496,347
Future commitments	15			524,899	85,737
Other accounts payable	16	26,108	14,918	162,142	125,369
Total non-current liabilities		289,983	276,429	15,953,348	14,095,143
SHAREHOLDERS' EQUITY					
Capital	32.1	5,502,716	5,502,716	5,502,716	5,502,716
Capital reserves	32.3	127,375	132,834	127,375	132,834
Profit reserves	32.3	5,953,946	6,260,565	5,953,946	6,260,565
Other comprehensive income	32.4	(546,220)	(654,184)	(546,220)	(654,184)
Treasury shares	32.5	(311,906)	(90,534)	(311,906)	(90,534)
		10,725,911	11,151,397	10,725,911	11,151,397
Non-controlling shareholders	32.6			1,169,848	1,142,615
Total shareholders' equity		10,725,911	11,151,397	11,895,759	12,294,012
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,894,829**	**12,501,915**	**37,001,192**	**33,378,739**

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31
(In thousands of reais, unless otherwise indicated)

		Parent company		Consolidated	
	Note	**2022**	**2021**	**2022**	**2021**
Revenue	33	4,400	2,981	17,287,655	18,874,154
Costs	34				
Electricity services cost				(8,209,071)	(9,913,640)
Cost of production for electricity				(319,394)	(1,348,680)
Cost of operation				(1,428,642)	(1,326,808)
Cost of service rendered to third-parties				(2,096,826)	(2,169,255)
		-	-	(12,053,933)	(14,758,383)
Gross profit		4,400	2,981	5,233,722	4,115,771
Operating expenses and income	34				
Estimated loss from allowance for doubtful accounts - PECLD				(159,814)	(135,158)
General and administrative expenses		(148,290)	(138,232)	(716,534)	(579,839)
Gain in the sale of investments		326,252	320,556	326,252	320,556
Other operating expenses and income		(32,872)	(6,843)	(1,480,225)	(146,752)
		145,090	175,481	(2,030,321)	(541,193)
Income (loss) from ownership interest	18	842,448	2,051,098	213,964	242,416
Income before financial result and taxes		991,938	2,229,560	3,417,365	3,816,994
Financial result	35				
Financial income		60,520	5,842	666,223	306,353
Financial expenses		(33,408)	(69,758)	(2,132,824)	(1,107,935)
		27,112	(63,916)	(1,466,601)	(801,582)
Income before income taxes		1,019,050	2,165,644	1,950,764	3,015,412
Income taxes	36				
Income tax and social contribution - current			(5,979)	(569,626)	(382,373)
Deferred income tax and social contribution		2,387	173	(168,411)	(265,494)
		2,387	(5,806)	(738,037)	(647,867)
Net income for the year		**1,021,437**	**2,159,838**	**1,212,727**	**2,367,545**
Attributable to controlling shareholders		1,021,437	2,159,838	1,021,438	2,159,838
Attributable to non-controlling shareholders				191,289	207,707
Earnings per share attributable to shareholders	37				
Basic earnings per share (reais/shares)					
Common shares		1.80473	3.69863	1.80473	3.69863
Diluted earnings per share (reais/shares)					
Common shares		1.80601	3.68351	1.80601	3.68351

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31
(In thousands of reais)

	Parent company		Consolidated	
	2022	**2021**	**2022**	**2021**
Net income for the year	1,021,437	2,159,838	1,212,727	2,367,545
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Actuarial gains - Post-employment benefit			64,354	45,562
Equity accounting on other comprehensive income of subsidiaries	107,964	87,643	66,489	56,293
Deferred income tax and social contribution			(21,880)	(15,492)
	107,964	87,643	108,963	86,363
Items that will be reclassified to profit or loss				
Cash flow hedge			(1,514)	1,939
Deferred income tax and social contribution			514	(659)
	-	-	(1,000)	1,280
Comprehensive income for the year	**1,129,401**	**2,247,481**	**1,320,690**	**2,455,188**
Attributable to controlling shareholders	1,129,401	2,247,481	1,129,401	2,247,481
Attributable to non-controlling shareholders			191,289	207,707

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands of reais)

	Capital	Capital reserves	Profit reserves	Treasury shares	Other comprehensive income	Retained earnings	Total parent company	Non-controlling shareholders	Total consolidated
Balances at December 31, 2020	**5,502,716**	**141,069**	**5,365,110**	**(145,988)**	**(741,827)**	**-**	**10,121,080**	**1,135,193**	**11,256,273**
Capital increase/decrease in subsidiaries							-	3,800	3,800
Equity valuation adjustment		(1,592)					(1,592)	1,592	-
Additional dividends – Annual and Special Shareholders' Meeting 04/30/2021			(203,075)				(203,075)		(203,075)
Dividends to non-controlling shareholders							-	(205,677)	(205,677)
Stock options granted		(4,872)					(4,872)		(4,872)
Disposal of treasury shares		(1,771)		4,192			2,421		2,421
Repurchase of treasury shares				(428,863)			(428,863)		(428,863)
Cancellation of treasury shares			(480,125)	480,125			-		-
Net income for the year						2,159,838	2,159,838	207,707	2,367,545
Distribution of profit									
Formation of legal reserve			107,992			(107,992)	-		-
Interim dividends (Interest on own capital)						(454,811)	(454,811)		(454,811)
Supplementary mandatory dividends						(126,372)	(126,372)		(126,372)
Income for the year to be deliberated			1,470,663			(1,470,663)	-		-
							-		-
Other comprehensive income									
Equity accounting on other comprehensive income of subsidiaries					87,643		87,643		87,643
Balances at December 31, 2021	**5,502,716**	**132,834**	**6,260,565**	**(90,534)**	**(654,184)**	**-**	**11,151,397**	**1,142,615**	**12,294,012**

	Capital	Capital reserves	Profit reserves	Treasury shares	Other comprehensive income	Retained earnings	Total parent company	Non-controlling shareholders	Total Consolidated
Balances at December 31, 2021	**5,502,716**	**132,834**	**6,260,565**	**(90,534)**	**(654,184)**	**-**	**11,151,397**	**1,142,615**	**12,294,012**
Capital increase/decrease in subsidiaries							-	2,600	2,600
Equity valuation adjustment		(1,592)					(1,592)	1,592	-
Additional dividends – Annual Shareholders' Meeting 04/05/2022			(676,817)				(676,817)		(676,817)
Dividends to non-controlling shareholders							-	(168,248)	(168,248)
Stock options granted		(1,917)		6,160			4,243		4,243
Disposal of treasury shares		(1,950)					(1,950)		(1,950)
Repurchase of treasury shares				(227,532)			(227,532)		(227,532)
Net income for the year						1,021,437	1,021,437	191,289	1,212,726
Distribution of profit									
Formation of legal reserve			51,072			(51,072)	-		-
Profit retention reserve			166,669			(166,669)	-		-
Interim dividends (Interest on own capital)						(651,239)	(651,239)		(651,239)
Proposed additional dividend			152,457			(152,457)	-		-
Other comprehensive income									
Equity accounting on other comprehensive income of subsidiaries					107,964		107,964		107,964
Balances at December 31, 2022	**5,502,716**	**127,375**	**5,953,946**	**(311,906)**	**(546,220)**	**-**	**10,725,911**	**1,169,848**	**11,895,759**

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31
(In thousands of reais)

	Note	Parent Company		Consolidated	
		2022	2021	2022	2021
Cash flow from operating activities					
Income before income taxes		1,019,050	2,165,644	1,950,764	3,015,412
Adjustments for reconciliation of income to cash from operating activities					
Deferred taxes		41	9	5,930	9,896
Estimated loss from allowance for doubtful accounts - PECLD				159,528	135,161
Remuneration of concession assets				(688,694)	(648,804)
Fair value of indemnifiable financial assets				(384,236)	(351,166)
Depreciation and amortization		17,446	17,211	2,068,307	740,068
Residual value of property, plant and equipment and intangible assets written off		15,491	809	103,258	65,070
Interest and inflation adjustments of Loans receivable		(38,673)	(20,879)	(1,679)	(26,069)
Concession right - GSF				(3,269)	(165,084)
Sectorial financial assets and liabilities				(3,180)	(13,188)
Suppliers - inflation adjustment - Free Energy				2,263	5,612
Debt charges, inflation adjustments and adjustment to present value on loans, financing and debentures		23,233	63,737	1,465,963	698,896
Use of Public Property - inflation adjustment and adjustment to present value				57,064	100,017
Leases and rentals - inflation adjustment and adjustment to present value		2,060	721	15,469	12,799
Provision for post-employment benefit plan				74,063	65,955
Provisions (reversals) and inflation adjustments for civil, tax and labor contingencies		22,080	2,420	152,428	126,645
Provisions for environmental permits - inflation adjustment and adjustment to present value				4,494	4,879
Adjustment to present value				3,603	262
Future commitments				(54,173)	(175,172)
Income (loss) from ownership interest		(842,448)	(2,051,098)	(213,964)	(242,416)
Gain on disposal of investments		(341,590)	(341,214)	(341,540)	(341,214)
Sectoral charges – provision and inflation adjustment				46,258	55,020
Pledges and restricted deposits linked to lawsuits - inflation adjustment		(795)	(203)	(29,887)	(13,092)
Taxes and social contributions - inflation adjustment		(3,821)	(4,773)	(34,502)	2,168
Recognition (reversal) of provision – Reimbursement due to Unavailability				(2,446)	(1,999)
Inflation adjustment – GSF				3,241	55,491
Derivative financial instruments				237,015	
Other		(5,465)	(7,093)	(168,112)	141,183
		(133,391)	(174,709)	4,423,966	3,256,330
(Increase) decrease in operating assets					
Accounts receivable				137,358	67,568
Sectorial financial assets				1,495,169	(834,366)
Concession assets				472,389	104,774
Securities		(4,197)			142,265
Recoverable income tax and social contribution		(16,163)	(4,152)	41,689	147,620
Other recoverable taxes				427,850	309,110
Inventories		(10,816)	4,401	174,376	(415,551)
Pledges and restricted deposits				(10,366)	(3,170)
Income receivable				(2,289)	3,214
Derivative financial instruments				5,767	
Other operating assets		(8,110)	6,109	96,355	(439,492)
		(39,286)	6,358	2,838,298	(918,028)
Increase (decrease) in operating liabilities					
Suppliers		(8,363)	26,042	(177,920)	(591,986)
Sectorial financial liabilities				(1,182,483)	(310,447)
Income tax and social contribution payable				(267,436)	(208,253)
Other taxes payable		32,154	28,368	(2,286)	361,621
Post-employment benefits				(81,664)	(54,247)
Sectorial charges				(55,902)	(30,803)
Provisions		(2,238)	(2,507)	(71,440)	(86,097)
Refund for unavailability				(1,942)	(1,945)
Use of public property				(44,474)	(36,718)
Derivative financial instruments				1,354	
Other operating liabilities		26,107	19,407	(351,901)	332,558
		47,660	71,310	(2,236,094)	(626,317)
Cash (invested in) received from operating activities		**(125,017)**	**(97,041)**	**5,026,170**	**1,711,985**
Income tax and social contribution paid		(8,367)	-	(243,261)	(407,703)
Net cash (invested in) received from operating activities		**(133,384)**	**(97,041)**	**4,782,909**	**1,304,282**
Net cash from investing activities					
Disposal of investment		707,655	879,090	707,655	879,090
Acquisition of investment			(1,784)	(1,028)	(88,444)
Dividends and interest on own capital received		1,743,801	889,661	90,366	54,411
Securities				5,573	(750)
Advance for future capital increase		(241,980)	(419,185)		
Capital increase in subsidiaries		(308,198)	(121,422)	(3)	1
Additions to concession assets				(1,928,057)	(1,793,125)
Additions to Property, plant and equipment and intangible assets		(24,757)	(61,540)	(292,786)	(274,697)
Disposal of assets and rights					491
Loans receivable		33,003	211,483	(1,537)	(6,819)
Cash and cash equivalents - Investments				(1,970,025)	(88,858)
Net cash from (invested in) investment activities		**1,909,524**	**1,376,303**	**(3,389,842)**	**(1,318,700)**
Cash flow from financing activities					
Pledges and restricted deposits				3,536	385
Accounts received		2,277	2,167		
Increase in net capital from issue cost					45,000
Decrease in net capital from issue cost					(45,000)
Dividends and interest on own capital paid		(1,193,902)	(562,920)	(1,398,932)	(755,319)
Funding of loans, financing and debentures				4,560,705	4,879,210
Amortization of principal of loans, financing, derivatives and debentures		(294,848)	(234,702)	(1,728,833)	(3,069,601)
Payment of debt charges		(22,026)	(30,565)	(1,035,593)	(633,419)
Settlement of operations with derivatives				(34,166)	
Payments of principal - leases		(3,571)	(1,301)	(39,439)	(35,565)
Capital increase in subsidiaries for non-controlling shareholders				2,600	3,800
Advances for future capital increase by non-controlling shareholders					15,000
Repurchase of treasury shares		(225,239)	(426,442)	(225,239)	(426,442)
Net cash (invested in) financing activities	42.1	**(1,737,309)**	**(1,253,763)**	**104,639**	**(21,951)**
Net increase (decrease) in cash and cash equivalents		**38,831**	**25,499**	**1,497,706**	**(36,369)**
Cash and cash equivalents at the end of the year		971,534	932,703	4,197,196	2,699,490
Cash and cash equivalents at the beginning of the year		932,703	907,204	2,699,490	2,735,859
		38,831	**25,499**	**1,497,706**	**(36,369)**

See the accompanying notes to financial statements.

EDP - ENERGIAS DO BRASIL S.A.
STATEMENTS OF ADDED VALUE
YEARS ENDED DECEMBER 31
(In thousands of reais)

	Parent company		Consolidated	
	2022	2021	2022	2021
Generation of added value	**356,642**	**382,531**	**23,979,533**	**26,891,761**
Operating revenue	4,642	3,021	20,382,575	22,715,006
Estimated loss from allowance for doubtful accounts - PECLD			(159,814)	(135,158)
Revenue related to the construction of company assets	24,757	54,020	275,906	362,144
Revenue from construction			2,036,378	2,321,931
Remuneration of concession assets			730,566	565,036
Restatement of indemnifiable financial assets			384,236	351,166
Other revenue	327,243	325,490	329,686	711,636
(-) Inputs acquired from third parties	**(119,835)**	**(122,266)**	**(12,657,105)**	**(16,306,453)**
Costs of purchased energy			(7,536,473)	(10,357,406)
Electricity network utilization charges			(1,425,354)	(1,366,288)
Materials	(804)	(2,262)	(336,111)	(156,710)
Raw material and inputs for production of electric power			(317,565)	(1,355,911)
Third-party services	(72,759)	(96,743)	(694,069)	(652,631)
Infrastructure construction cost			(1,987,620)	(2,150,806)
Other operating costs	(46,272)	(23,261)	(359,913)	(266,701)
Gross added value	**236,807**	**260,265**	**11,322,428**	**10,585,308**
Retentions				
Depreciation and amortization	(17,535)	(17,207)	(2,060,461)	(765,102)
Net generated value added	**219,272**	**243,058**	**9,261,967**	**9,820,206**
Added value received through transfers				
Financial income	104,497	41,143	753,787	386,166
Equity accounting result	842,448	2,051,098	213,964	242,416
Total added value payable	**1,166,217**	**2,335,299**	**10,229,718**	**10,448,788**
Distribution of added value				
Personnel				
Direct remuneration	52,706	42,697	414,244	334,570
Benefits	6,384	8,666	127,045	111,869
FGTS	5,995	4,141	42,464	30,466
Taxes, rates and contributions				
Federal	45,425	46,585	3,971,007	3,021,491
State	(39)	80	2,290,860	3,070,062
Municipal	1,186	1,096	15,538	14,078
Third-party capital remuneration				
Interest	33,408	69,758	2,149,827	1,493,185
Rentals	(285)	2,438	6,006	5,522
Remuneration of own capital				
Interest on own capital	651,239	454,811	651,239	454,811
Non-controlling interests			191,289	207,707
Dividends		126,372		126,372
Founders' shares			31,083	37,708
	796,019	**756,644**	**9,890,602**	**8,907,841**
Retained earnings	370,198	1,578,655	339,116	1,540,947
	1,166,217	**2,335,299**	**10,229,718**	**10,448,788**

See the accompanying notes to financial statements.

1 Context

1.1 Operating

EDP - Energias do Brasil S.A. (Company, Parent company or EDP - Energias do Brasil), publicly-held corporation, incorporated on July 24, 2000, with head office in the municipality of São Paulo, has as its corporate purpose: (i) To participate in other companies as shareholder, or quotaholder, as well as render services in business and projects of the energy sector, in Brazil and/or abroad; (ii) managing energy generation, transmission, distribution and trading assets, in their various forms and categories; (iii) to study, plan, develop,, and implement projects in distribution, generation, transmission, and sales of electricity in all of its forms and descriptions; and (iv) to provide services for the electrical industry in Brazil or overseas.

The Company's shares, under code "ENBR3", are recorded in the New Market, in the highest level of Corporate Governance of B3 S.A. - Brasil, Bolsa, Balcão. In addition, the Company's shares are part of portfolios of the following B3: Bovespa Index – Ibovespa and Electrical Energy Index –

The Company has the following interests in subsidiaries, joint ventures and associated companies:

			% interest			
			12/31/2022		12/31/2021	
Companies	**Classification**	**Consolidation**	**Direct**	**Indirect**	**Direct**	**Indirect**
Distribution						
EDP Espírito Santo Distribuição de Energia S.A. (EDP Espírito Santo)	Subsidiary	full	100.00	-	100.00	-
EDP São Paulo Distribuição de Energia S.A. (EDP São Paulo)	Subsidiary	full	100.00	-	100.00	-
Generation						
Energest S.A. (Energest) (Note 4.20)	Subsidiary	full	-	-	100.00	-
Enerpeixe S.A. (Enerpeixe)	Subsidiary	full	60.00	-	60.00	-
Investco S.A. (Investco)	Subsidiary	full	-	40.78	-	40.78
Lajeado Energia S.A. (Lajeado)	Subsidiary	full	55.86	-	55.86	-
Porto do Pecém Geração de Energia S.A. (Porto do Pecém)	Subsidiary	full	100.00	-	100.00	-
Resende Engenharia e Assessoria Ltda. (Resende)	Subsidiary	full	100.00	-	100.00	-
Companhia Energética do Jari – (CEJA)	Joint venture	by the equity method	50.00	-	50.00	-
Empresa de Energia Cachoeira Caldeirão S.A. (Cachoeira Caldeirão)	Joint venture	by the equity method	50.00	-	50.00	-
Empresa de Energia São Manoel S.A. (São Manoel)	Joint venture	by the equity method	33.334	-	33.334	-
Sales						
EDP Trading Comercialização e Serviços de Energia S.A. (EDP Trading)	Subsidiary	full	100.00	-	100.00	-
Transmission						
EDP Transmissão Aliança SC S.A. (EDP Transmissão Aliança)	Subsidiary	full	90.00	-	90.00	
EDP Transmissão Litoral Sul S.A. (EDP Transmissão Litoral Sul)	Subsidiary	full	-	100.00	-	100.00
EDP Transmissão SP-MG S.A. (EDP Transmissão SP-MG)	Subsidiary	full	100.00	-	100.00	-
Mata Grande Transmissora de Energia Ltda. (Mata Grande Transmissora)	Subsidiary	full	100.00	-	100.00	-
EDP Transmissão Norte S.A. (EDP Transmissão Norte)	Subsidiary	full	-	100.00	-	100.00
EDP Transmissão Goiás S.A. (EDP Goiás) (Note 1.1.1)	Subsidiary	full	-	99.9989	-	-
Clients						
EDP Smart Serviços S.A. (EDP Smart Serviços)	Subsidiary	full	100.00	-	100.00	-
EDP Smart Soluções S.A. (EDP Smart Soluções)	Subsidiary	full	-	100.00	-	100.00
EDP Smart Energia Ltda. (EDP Smart Energia)	Subsidiary	full	100.00	-	100.00	-
EDP Smart SPE V Ltda. (EDP Smart SPE V) (Nota 1.1.1)	Subsidiary	full	-	100.00	-	100.00
EDP Smart SPE Ltda. (EDP Smart SPE) (Note 1.1.1)	Subsidiary	full	-	100.00	-	100.00
Nova Geração Solar Ltda. (New Solar Generation)	Subsidiary	full	-	100.00	-	100.00
Energia Solar I SPE Ltda. (Energia Solar I) (Note 1.1.1)	Subsidiary	full	-	100.00	-	100.00
Energia Solar II SPE Ltda. (Energia Solar II)	Subsidiary	full	-	100.00	-	-
Energia I SPE S.A (Energia I)	Subsidiary	full	-	100.00	-	-
Energia II SPE S.A (Energia II)	Subsidiary	full	-	100.00	-	-
Other						
Centrais Elétricas de Santa Catarina S.A. (Celesc)	Associated company with significant influence	by the equity method	29.90	-	29.90	-
EDP Ventures Brasil S.A. (EDP Ventures)	Subsidiary	full	100.00	-	100.00	-
Mabe Construções e Administração de Projetos Ltda. (Mabe)	Joint venture	by the equity method	50.00	-	50.00	-
Comercializadora de equipamentos y materiais Mabe Ltda. (Mabe Chile)	Joint venture	by the equity method by Mabe Construções	-	50.00	-	50.00
Pequena Central Hidrelétrica SL S.A. (Santa Leopoldina)	Subsidiary	full	100.00	-	100.00	-
Pecém Operação e Manutenção de Unidades de Geração Elétrica S.A. (Pecém OM)	Joint venture	by the equity method	50.00	-	50.00	-
Porto do Pecém Transportadora de Minérios S.A. (Pecém TM)	Joint venture	by the equity method	50.00	-	50.00	-
Blue Sol Participações S.A. (Blue Sol)	Associated Company	by the equity method	-	40.00	-	40.00

1.1.1 Change in corporate name

In the year ended December 31, 2022, the Company approved changes in the corporate names of the subsidiaries, as listed below:

Old name	Current name	Change date
AES Tietê Inova Soluções de Energia II (Inova Soluções de Energia II)	Energia Solar I SPE Ltda. (Energia Solar I)	ACS - 01/04/2022
CELG Transmissão S.A. - CELG - T	EDP Transmissão Goiás S.A. (EDP Goiás)	Special Shareholders' Meeting - 03/17/2022
UFV SP V Equipamentos Fotovoltáicos Ltda. (UFV SP V Equipment)	EDP Smart SPE V Ltda. (EDP Smart SPE V)	ACS - 07/20/2022
AES Tietê Inova Soluções de Energia Ltda. (Inova Soluções de Energia)	EDP Smart SPE Ltda. (EDP Smart SPE)	ACS - 11/25/2022

1.1.2 Formation of subsidiaries

In the year ended December 31, 2022, the Company incorporated three new subsidiaries, namely Energia Solar II, Energia I and Energia II. The aforementioned subsidiaries were created with the purpose of making projects of Grupo EDP - Energias do Brasil feasible, in line with the Company's Strategic Plan.

1.2 ESG (Environmental, Social, Governance) Strategies

For 16 years EDP - Energias do Brasil has been part of the Corporate Sustainability Index (ISE) of B3 S.A. - Brasil, Bolsa, Balcão, wining the 1st position in the general ranking in 2021, a benchmark in the portfolio performance in levels such as General, Nature of the Product, Economic, Environmental and Social, indicating the solidity of its sustainability strategy. The ISE is a comparative analysis tool that reflects the return of a portfolio consisting of shares of companies with the best performance in aspects of ESG, serving as a benchmark for socially responsible investment. ESG consists of a set of environmental, social and governance practices, which can be used to guide investments and consumption choices focusing on sustainability. The Company maintains its commitment to contribute toward 9 of the 17 UN Sustainable Development Goals (SDGs), which are: Gender equality; Affordable and clean energy; Decent work and economic growth; Industry, innovation and infrastructure; Sustainable cities and communities; Responsible consumption and production; Action to fight global warming; Life on land; and Partnerships and means of implementation.

EDP - Energias do Brasil is a company committed to ESG excellence, which has Sustainability as the core value of an integrated strategy. Thus, Grupo EDP - Energias do Brasil's vision of the future is guided by the 2021-2025 Strategic Plan, representing an ambitious commitment, which includes an acceleration of growth in renewable energies, supported by the history of achievements as leaders of the energy transition. The 2021-2025 Strategic Plan is guided by four pillars: energy transition leadership, commitment to protecting the environment, generating positive social impact and acting under a strong governance structure.

2 Grants

The concessions, records and authorizations, the companies have considerable independence in the management of their businesses, which includes measures related to investments, personnel, materials and technology, provided that they comply with the provisions of the Concession Agreements, the standards of the electric power industry and the instructions of the Concession Grantor and Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica - ANEEL).

Decree 41019/57 was revoked by Decree 10.810/21, articles 63 and 64 of that decree, which dealt with the need for authorization from the Regulatory Body for the withdrawal, disposal, and assignment of infrastructure assets used in the electric power generation, distribution, and transmission, are expressed by Normative Resolution 948/2021 - Module IV - Asset Untying and Module VI - Constitution of Guarantees. The infrastructure assets used in power generation and transmission, are related to these services and cannot be disposed, sold, assigned or mortgaged without the prior and formal authorization of the Regulatory Agency.

It is also established that, once the concession term has ended, the authorization or the record, the reversal of the Concession Grantor will be fully performed, regarding the assets and facilities linked to the rendering of services, and the analyses and assessments required by the regulatory body

ANEEL Resolution 691/15 regulates the removal of assets from the Power Public Service concessions, granting prior authorization to separate assets not of use to the concession, when intended for donation of social interest or disposal, determining that the amount from the sale should be deposited in a specific bank account for reinvestment in the concession.

As of December 31, 2022, the Company's subsidiaries and jointly-controlled subsidiaries have the right to explore the following power generation, transmission and distribution permits:

In operation

Companies	Power Plant	Description	Grant	State	Installed capacity (MWm)	Assured energy (MWm) (Note 4.23)	Inception	End	Extension	Indemnity
Distribution										
EDP Espírito Santo		Public service	Concession	ES			7/17/1995	7/17/2025	It may be extended at the discretion of the Concession Grantor	(i)
EDP São Paulo		Public service	Concession	SP			10/23/1998	10/23/2028	It may be extended at the discretion of the Concession Grantor	(i)
Generation										
Cachoeira Caldeirão	UHE Cachoeira Caldeirão	Independent producer	Concession	AP	219.00	129.70	5/29/2013	8/19/2048	No extension of provision in the current legislation	(ii)
CEJA	UHE Santo Antônio do Jari	Independent producer	Concession	PA/AP	392.95	222.00	12/21/1987	10/28/2045	20 years	(i)
Enerpeixe	UHE Peixe Angical	Independent producer	Concession	TO	498.75	280.50	11/7/2001	5/11/2042	It may be extended at the discretion of the Concession Grantor	(i)
Investco	UHE Luiz Eduardo Magalhães	Independent producer	Concession	TO	902.50	505.10	1/15/1998	9/22/2035	It may be extended at the discretion of the Concession Grantor	(i)
Porto do Pecém	UTE Porto do Pecém I	Independent producer	Authorization	CE	720.27	645.30	7/1/2008	1/20/2044	No extension of provision in the current legislation	(iii)
São Manoel	UHE São Manoel	Independent producer	Concession	PA	735.84	430.40	4/10/2014	12/9/2049	No extension of provision in the current legislation	(ii)
Transmission										

Business Operation

Companies	Line extension	Description	Grant	State	Line description	Inception	End	Extension	Indemnity
EDP Transmissão Aliança (Note 4.6)	484.5 km	Public service	Concession	SC	3 LT 525kV; 2 LT 230kV; SE 525/230kV	8/11/2017	8/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Transmissão SP-MG (Note 4.6)	375 km	Public service	Concession	SP/MG	LT 500kV	8/11/2017	8/11/2047	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Goiás (Note 4.7)	744 km	Public service	Concession	GO	13 LT 230kV; 12 SE 230/138/69 kV	1/1/2013	1/1/2043	It may be extended at the discretion of the Concession Grantor	(ii)
	11 km	Public service	Concession	GO	1 LT 230kV; 2 SE 230kV	3/6/2015	3/6/2045	It may be extended at the discretion of the Concession Grantor	(ii)
	0 km (Static Compensator)	Public service	Concession	GO	Static Compensator	1/20/2016	1/20/2046	It may be extended at the discretion of the Concession Grantor	(ii)
EDP Transmissão Litoral Sul	142 km	Public service	Concession	SC/RS	3 LT 230kV; SE 230/69kV; SE 230/138/69kV	6/27/2016	6/27/2046	It may be extended at the discretion of the Concession Grantor	(ii)
Mata Grande Transmissora	113 km	Public service	Concession	MA	LT 230 kV	9/20/2018	9/20/2048	It may be extended at the discretion of the Concession Grantor	(ii)

Under project/construction phase

Companies	Line extension	Description	Grant	State	Line description	Inception	End	Extension	Indemnity
Transmission									
EDP Transmissão Norte	360 km	Public service	Concession	AC/RO	LT 230 kV; SE 230/69-13.8kV	9/30/2021	9/30/2051	It may be extended at the discretion of the Concession Grantor	(ii)

(i) At the end of the Concession agreement period, all assets and facilities linked will be incorporated into the Brazilian Federal Government's assets, and the concessionaires will be refunded for any investments made and not yet amortized, provided that the latter have been authorized by ANEEL and subjected to an ANEEL audit.
(ii) Upon the advent of the expiry date of the Concession Agreement, all the assets and facilities will become an integral part of the Property of the Federal Government, against the indemnity of subsequent investments, not provided for in the original project and not yet amortized or depreciated, which have been realized so as to ensure the continuity and timeliness of the service granted. The amount will be determined through an Audit by the Concession Grantor.
(iii) Indemnity is not expected.

In addition, the associated company Celesc, in which the Company holds minority interest with significant influence, has control over the following granting:

Companies	Power Plant	Description	Grant	State	Installed capacity (MWm)	Assured energy (MWm)	End of Concession
Distribution							
Celesc Distribuição S.A. – Celesc D		Public service	Concession	SC			7/7/2045
Natural gas							
Companhia de Gás de Santa Catarina S.A. – SCGÁS		Public service	Concession	SC			3/28/2044
Generation							
Celesc Geração S.A. – Celesc G	UHE Garcia	Independent producer	Concession	SC	8.92	7.10	1/3/2053
	UHE Pery	Independent producer	Concession	SC	30.00	14.08	7/7/2054
	UHE: Palmeiras, Bracinho, Cedros	Independent producer	Concession	SC	48.00	32.25	11/6/2053
	UHE Saltos	Independent producer	Concession	SC	6.28	3.99	11/5/2053
	PCH Celso Ramos	Independent producer	Concession	SC	13.92	6.77	(i)
	CGH: Caveiras, Ivo Silveira, Piraí, São Lourenço and Rio do Peixe	Independent producer	Concession	SC	8.15	5.97	(i)
Total					115.27	70.16	

Other expansion projects of the wholly owned associated company Celesc G are under review for expansion and reactivation, as shown in the following table:

Description	Location	End of the concession	Installed power (MW)	Increase of power (MW)	Final power (MW)	Status
Usina Salto Weissbach	Blumenau/SC	11/07/2046	6.28	23.00	29.28	Environmental licensing
Usina Cedros Etapas 1 e 2	Rio dos Cedros/SC	11/07/2046	8.40	4.50	12.90	Review of basic project
Usina Palmeiras	Rio dos Cedros/SC	11/07/2046	24.60	0.75	25.35	Review of basic project
CGH Maruim	São José/SC	(i)	-	1.00	1.00	Works under public bidding
CGH Caveiras	Lages/SC	(i)	3.83	5.57	9.40	Environmental licensing
Total			43.11	34.82	77.93	

The foregoing information was extracted from the financial statements of September 30, 2022, released to the market as of November 11, 2022.
(i) Plants with installed capacity below 5MW are exempt from the Concession Act (Law 13.360/16).
(ii) The final power will be defined with the Basic Design Review.

3 Preparation basis

3.1 Statement of conformity

The individual and consolidated financial statements of the Company were prepared in accordance with accounting practices adopted in Brazil, in compliance with the provisions contained in the Corporation Law, and incorporates the changes introduced through Law No. 11.638/07 and 11.941/09, supplemented by the new pronouncements, interpretations and guidelines of the Accounting Pronouncements Committee (CPC), approved by resolutions of the Federal Accounting Council (CFC) and Brazilian Securities Commission (CVM) and are in conformity with International Financial Reporting Standards - IFRS, issued by International Accounting Standards Board - IASB and specific laws of the Brazilian Power Regulatory Agency - ANEEL, when they do not conflict with the accounting practices adopted in Brazil and/or international accounting practices.

The presentation of a Statement of Added Value, prepared according to the CPC 09 - Statement of Added Value, is required by Brazilian Corporate Law and by the accounting practices adopted in Brazil applicable to Publicly-Held Companies. International Financial Reporting Standards (IFRS) do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

Management evaluated the ability of the Company and of its subsidiaries to continue operating normally and it is convinced that the Company and its subsidiaries have the ability to continue as a going concern. In addition, the Management of the Company and its subsidiaries is not aware of any material uncertainty that could raise significant doubts related to their ability to continue as a going concern. Accordingly, these financial statements have been prepared based on the going concern assumption.

The Company's management affirms that all relevant information from its own financial statements, and only them, are highlighted and correspond to those used thereby in its management.

The Executive Board of the Company and its subsidiaries authorized the issue of financial statements as of February 15, 2023. After this date, changes can only be made by the Board of Directors.

3.2 Accounting practices

The significant accounting policies of the Company and its subsidiaries are presented in their own notes to the items to which they are related.

3.3 Basis of measurement

The individual and consolidated financial statements were prepared based on the historical cost as base value except: (i) certain financial assets and liabilities that were measured at fair value (Note 38.1.1); (ii) net defined benefit assets and liabilities that are recognized at fair value, with limitation of the recognition of actuarial surplus (Note 28); (iii) the mark-to-market of future commitment contracts (Note 15); (iv) Investment properties (Note 22); (v) Business combination - EDP Goiás (Note 18.1); (vi) Loans, financing and debt charges (Note 27); and (vii) derivative financial instruments (Note 38.1.2).

3.4 Use of estimates and judgment

In the preparation of individual and consolidated financial statements in accordance with Brazilian accounting practices and international accounting practices, it is required by the Management of the Company and its subsidiaries to make estimated to record certain transactions that affect assets, liabilities, income and expenses.

The final results of these transactions and information, at the time of their effective realization in subsequent years, may differ from these estimates, due to the lack of precision inherent to the process of their determination. The Company and its subsidiaries review the estimates and assumptions at least quarterly, except when the impairment is reviewed as criteria detailed in Note 3.7.

The main estimates that represent significant risk likely to cause substantial adjustments to the set of financial statements, in the next years, refer to the recording of the effects arising of: Analysis of asset impairment test (Note 3.7); Unbilled supply (Note 7.3); Transactions realized in the in the sphere of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) (Note 7); Estimated loss from allowance for doubtful accounts - PECLD (Note 7.9); Sectoral financial assets and liabilities (Note 8); Recovery of deferred income tax and social contribution on tax loss carryforward, negative basis and temporary differences (Note 10); Future commitments (Note 15); Business Combination - EDP Goiás (Note 18.1); Indemnifiable financial assets (Note 20); Concession assets (Note 21); Evaluation of the useful life of Property, plant and equipment and Intangible asset (Notes 23 and 24); Post-employment benefit plans (Note 28); Provisions for contingencies (Note 31.1); Provisions necessary for costs related to environmental permits (Note 31.2); and measurement at fair value of financial instruments (Note 38.1.2).

3.5 Functional and presentation currency

The functional currency of the Company and its subsidiaries is the Brazilian real and the individual and consolidated financial statements are presented in Brazilian Reais, rounded to the nearest whole number, unless otherwise indicated.

3.6 Consolidated financial statements

The consolidated financial statements were prepared in accordance with the standards established by CPC 36 (R3) - Consolidated statements, related to IFRS 10, approved by the CVM Resolution 698/12 covering the Company and its subsidiaries (Note 18).

Direct and indirect subsidiaries are consolidated from their acquisition dates, which correspond to the dates on which the Company obtained control, and they will be consolidated until the date on which this control ceases.

The main consolidation practices had been adopted were as follow:

• Elimination of the investment of the Parent company in its subsidiaries.

• Elimination of the balances of accounts between the Parent Company and its subsidiaries and of the accounts maintained among these subsidiaries.

• Recognition of non-controlling shareholders in the balance sheets and in the statements of income and statements of comprehensive income.

• Business combinations are considered at the time of acquisition of control of a business, and the amounts recognized are measured at fair value based on appraisal reports prepared by independent appraisers.

• Consolidation of entities with an investment lower than 50%: the Company is the indirect parent company of Investco, with an interest of 40.78% that is due to the direct control of Lajeado with 55.86%, which in turn, holds 73% of the voting capital, guaranteeing the power of Investco activities, and its total consolidation in financial statements.

• Associated company with significant influence: the Company holds a 29.90% interest in the total capital and a 33.11% interest in the voting capital of Celesc, with 3 seats on the Board of Directors, 1 seat on the Tax Council and one seat in the Executive Audit Committee (Note 19.2) and 40% interest in the total capital of Blue Sol.

• The dates of financial statements of the subsidiaries and jointly-controlled subsidiaries used to calculate the equity accounting and for consolidation are consistent with those of the Company. With regard to the associated company Celesc, corporation with shares traded at B3 and pursuant to CVM standards, the calculation of equity in the earnings of associates uses the financial statements with a lag in relation to the base date presented, since the Company's financial statements' reporting calendar precedes the Associated Company's financial reporting calendar.

• Shared control agreements: the Company holds 50% of the voting rights in projects, Pecém TM, Pecém OM, CEJA and Cachoeira Caldeirão and 33.334% in São Manoel. The Company holds joint control of those projects because, pursuant to the terms of the arrangements, decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company's joint arrangements are structured as closed companies and, pursuant to the terms of the arrangements, the Company and the other parties to the arrangements are granted rights to these closed corporations' net assets. For this reason, these arrangements are classified as joint ventures and are not consolidated in the financial statements.

3.7 Impairment

The Management of the Company and its subsidiaries reviews the book value, net of its assets to determine events or changes under economic, operating or technological circumstances if there is any indication that those assets have suffered any impairment loss. If there is such indication, the asset recoverable value is estimated for the purpose of measuring the amount of this loss, and recognized as a counterparty for income (loss).
Previously recognized impairment losses are reversed in case of change in assumptions used to determine the asset's recoverable value, and losses are also recognized in result.

• **Financial assets and contractual assets**

They are evaluated at initial recognition based on study of expected losses, when applicable, and when there are evidences of impairment. Assets are considered non-recoverable when there is evidence that one or more events occurred after the initial recognition of the financial asset that resulted in adverse effects on the estimated future cash flow from the investment. The line item that currently presents relevant PECLD (estimated loss from bad debts) balances is that of Accounts receivable. For further information about the criteria and assumptions used in the numerical estimates, please see note 7.9.

• **Non-financial assets**

Company's non-financial assets are at least reviewed manually, or more often in case the Management of the Company identifies whether there were any indications of unrecoverable losses in the book value of non-financial assets, or evidence of the occurrence of events or alterations in the circumstances indicating that the book value might not be recoverable.

The recoverable value is determined based on the assets' value in use and are calculated using evaluation methodologies, backed by discounted cash flow techniques, considering market conditions, time value, and business risks.

Impairment test - Non-financial assets

The Company and its subsidiaries evaluated the evidence of non-financial asset devaluation based on their value in use, based on the discounted cash flow model for individual cash generating unit, which represents the set.

Under this basis, for test effects, a set of assumptions was defined to determine the recoverable value of the main investments:

• The cash generating units are: EDP São Paulo, EDP Espírito Santo, EDP Trading, EDP Smart Energia, EDP Smart Serviços, EDP Smart Soluções, EDP Smart SPE (Note 1.1.1), Enerpeixe, Lajeado, Investco, CEJA, Cachoeira Caldeirão, São Manoel and Porto do Pecém;

• Basis to determine recoverable amount: value in use - equity value;

• Determination of cash flows: production and consumption volume and estimated tariffs and residual value at the end of the concession, calculated based on the new replacement value (VNR);

• Cash flow period: concession period considering the renewal, when applicable, except EDP Trading, EDP Smart Energia, EDP Smart Serviços, EDP Smart Soluções (10 years), EDP Smart SPE (Note 1.1.1); and

• Average BRR restatement rate (Distributors), energy sale agreements (generation companies) and operating costs: IGP-M (3.46% p.a.) and IPCA (3.47% p.a.) assumption.

For the indirect subsidiary EDP Smart Soluções and the subsidiary Porto do Pecém, the Company found that part of the net book value recorded for the assets is not recoverable. Therefore, there was a need to record a provision for impairment in the amount of R$ 14,971 (Note 34) in the indirect subsidiary EDP Smart Soluções and in the amount of R$ 1,206,209 (Notes 4.24 and 34) in the subsidiary Porto do Pecém.

3.8 New effective and not effective standards and interpretations

Maintaining the permanent process of reviewing accounting standards, the International Accounting Standards Board (IASB) and, consequently, Accounting Pronouncement Committee (CPC), issued new standards and reviews to existing standards. The main regulations issued, amended or under discussion by the IASB and the CPC are shown below:

3.8.1 Changes in accounting pronouncements approved by the CPC

Standard	Description of change	IASB Correlation	Type	Effectiveness date
15 review: CPC 48 - Financial Instruments, CPC 08 - Costs of Transactions and Premiums in Issuing Securities; CPC 40 - Financial instruments: Evidencing; CPC 11 - Insurance Contracts; and CPC 06 (R2) - Leases	Addition of new disclosure requirements on the effects brought on by the reform of the reference interest rate (IBOR).	IFRS 9 / IAS 39 / IFRS 7 / IFRS 4 and IFRS 16	Pronouncement	01/01/2022
CPC 25: Provisions, Contingent Liabilities and Contingent Assets	Specification of which costs a company should include when assessing whether a contract is onerous. The costs directly related to the fulfillment of the contract must be considered in the cash flow assumptions (e.g.: Cost of labor, materials and other expenditures related to the operation of the contract).	IAS 37	Pronouncement	01/01/2022
CPC 27 - Property, plant and equipment	Permits recognition of income and costs of the amounts related to the sale of items produced during the asset's testing phase.	IAS 16	Pronouncement	01/01/2022
CPC 00 - Conceptual Framework for Financial Reporting	Update of the reference to CPC 00, without significantly amending the requirements of IFRS 3.	IFRS 3	Pronouncement	01/01/2022

3.8.2 Standards issued by the IASB and not yet approved by the CPC

Standard	Description of change	IASB Correlation	Type	Effectiveness date
CPC 26 - Presentation of financial statements	Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2).	IAS 1 / IFRS 2	Pronouncement	01/01/2023
CPC 23 - Accounting policies, changes in accounting estimates and errors	Definition and distinction of accounting estimate, clarifies the use of measurement techniques and their data.	IAS 8	Pronouncement	01/01/2023
CPC 32 - Income taxes - Review of deferred taxes related to assets and liabilities arising from a single transaction	The amendments limit the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.	IAS 12	Pronouncement	01/01/2023
CPC 50 – Insurance Contracts	Sets out a base for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance, and cash flows.	IFRS 17	Pronouncement	01/01/2023
Review 20: CPC 26 (R1), CPC 11, CPC 27, CPC 15 (R1), CPC 23, CPC 40 (R1), CPC 49, CPC 21, CPC 32, CPC 37 (R1) and CPC 47.	In short, the changes stem from: (i) changes in Classification of Liabilities as Current or Non-current; (ii) Postponement of temporary exemption; (iii) Definition of Accounting Policy; (iv) Disclosure of Accounting Policies; and (v) Deferred Taxes related to Assets and Liabilities arising from a Simple Transaction.	IFRS 4/ IAS 28/ IAS 34/ IAS 8/ IAS 1/ IAS 16/ IAS 32/ IFRS 1/ IFRS 7 and IAS 26	Pronouncement	01/01/2023
Review 21: CPC 37 (R1), CPC 15 (R1), CPC 31, CPC 40 (R1), CPC 48, CPC 47, CPC 26 (R1), CPC 03 (R2), CPC 27, CPC 33 (R1), CPC 18 (R2), CPC 39, CPC 01 (R1), CPC 25, CPC 04 (R1), CPC 28 and CPC 50.	This document establishes amendments to Technical Pronouncements resulting from the issue of CPC 50 - Insurance Contracts, that is, IFRS 17 (2017), Amendments to IFRS 17 (2020) and Initial Application of IFRS 17 and IFRS 9 - Comparative Information (2021).	IAS 36/ IAS7/ IAS 38/ IFRS 3/ IAS 28/ IAS 15/ IAS1/ IAS 16/ IAS 40/ IFRS 5/ IAS 19/ IFRS 1/ IAS 32/ IFRS 7, IFRS 17 and IFRS 9	Pronouncement	01/01/2023
CPC 36 (R3) - Consolidated Statements/CPC 18 (R2) - Investment in Associated company, Subsidiary and Joint Venture	Sale or assets' contribution between an investor and its associated company or joint venture	IFRS 10 / IAS 28	Not currently informed	Undetermined

Regarding the regulations under discussion at the IASB or with a date for entering into effect scheduled for future years, the Company and its subsidiaries are following the discussions and thus far have not identified the possibility of significant impacts.

4 Significant events in the year

4.1 Release of funds and funding

During 2022, subsidiaries and jointly-controlled subsidiaries raised funds as follows:

Consolidated						
Company	**Source**	**Release date**	**Maturity**	**Amount**	**Debt cost**	**Purpose**
In domestic currency						
Santa Leopoldina	Debentures – 1st issue	Jan-22	Jan-24	700,000	CDI + 1.52% p.a.	Purchase of shares issued by EDP Goiás and Issuer's working capital
Lajeado	Debentures – 6th issue	May-22	May-25	200,000	CDI + 1.45% p.a.	Working capital
EDP São Paulo	Debentures – 14th issue	May-22	May-27	450,000	CDI + 1.20% p.a.	Refinance and extend the average term of the debt and working capital
EDP Espírito Santo	Debentures – 12th issue	May-22	May-27	270,000	CDI + 1.20% p.a.	Refinance and extend the average term of the debt and working capital
EDP Trading	Additive Exchange Bill - MUFG	Mar-22	Mar-24	50,000	CDI + 1.24% p.a.	Working capital
Porto do Pecém	Commercial Notes - 1st Issue	Sep-22	Jul-27	1,500,000	CDI + 2.4% p.a.	Refinance and extend the average term of the debt.
				3,170,000		

Jointly-controlled subsidiary (not consolidated in these financial statements) (Note 19.1)						
Cachoeira Caldeirão	BNDES - SUB C	Mar-22	Oct-23	2,600	TJLP	BNDES sub-credit for social investment
São Manoel	BNDES - SUB C	Jul-22	Dec-25	3,261	TJLP	BNDES sub-credit for social investment
				5,861		
Total in domestic currency				3,175,861		
Consolidated						
In foreign currency						
Santa Leopoldina	4131 Scotiabank - SWAP	Jan-22	Jan-24	USD 150,000	USD + 1.6175%	Purchase of shares issued by EDP Goiás and Issuer's working capital
Santa Leopoldina	4131 ITAU - SWAP	Feb-22	Jan-24	USD 64,941	USD + 2.2000%	Purchase of shares issued by EDP Goiás and Issuer's working capital
EDP Smart Serviços	4131 ITAU - SWAP	Apr-22	Mar-23	USD 25,565	USD + 3.733%	Working capital
Mata Grande Transmissora	4131 Scotiabank - SWAP	Aug-22	Nov-22	USD 16,284	USD + 3.18% p.a.	Refinance and extend the average term of the debt
Total in foreign currency				USD 256,790		

For further information on the aforementioned resources received, see Notes 26 and 27.

4.2 Porto do Pecém - Settlement of BNDES financing

On October 6, 2022, the subsidiary Porto do Pecém settled the BNDES financing in the amount of R$ 470,301.

4.3 EDP Energias do Brasil - ESG Agenda

In 2022, for the 2nd consecutive year, EDP - Energias do Brasil ranked 1st in the general ranking in the Corporate Sustainability Index (ISE) of B3. This is also the 17th consecutive time that the Company appears in the portfolio, which runs from January 2, 2023 to December 29, 2023, bringing together 70 companies from 27 industries. With the ambition to lead the energy transition and a global goal of becoming 100% renewable by 2030, EDP has become one of the benchmarks in ESG in the world, and mainly in Brazil. The Company implemented a strategy based on accelerated and sustainable growth, excellence in governance and evolution as an empowered organization, centered on people and prepared for change.

In 2022, the CDP Brazil Climate Resilience Index (ICDPR70) 2022 portfolio was also announced, which came into force on April 1, 2022 and in which EDP is present as one of the companies with a Leadership score. The index measures the financial performance of a theoretical portfolio composed of companies listed on B3, which operate in the Brazilian territory, with a high level of awareness of climate issues and integration of effective measures to reduce their carbon footprints.

In June, the Company announced its new identity globally, accompanied by its new purpose: "Our energy and heart drive a better tomorrow." The new brand brings nature, technology and people as central axes, aiming to translate EDP – Energias do Brasil's commitment to the energy transition and its ESG commitments in the 2021-2025 horizon. The new logo is inspired by the circularity of nature, the planet and energy generation technologies, water and turbines, and the sun itself – core elements of the company's strategy of doubling renewable energy generation globally until 2025.

For the 3rd consecutive year, EDP - Energias do Brasil was considered the most innovative company in the Electric Power industry by *Valor Inovação Brasil* yearbook. The survey evaluated 253 organizations, which together invested R$ 60 billion in innovation, in over 1000 cases evaluated. The evaluation methodology of the companies that participated in the Valor Inovação Brasil ranking was based on five pillars: intention to innovate, effort to carry out the innovation, results obtained, market assessment and knowledge generation.

For the 9th time, EDP - Energias do Brasil was featured in the Transparency Trophy, an award granted by the National Association of Executives (ANEFAC). In this edition, with the purpose of reinforcing best governance practices, the award was themed "The future is transparency" and included ESG demands. The companies with the best quality of detailed information, objective communication with the public and conveying a sense of transparency were chosen.

Still on the recognition agenda, in 2022, EDP - Energias do Brasil was considered the best company in the energy sector in the Exame Melhores do ESG Award and in the Época NEGÓCIOS 360° award.

Regarding the Energy Transition, still in 2022, EDP - Energias do Brasil produced its Green Hydrogen (H2V) first molecule at the generation unit located in São Gonçalo do Amarante, Ceará. The development of the plant is important for the generation of clean energy in Brazil and is part of EDP - Energias do Brasil's commitment to fighting climate change. The production of the molecule is the first strategic stage in the development of the H2 Pilot Project at the Pecém Thermoelectric Complex (Porto do Pecém), which involved an investment of R$ 42 million, being the first unit of the State and of EDP - Energias do Brasil.

4.4 Government Assistance Measures adopted since the beginning "of the COVID-19 pandemic", with impacts in the year 2022

In view of the pandemic resulting from the new Coronavirus (COVID-19) that began in 2020, the uncertainties generated by the spread of the virus and its variants caused intense volatility in the world financial and capital markets. As a way of mitigating the impacts caused by the pandemic, Brazilian government authorities and regulatory agents took several measures to mitigate the impacts on energy market agents. Some of the measures adopted have effects in 2022, as described below:

Publication	Description	Status
ANEEL Order (DSP) 939 of April 5, 2021	ANEEL Order 939 revoked Order 181/21 to: (i) ratify the payment terms and the monthly quotas of CDE Covid-account, due by the concessionaires and distribution permission holders, to amortize the credit operation contracted by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) in the management of the Covid-account, under the terms of ANEEL Normative Resolution (REN) 885/2020; (ii) the amount referred to in item (i) considers the total estimated cost of credit operations contracted by Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), including principal, accessories and operating expenses, subject to the contracted conditions and the formation of the Liquidity Reserve; and (iii) the amounts referred to in item (i) should be paid monthly to the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), directly in the Covid-account, from the 2021 ordinary tariff process, with payment by the 10th of the following month. According to Technical Note 55/2021 – SGT/ANEEL, the total Annual Tariff Coverage amount is R$ 5.9 billion and the total Monthly Charge amount is R$ 491 million. The Annual Tariff Coverage amount paid to EDP São Paulo and EDP Espírito Santo is R$ 141,414 and R$ 87,916 and the Monthly Charge amount is R$ 11,784 and R$ 7,326 respectively.	For the year 2022, the amount of the payment destined to subsidiary EDP São Paulo is R$ 70,706, and for subsidiary EDP Espírito Santo, it is R$ 43,958 for CDE Covid-Account with the monthly payment of R$ 11,784 and R$ 7,326 respectively.

Publication	Description	Status
Ratifying Resolution (REN) 1.000 dated December 07, 2021	REN ANEEL 1000 revokes and replaces REN 414, of September 9, 2010 and establishes the Rules for the Provision of the Public Electricity Distribution Service. It also revoked the Normative Resolutions 470 dated December 13, 2011; 901, dated December 8, 2020 and makes other provisions. With the publication of the consolidation, 61 normative resolutions of the Agency will be fully revoked and three will be partially revoked. The effects of REN (Normative Resolution) started on January 1, 2022	The distribution subsidiaries are in the process of adapting the changes resulting from REN. For this, a three-phase action plan was defined, meeting the deadlines defined by ANEEL.
Homologatory Resolution (REH) 3004 dated December 14, 2021	REH ANEEL 3004 ratifies the provisional monthly quotas of CDE, related to the periods from January to April 2022, to be collected by the electricity distribution concessionaires. EDP São Paulo shall pay monthly the amount of R$ 89,216 directly to Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), and EDP Espírito Santo the amount of R$ 54,505 monthly until April 2022, as set out in Annex I of the aforementioned Resolution. As of May 2022, EDP São Paulo will pay the monthly amount of R$ 86,084 directly to Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), and EDP Espírito Santo will pay the amount of R$ 52,592 until December 2022.	The monthly quotas allocated to the subsidiaries EDP São Paulo and Espírito Santos since May 2022 were, respectively, R$ 86,084 and R$ 52,592. Payment was made monthly until December 2022.

4.5 Government measures for water resources management

In view of the water shortage scenario in 2021, Brazilian authorities and energy market regulators took several emergency measures to optimize the use of hydropower resources and to face the situation of water shortage, ensuring continuity and security of electricity supply in the country. In the end of 2021 and for the extension of 2022, the increase in rainfall resulted in significant improvements in the hydrological scenario in the country. Some of the measures adopted between 2021 and 2022 presented effects in 2021 and 2022, as described below:

Publication	Description	Status
Tariff flags - activation and additional bands	After deliberation at the 23rd Ordinary Public Meeting of ANEEL's Board of Directors held on June 29, 2021, the surcharges applied from July 1, 2021 were defined, by means of REN 2.888/2021, changing from R$ 1,343 to R$ 1,874 the additional value of yellow tariff flag validity for every 100-kWh consumed; from R$ 4,169 to R$ 3,971 the additional value for red flag level 1 for every 100-kWh consumed and from R$ 6,243 to R$ 9,492 the additional value for red tariff flag level 2 for every 100 kWh consumed.	Amounts were effective until April 2022.
	Due to the exceptionality arising from the water scarcity in 2021, the Water Shortage Tariff Flag was created as determined by Chamber of Exceptional Rules for Hydroenergy Management - CREG. This level was created through Resolution 3 of August 31, 2021 to cover, with funds from the tariff flag, the exceptional costs of activating thermal plants and importing energy. As a result, the Water Shortage flag charged is R$ 14.20 for each 100 kWh consumed. This charge applies to all consumers of the National Interconnected System (SIN), except for beneficiaries of the social tariff, which must be applied to the previous level-2 flag in force since July 1, 2021. With CREG decision, the Water Shortage Flag, there was no need to resolve on the revision of red flag level 2 arising from Public Consultation 41/2021 performed in July. The consultation was closed due to loss of the object, considering CREG decision. Amounts are effective from September 1, 2021 to April 2022. Public Inquiry 012/2022 was opened to carry out the annual update of the additional amounts and the triggering ranges of the tariff flags.	Public Consultation 012/2022 was concluded and resulted in REN 3051/22 which provides for the activation ranges and additional of tariff flags.
	REN 3051/22 provides for the activation brackets and the additional amounts of the tariff flags, addressed in sub-module 6.8 of PRORET, effective as of July 2022. Main measurements are: (i) as of July 1, 2022, the activation ranges of the Tariff Flags, addressed in Sub-module 6.8 of the Tariff Regulation Procedures – PRORET, will be those defined in the Tariff Flag Activation Abacus; and (ii) as of July 1, 2022, the amounts to be added to the energy application tariff (TE) will be R$ 30 /MWh, when the yellow tariff flag is in effect, R$ 65/MWh, when level 1 of the red tariff flag is in effect and R$ 98/MWh when level 2 of the red tariff flag is in effect.	The new Tariff Flag trigger bands are effective since July 2022
Provisional Measure (PM) 1078, dated December 13, 2021	The Provisional Measure 1078 provides for measures to address the financial impacts on the electricity sector resulting from the water scarcity situation. As of the aforementioned Provisional Measure, Law 10438, dated April 26, 2002, came into force, with the main changes: (i) provide funds, collected exclusively through tariff charges, for the amortization of financial operations linked to measures to face the financial impacts on the electricity sector arising from the situation of water scarcity and deferrals applied in the tariff process prior to the release of funds from the financial operation, as defined by regulation; (ii) Consumers in the regulated contracting environment, as of the date of publication of this Provisional Measure, must pay, through a tariff charge charged in proportion to the consumption of electricity, the remaining costs of financial operations; and (iii) The Electric Sector Monitoring Committee - CMSE is authorized to establish an extraordinary tariff flag to cover exceptional costs arising from water scarcity. This EO came into force on December 13, 2021 (Note 16.3), the date of its publication and was extended until May 2022.	The Provisional Measure (PM) ended in May 2022.
REN 02 dated August 31, 2021	REN 02, in view of the provisions of Provisional Measure 1.055/21, in Law 10.848/04, institutes the Incentive Program for the Voluntary Reduction of Electric Energy Consumption for consumer units of groups A and B in the regulated market of the National Interconnected System - SIN, with the purpose of establishing emergency measures to face the situation of water scarcity, to guarantee the continuity and security of the electricity supply within the country. The Program was implemented through the granting of a bonus in the bill, in the amount of R$50 for every 100 kWh, in exchange for the average reduction in electricity consumption in an amount equal to or greater than 10% (ten percent), per consumer unit of the regulated contracting environment, limited to 20%, calculated cumulatively in the invoices referring to the periods from September to December 2021. This REN came into force on the day of its publication. The subsidiaries EDP São Paulo and EDP Espírito Santo recognized the amounts of R$ 64,018 and R$ 59,807, respectively, referring to this grant in December 2021.	The distribution subsidiaries settled the total amount of grants intended for them on June 30, 2022 (Note 16.2.1).
Decree 10939, dated January 13, 2022	Decree 10.939/22 authorizes the creation of the Water Scarcity Account to cover, in whole or in part, the additional costs arising from the water scarcity situation for concessionaires and permissionaires of public electric energy distribution services. This is the result of the Provisional Measure 1078, which provided for the use of funds that would be collected through a tariff charge to address these additional costs. The Law allows CDE to be used to collect funds related to the amortization of financial operations linked to coping with the situation of water scarcity and deferrals applied in previous tariff processes, which includes the additional costs with tariff flags, expenses related to the bonus program for reducing consumption and energy import costs between July and August 2021.	With the resolution of Public Inquiry 02/2022 on PM 1.078/21 and Decree 10.939/2022, REN 1.010/2022 came into force
ANEEL DSP 397 of February 10, 2022	ANEEL DSP 397/22 establishes the operationalization of the collection of costs and transfer of credits related to the Incentive Program for the Voluntary Reduction of Power Consumption referred to in Resolution 2/2021, issued by CREG.	The distribution subsidiaries recognized the expected grant in accordance with the operationalization provided for in the DSP, more details in note 16.2.1
Normative Resolutions - REN 1008 of March 15, 2022, and REN 1010 of March 29, 2022 (Water shortage account)	REN 1.008/22 provides for the Water Shortage Account, financial operations, the use of the tariff charge of the CDE for these purposes, and the corresponding procedures. Establish the criteria and procedures for the management of the Water Shortage Account, intended to receive funds to cover, in whole or in part, the additional costs arising from the situation of water shortage for the concessionaires and permission holding companies of public electricity distribution service and regulate the use of the CDE tariff charge, for the purpose of payments and receipts of amounts. On March 29, 2022, REN 1.010/22 was published, which defines the amounts of the transfers of funds from the Water Shortage Account to distributors that will occur until February 28, 2023.	REN 1.010/22 came into force on the date of its publication, and determines the amount of R$ 59,174 as a ceiling to be transferred to the subsidiary EDP São Paulo and R$ 49,853 to subsidiary EDP Espírito Santo, which were applied in 2022 tariff review.

4.6 Transmission companies - Entry into Total Operation

EDP Transmissão SP-MG

As of January 27, 2022, the Company issued a Notice to the Market informing that on that date, it requested the National System Operator (ONS) for the statement of release for the start of commercial operation of first segment of the transmission line of EDP Transmissão SP-MG, seven months in advance of ANEEL's schedule. The entry into commercial operation of this first stretch represents a Partial RAP of R$ 111,800, accounting for 45% of the total RAP.

On May 16, 2022, the Company released a Notice to the Market informing that the ONS authorized the commercial operation of the facilities of the final section of EDP Transmissão SP-MG S.A, 3 months ahead of ANEEL's schedule. Upon completion of the start-up, the subsidiary will receive a RAP of R$ 248,444.

EDP Transmissão Aliança

On February 18, 2022, the Company released a Notice to the Market informing that, on this date, the ONS authorized the commercial operation of the facilities of the final section of EDP Transmissão Aliança, 6 months ahead of ANEEL's schedule. The first section of the transmission line and the Siderópolis 2 substation of EDP Transmissão Aliança started commercial operation on June 14, 2021, 14 months ahead of the ANEEL's calendar. With the completion of the start-up, the subsidiary will receive Permitted Annual Revenue of R$ 208,035, resulting in total anticipated income of R$ 143,100.

EDP Transmissão Litoral Sul

On July 05, 2022, the Company released a Notice to the Market informing that the ONS authorized the commercial operation of the facilities of the final section of EDP Transmissão Litoral Sul. Upon completion of the start-up, the subsidiary will receive a RAP of R$ 51,449.

Mata Grande Transmissora

On August 1, 2022, the Company released a Notice to the Market informing that, on this date, the ONS authorized the full commercial operation of the facilities of the final section of Mata Grande Transmissão, 6 months ahead of ANEEL's schedule. Upon completion of the start-up, the subsidiary will receive a RAP of R$ 10,145.

4.7 Completion of the investment in EDP Goiás (Note 1.1)

As of February 7, 2022, the Company released a Notice to the Market informing that, in compliance with the provisions of CVM Instruction 44, of August 23, 2021, as amended, and in continuity with the Material Fact disclosed on October 14, 2021 on that date, concluded the acquisition of 99.994% of the shares of EDP Goiás (formerly Celg Transmissão S.A.) for the updated amount of R$ 2,113,690, restated. based on CPC 15 (R1) - Business Combination, the Company hired an appraisal report from independent consultants to measure assets and liabilities acquired at fair value.
With the conclusion of the acquisition of EDP Goiás, the amounts established upon negotiation were evaluated by a specialized consulting firm engaged by the Company to calculate the amounts to be recorded at present value. For further details see Note 18.1.

4.8 Distributors - Change in the taxation system

As of 2022, the subsidiaries EDP São Paulo and EDP Espírito Santo changed the taxation system, which was previously calculated by the Annual Actual Profit, and is now calculated by the Quarterly Actual Profit.

4.9 Distributors - Review of PRORET Submodule 2.3

ANEEL concluded on February 21, 2022, the first stage of Subsidy Taking 002/2022, which deals with the review of Sub-module 2.3 of the Tariff Regulation Procedures (PRORET), related to the Regulatory Remuneration Basis (BRR) of power distributors. In short, taking subsidies proposes a review of the cost components that form the Remuneration Basis and questions which factors should be reviewed in the calculation methodology. The Remuneration Basis consists of the amount of investments made by the distributors in the provision of services and which will be covered by the tariffs charged to consumers. A total of 140 contributions were received, of which the distribution subsidiaries contributed, and are awaiting the conclusion of the next steps to assess the impacts of this decision.

4.10 Porto do Pecém - Coal stock

The subsidiary Porto do Pecém, considering the global hydro (Note 4.5) and energy scenario in 2022 and the forecast for the initial burning of coal, previously scheduled for the first quarter of 2022 and changed to the first semester of 2023, entered into an agreement to sell its coal stock with EDP Spain, namely: (i) 117,000 tons delivered in the 2Q22, having received the amount of R$ 166,088; (ii) 114,000 tons being sold in the amount of R$ 179,415 in the 3Q22, having received 80% as an advance in the 2Q22, while the remaining amount of R$ 43,203 was received in 4Q22 and (iii) 75,000 tons delivered in the 4Q22 and settled in December 2022.

4.11 Allocation of profit, distribution of dividends and Interest on Own Capital in 2021

The Shareholders' AGM was held on April 5, 2022, where the Company decided on the allocation of net income and the distribution of interest on own capital and dividends for the year 2021. The amount of R$ 454,811, corresponding to R$ 0.79 per share, will be distributed in the form of interest on own capital, and in the form of dividends, the amount of R$ 803 million, equivalent to R$ 1.40 per share, totaling R$ 2.19 per share. Interest on own capital and Dividends were fully paid as of May 25, 2022 and May 31, 2022, respectively.

4.12 Development of large scale solar energy project - Novo Oriente Solar ("Novo Oriente" or "Project")

On April 20, 2022, the Company informed its shareholders and the market in general that it will invest in the development of the Novo Oriente photovoltaic plant, with an installed capacity of 254 MWac, together with EDP Renováveis S.A. in a joint investment in equal parts. Novo Oriente is in the state of São Paulo, in the municipality of Ilha Solteira, has already been granted and is expected to start operating in 2024. The Project has a power sale agreement ("PPA") of 120 MWac. This investment reinforces strategic orientation of EDP - Energias do Brasil, presented to the market in the 2021-2025 Strategic Plan, being the largest large-scale project in expanding its share in the Customer segment, specifically solar generation.

4.13 ANEEL measures to regulate energy contracting

Publication	Description	Status
REN 1.009, dated March 22, 2022	REN 1.009/22 provides for the rules regarding the contracting of energy by agents in the regulated and free contracting environments, with the main ones as follows: (i) establish the criteria and procedures for controlling the electric power trading contracts; (ii) determine the conditions for contracting Physical Guarantee Quotas for Energy and Power, in compliance with the provisions of Decree 7805, dated September 14, 2012; and (iii) establish the conditions for the trading of electric power from distributed generation.	The RNEs refer to a consolidation of regulations related to the thematic relevance of Energy Contracts, without changing their merit or concept.
REN 1.018 dated April 26, 2022	REN 1.018/22 Amends Normative Resolution 1009, of March 22, 2022, which establishes the rules regarding the contracting of energy by agents in the regulated and free contracting environments, and makes other provisions.	
REN 1.015 dated April 12, 2022	REN 1.015/22 provides for the obligation to provide financial guarantees in the Surplus Sale Mechanism (MVE) and changes the wording of measures established by Normative Resolution 1.009/22, which are as follows: (i) buyers must provide financial guarantees and declare the amount of electric power and price, by submarket and by type of conventional or special conventional energy, for which they are willing to trade; (ii) distributors that are in default with any financial obligation within the scope of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) on the date of financial settlement of the Surplus Sale Mechanism will have their income captured to settle their debts, including that arising from the execution of financial guarantees; and (iii) to suspend the termination process, the defaulting buyer must pay the termination fine and other amounts eventually due. The Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) must directly promote or contract a financial institution for the services of deposit, valuation, custody and execution of the aforementioned financial guarantees.	REN provides for the institution of financial guarantees for participation in the MVE, aiming to provide greater security for distribution agents.

Publication	Description	Status
DSP 1.007 dated April 19, 2022	DSP 1.007/2022 grants the Administrative Request filed by Company EDP - Energias do Brasil upon approval of the exceptional flexibility of the limit introduced by item III of Article 111 of REN 1009 of 2022, for all distributors, referring to the MVE processing for 2022, with a value of 30%.	The flexibility requested by the Company was accepted. Thus, the increases in the limits declared in the MVE will be up to 30%.
REN 1.015 dated April 12, 2022	ANEEL concluded on February 21, 2022, the first stage of Subsidy Taking 002/2022, which deals with the review of Sub-module 2.3 of the Tariff Regulation Procedures (PRORET), related to the Regulatory Remuneration Basis (BRR) of power distributors. In short, taking subsidies proposes a review of the cost components that form the Remuneration Basis and questions which factors should be reviewed in the calculation methodology. The Remuneration Basis consists of the amount of investments made by the distributors in the provision of services and which will be covered by the tariffs charged to consumers.	Contributions were received, of which the distribution subsidiaries contributed, and are awaiting the conclusion of the next steps to assess the impacts of this decision.
REN 1.018 dated April 26, 2022	REN 1.018/22 Amends Normative Resolution 1009, of March 22, 2022, which establishes the rules regarding the contracting of energy by agents in the regulated and free contracting environments, and makes other provisions.	The REN 1.018/22 entered into force on June 1, 2022.
REN 1.044 dated September 30, 2022	Normative Resolution (REN) 1.044/2022 provides for the procedures for sharing the infrastructure of electric power concessionaires and permissionaires and revokes Normative Resolutions 375/2009 and 797/2017.	Normative Resolution (REN) 1.044/22 will be effective in November 1, 2022.
Normative Ordinance 50 dated September 28, 2022	The Ministry of Mines and Energy (MME) published the Normative Ordinance 50/2022, defining the load limit for the contracting of electric power by the consumers, as mentioned in §3, Article 15 of Law 9074/1995. As of January 1, 2024, consumers classified as Group A will be able to choose to purchase electric power from any concessionaire, permissionnaire or authorized electric power company in the National Interconnected System (SIN). Moreover, Group A consumers with an individual load lower than 500kW may also opt for the purchase of energy provided that they are represented by a retail agent before the Chamber of Commercialization of Electric Energy (CCEE).	The Company's Management has sought to structure itself as a group, preparing for the 2024 scenario.
ANEEL DSP 2.776 dated September 30, 2022	ANEEL Order 2.776/2022 recognizes investments related to the implementation of the Energy Efficiency Project, under code PE-00380-0042/2012, whose bidder is the subsidiary EDP Espírito Santo, in the amount of R$ 1,079.	The subsidiary EDP Espírito Santo recognized the planned investment according to operationalization in DSP.
REN 1.041 dated September 23, 2022	Normative Resolution (REN) 1.041/2022 approves the new versions of Sub-modules 7.4 and 9.4 for the Tariff Regulation Procedures (PRORET), applicable to electric power transmission public service concessionaires.	The Normative Resolution changes the TUST calculation methodology, improving the location signal of the tariff component. This rule will impact part of Grupo EDP - Energias do Brasil generators, but only after the end of the TUST stabilization cycle.
DSP 2.040 of August 8, 2022	DSP 2.040/2022, recognizing the amount of R$ 6,334, referring to September 2018, related to the reimbursement of costs with materials, equipment, taxes and services incurred with the implementation of the Ancillary Service of the Special Protection System - SEP in the jointly-controlled subsidiary São Manoel	The jointly-owned subsidiary São Manoel recognized the amount.
Normative Ordinance 1562 dated September 22, 2022	The Ministry of Mines and Energy (MME) published Normative Ordinance 1.562/2022 approving the framework in the Special Regime of Incentives for the Development of the Infrastructure (REIDI) of the project of reinforcements in electric power transmission installation, object of the ANEEL Authorizing Resolution 11645, of April 12, 2022, owned by the subsidiary EDP Goiás.	Normative Ordinance 1.562/22 came into force on the date of its publication.
REN 1.047, dated November 16, 2022	REN 1.047/22, amending REN 1.000, of December 7, 2021, to regulate Law 11.445, of 2007, as amended by Law 14.026, of 2020, which allows the collection of fees or tariffs arising from the provision of urban cleaning services and management of solid waste in the electric power bill.	REN makes it possible for distribution companies to charge for the provision of services in the energy bill, as is already the case with public lighting. Distributors may charge up to 1% of the amount collected.
DSP 3.333 dated December 01, 2022	DSP 3,333/22 recognizing the investments related to carrying out the Energy Efficiency Project, whose proponent is EDP Espirito Santo, in the total amount of R$ 2,985.	The subsidiary EDP Espírito Santo recognized the planned investment according to operationalization in DSP.
REH 3.165 dated December 23, 2022	REH 3165/22 ratifies the provisional monthly quotas of the Energy Development Account - CDE to be collected by the electricity distribution concessionaires as of January 1, 2023.	REN 3.165/22 entered into force on June 1, 2022, and provides for the monthly amount to be paid to the CDE of R$ 82.6 million for the subsidiary EDP São Paulo and of R$ 51.6 million for the subsidiary EDP Espírito Santo.

4.14 TUST – 2021/2022 tariff cycle

Publication	Description	Status
Normative Resolution 1021, dated May 30, 2022	REN 1.021/22 maintains the transition rule for generators that had the Tariff for Use of the Electric Power Transmission System – TUST revised and increased until the 2021/2022 tariff cycle, pursuant to Article 8 of REN 559/2013; and removes the transition rule: (i) from the 2022/2023 cycle onwards for generators with stabilized TUST whose calculation was defined under Normative Resolution 267/2007; and (ii) for generators that had their TUST stabilized, reviewed and reduced until the 2021/2022 tariff cycle.	REN 1.021/2022 removed the transition rule for UTE Porto do Pecém I, defining a credit of R$ 25,656 that will be available in the 2022/2023 tariff cycle, which started in July 2022

4.15 Authorizing Resolutions – extension of the grant period

CEJA

On April 26, 2022, ANEEL published Authorizing Resolution 11715 with an extension of 301 days in the grant period for UHE Santo Antônio do Jari.

Enerpeixe

On June 15, 2022, ANEEL published Authorizing Resolution 11.998 with an extension of 2,011 days in the grant term for UHE Peixe Angical.

Cachoeira Caldeirão, Energest (Note 4.19), Investco and São Manoel

On July 28, 2022, ANEEL published Authorizing Resolution 12.255 with the extension of 82 days within the granting period of UHE Cachoeira Caldeirão, 604 days within the granting period of UHE Mascarenhas, 980 days within the granting period of UHE Lajeado and 243 days within the granting period of São Manoel.

4.16 Supplementary Law (LC) 194

Publication	Description	Status
Supplementary Law 194, of June 23, 2022 and ANEEL Official Letter 54, of July 22, 2022	The aforementioned Complementary Law and the ANEEL Official Letter, addressed to Confaz and COTEPE/ICMS, consider, among other information, the inclusion of electric power as an essential and indispensable good and service, bringing ICMS rate limiters for collection, as well as other measures.	The management of the distribution subsidiaries applied the reduction in the ICMS rate to transactions covered by said supplementary law.

4.17 Transmission Companies - Tariff readjustment

On July 12, 2022, Homologatory Resolution (REH) 3.067 was approved, establishing criteria for the subsidiaries that went through review and adjustments and the Permitted Annual Revenues (RAP) for the provision of transmission facilities that are part of the basic network and other transmission facilities for a 12-month cycle, covering the period from July 1, 2022 to June 30, 2023, part of RAP in investment. In this same Homologatory Resolution, the effects of RAP increment and adjustments provided for in Order – DSP 1.425 were incorporated, which decided on the reconsideration requests filed by the transmission company (indirect subsidiary) EDP Goiás, in view of Homologatory Resolution 2.895, of July 13, 2021, which approved the RAP for the period from July 1, 2021 to June 30, 2022.

	RAP 2022 REH 3.067	RAP 2021 REH 2895	RAP 2021 REH 2.959
EDP Transmissão Aliança	239,182	214,070	214,070
EDP Transmissão Litoral Sul	60,781	54,399	54,399
EDP Transmissão SP-MG	277,590	248,444	248,444
Mata Grande Transmissora	10,145	9,080	9,080
EDP Goiás	289,005	222,106	241,498
	876,703	748,099	767,491

4.18 EDP Espírito Santo - 9th Periodic Tariff Review

ANEEL Homologatory Resolution 3.091 of August 5, 2022, ratified the result of the 9th periodic tariff review of the Company applied as of August 7, 2022.

The average effect perceived by consumers was 11.50%, whereas the average effect for high and medium voltage consumers was 12.46% while that for low voltage consumers was 11.10%.

In the Periodic Tariff Review process carried out every three years at the company, ANEEL recalculates regulatory costs liable to be managed by the distributor (Parcel B), which include: (i) the costs of Management, Operation and Maintenance (CAOM) and (ii) the Annual Cost of Assets (CAA). Not manageable costs (Parcel A), which include the energy purchased from generation companies, energy transportation, industry charges and financial restatements, are defined based projections for the subsequent 12 months, as well as the price variation in the twelve previous months.

X Factor is calculated based on components “Pd” (productivity gains) and “T” (trajectory to adaptation of operating costs), which will last over the entire cycle, in addition to component “Q” (incentive to quality), recalculated at every tariff process. Amounts were approved in: “Pd”: 0.84%; “T”: 0.86%; and “Q”: -0.33%.

In the composition of tariff review for 2022, the components for Remuneration on Capital and Regulatory Reintegration Quota are emphasized and are derived from the ratified Regulatory Remuneration Base. The Gross Remuneration Base was R$ 5.7 billion and the Net Remuneration Base is R$ 3.8 billion.

The regulatory index defined by ANEEL for the Technical Losses for the next cycle is 7.18% over injected energy. For Low Voltage Non-Technical Losses, the regulatory trajectory will reach the flat level of 11.80% for the cycle.

Based on this result, the Indemnifiable Financial Assets were adjusted by R$ 111,853 due to the difference between the assumptions used by the Company and those actually used by ANEEL during the Tariff Review process, mainly for the incremental investment adjustment, IPCA. versus Price Bank.

Financial item adjustment recognized by ANEEL in this process amounted to R$ 119,117, referring to not manageable costs (energy, transportation and charges) approved and those effectively incurred the subsidiary EDP Espírito Santo in the tariff period and estimate of future costs.

4.19 EDP - Energias do Brasil - Sale of 100% of the capital of subsidiary Energest

On August 30, 2022, the Company released a Notice to the Market informing that, on that date, a purchase and sale agreement was signed with a company owned by VH GSEO UK Holdings Limited, a subsidiary of Victory Hill Global Sustainable Energy Opportunities, to formalize the sale of 100% of the capital of Energest, as presented in Note 17, which owns Usina UHE Mascarenhas, with 198 MW of installed capacity and located in the state of Espírito Santo.

As of December 07, 2022 the Company disclosed a new Notice to the Market informing about the completion of the trading once all conditions precedent were met.

Due to the conclusion of this disposal, the Company wrote-off the balances of Non-Current Assets and Liabilities Held for Sale of this investment, which had been classified in this way in October 2021.

The transaction was completed in line with the terms and conditions previously disclosed in the total amount of R$ 1,225,000, having received, on said date, the amount of R$ 800,000 deducted from prepaid dividends and cash adjustments resulting in the net amount of R$ 707,655. The calculation of gains from the disposal of this operation is presented in Note 17.1.

4.20 EDP São Paulo - Annual Tariff Readjustment

As of October 18, 2022, the subsidiary EDP São Paulo communicated to the market that ANEEL, at an ordinary public meeting of its executive board held on that date, approved the annual tariff adjustment, to be applied as of October 23, 2022.

The average effect perceived by consumers will be 8.05%, whereas the average effect for high and medium voltage consumers was 20.04% while that for low voltage consumers was 2.35%.

During the Tariff Readjustment process, ANEEL adjusts the regulatory costs that can be managed by the distributor (Parcel B), while the not manageable costs (Parcel A) and the financial items are adjusted based on the price change noted in the prior ten months and projection for the subsequent twelve months. Parcel "B" was adjusted at 9.00%, resulting in a restated balance of R$ 1,730,957, in relation to Parcel B approved in 2021. IGP-M calculated for tariff period is +8.25% and X factor is 0.06%.

The items that most impacted the new tariffs were the increase in sector charges and the purchase of energy, still reflecting the water crisis faced in 2021. On the other hand, tariff mitigation measures were adopted, such as the reversal of PIS and COFINS credits and the loan of the water scarcity account, contributing to reduce the readjustment by 17%.

Financial item adjustment included by ANEEL in this process amounted to R$ 332,182 referred to the difference between not manageable costs (energy, transportation and charges) approved and those effectively incurred by subsidiary EDP São Paulo in the tariff period from 2022 to 2021, in addition to the estimated future costs and reversal of PIS and CONFINS credits in the amount of R$ 831,181.

4.21 Normative Ordinance 709, November 30, 2022

On December 2, 2022, the MME published Normative Ordinance 709, dated November 30, 2022, approving the methodology, criteria, assumptions and configurations contained in the Report named "Ordinary Review of Physical Energy Guarantee of Hydroelectric Power Plants - UHEs Dispatched Centrally in the National Interconnected System - SIN", of November 22, 2022, updated by the Energy Research Company - EPE and by the Ministry of Mines and Energy. As of January 1, 2023, its subsidiaries and joint ventures are in compliance with the new physical guarantee. The new physical guarantees are listed below:

	Assured energy (MWm)
Enerpeixe	266.6
Investco	579.9
CEJA	211.3
Cachoeira Caldeirão	123.3

4.22 EDP Trading - Lot 2 - Transmission Auction 2/2022

On December 16, 2022, the Company released a Notice to the Market informing that, in the Auction for the Concession of Public Electricity Transmission Service 2/2022, held by ANEEL on this date, the Company was the winner of Lot 2, located in the state of Rondônia, with RAP of R$ 24.9 million, a discount of 45.1%. This lot, with 188 km of transmission lines, has great synergy with EDP Transmissão Norte, located between the states of Acre and Rondônia, whose current physical construction progress is 22%. This synergy is maintained both in the construction process and in the operation and maintenance of the assets.

The result of this auction reinforces the presence of Grupo EDP - Energias do Brasil and the Company's strategy to maintain the reinforcement of investments in Transmission, with adequate profitability.

4.23 PCH Santa Leopoldina - Additional acquisition of EDP Goiás shares

In December 2022, the subsidiary PCH Santa Leopoldina acquired shares of the indirect subsidiary EDP Goiás. A total of 16,077 common shares were acquired at the price of R$ 10.30 each, totaling R$ 166. Thus, the Subsidiary started to hold 329,720,499 shares, which together represent 99.9989% of EDP Goiás's total capital.

4.24 Impairment of assets and fair value of UTE Porto do Pecém

On January 26, 2023, the Company released a Notice to the Market informing that, considering the cancellation of the Capacity Reserve Auction in the Power Modality that was scheduled to occur at the end of 2022, and that this was the first year in which the subsidiary Porto do Pecém could participate in this type of Auction, it carried out the tests provided for in CPC 01 (R1) - Impairment of Assets. In this sense, the reduction in the book value of assets of the subsidiary Porto do Pecém in the amount of R$ 833,576 (Note 34) was recognized, plus the reduction in the amount of deferred tax assets realizable in the amount of R$ 85,795.

Based on the value in use calculated in the scenarios, there was a need to write off the fair values recognized upon acquisition of all the shares of the subsidiary Porto do Pecém in 2015. This record, updated in December 2022, net of taxes, was R$ 286,838, totaling impairment of R$ 1,206,209.

Although this fact did not affect cash generation until July 2027, the Company, when carrying out the aforementioned impairment test, considered a weighting of the scenarios, after 2027, for the calculation of the recoverable amount, the enterprise value: (i) not recontracting; and (ii) rehiring in a possible Auction. Furthermore, the Company stressed that the recognition has no impact on the fulfillment of contracts and other obligations of the Company and Porto do Pecém, including financial covenants in relevant contracts; in the capacity of generating cash flow; in the net debt ratio; and in anticipation of payments, for the year 2023, of earnings provided for in its Dividend Policy, approved on August 28, 2020 (Note 32.2).

5 Cash and cash equivalents

	Note	Parent Company		Consolidated	
		12/31/2022	12/31/2021	12/31/2022	12/31/2021
Cash and banks		31,680	2,581	215,211	130,962
Interest earning bank deposits					
Bank Deposit Certificates – CDB	5.1	939,845	930,122	3,833,678	2,544,000
Repurchase agreement backed by Debentures	5.2			119,355	22,824
Investment Funds	5.3	9		28,952	1,704
		939,854	930,122	3,981,985	2,568,528
Total		971,534	932,703	4,197,196	2,699,490

Cash and cash equivalents include cash, bank deposits and high-liquidity short term investments, promptly convertible into a known sum of cash and subject to a low risk of change in market value, stated at a fair value corresponding to cost plus interest accrued up to the balance sheet date. Interest earning bank deposits have early redemption option of such securities, without penalties or loss of profitability.

The calculation of the fair value of financial investments, when applicable, is based on the market quotations for the instrument, or market information that permits this calculation, taking into consideration the projected future rates of similar instruments. In the case of investment funds, the fair value is reflected on the value of their quota.

Under Management's policies, investments are consolidated by investee and by credit rating in order to allow the evaluation of the concentration and credit risk exposure. That maximum exposure is also measured considering the shareholders' equity of the Financial Institution. For investment funds, there is no concentration of risk in a single management bank, since the risk is dispersed in the assets of the portfolio.

Grupo EDP - Energias do Brasil's exposure to interest rate, credit risks and a sensitivity analysis of financial assets and liabilities are disclosed in Note 38.2.1.

The changes in the Company's Cash and Cash Equivalents are presented in the Statements of Cash Flows.

5.1 Bank Deposit Certificates – CDB

As of December 31, 2022, the financial investments of the Company and its subsidiaries refer substantially to rates that varied from 90.00% to 109.00% of the Interbank Deposit Certificate (CDI) rate.

5.2 Repurchase agreement backed by Debentures

As of December 31, 2022, the repurchase agreement backed by Debentures refer to the parent companies and were remunerated at rates that varied between 81.00% and 96.00% of the Interbank Deposit Certificate - CDI.

5.3 Investment Funds

As of January 2018, the subsidiaries EDP São Paulo and EDP Espírito Santo established a Restricted Investment Fund called Discos Renda Fixa Fundo de Investimento Longo Prazo, managed by Itaú Unibanco S.A., in order to diversify the investment options and obtain higher efficiency and profitability with lower risk level.

This fund has daily liquidity and variable yield with its portfolio of assets linked to Treasury Bills – LFT, issued by the Brazilian Government, or Repurchase agreement backed by Federal Government Bonds, considered as extremely low risk and high liquidity. The fund quotas are held in custody with the administrator.

The Repurchase agreement backed by Federal Public Securities are classified as Cash Equivalents, since they have immediate liquidity with the issuer. The fund's profitability for the year was equivalent to 97.18% of CDI.

6 Securities

		Consolidated			
		Current		Non-current	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Investment Funds	6.1	1,952	11,722	6,697	2,500
Total		1,952	11,722	6,697	2,500

6.1 Investment Funds

The amount in Current refers, substantially, to securities of the subsidiary Porto do Pecém and result from investment in investment fund belonging to the financial institution with portfolio substantially composed of LFTs with yield equivalent to 96.96% of CDI. The Non-Current amount mainly refers to the Company's securities and arises from investment in Subordinated Junior Quotas of a credit receivables investment fund, a securitization vehicle set up to finance the supply chain of companies belonging to EDP- Energias do Brasil Economic Group.

7 Accounts receivable

		Consolidated													
		Current Values							Renegotiated amounts						
		Current Falling Due		Current Overdue					Renegotiated Falling Due		Renegotiation Overdue				
	Note	Up to 60 days	>60 days	Up to 90 days	91–180 days	181–360 days	>360 days	PECLD (Note 7.9)	Up to 60 days	>60 days	Up to 60 days	>60 days	PECLD (Note 7.9)	at December 31, 2022	at December 31, 2021
Current															
Consumers															
Billed supply	7.2														
Residential		248,364		271,155	48,197	80,680	318,776	(325,944)	24,844	70,869	17,051	68,364	(95,690)	726,666	852,904
Industrial		47,932		17,392	3,300	7,309	46,104	(36,732)	2,387	2,334	877	10,739	(4,452)	97,190	115,225
Commerce, services and other activities		89,565		54,122	8,849	25,920	111,825	(98,215)	4,841	14,005	3,254	20,023	(24,919)	209,270	252,545
Rural		31,331		26,126	4,844	12,010	31,403	(29,769)	4,109	8,486	1,747	4,202	(5,576)	88,913	98,149
Government															
Federal		1,581		176	61	79	192	(78)	55	5		63	(11)	2,123	2,961
State		3,608		373	114	738	866	(273)	21	28	2	72	(12)	5,537	6,727
Municipal		13,494		3,406	462	1,416	2,345	(1,000)	539	1,355	213	129	(68)	22,291	27,283
Public lighting		3,480		3,960	1,540	1,740	12,941	(14)	532	2,695	156	1,159	(1)	28,188	37,757
Public service		11,135		617	210	955	1,943	(637)	217	719	185	424	(297)	15,471	27,134
Free customers		128,845	1,055			3,010		(3,010)						129,900	119,014
Chargeable Services		104		2,134	1,033	1,442	6,627	(5,083)						6,257	3,808
Unbilled supply	7.3	504,981						(3,073)						501,908	641,266
(-) Collection under reclassification process		(18,075)												(18,075)	(2,242)
Other receivables	7.4	28,984		4		21	208							29,217	29,649
		1,095,329	1,055	379,465	68,610	135,320	533,230	(503,828)	37,545	100,496	23,485	105,175	(131,026)	1,844,856	2,212,180
Concessionaires															
Electricity supply	7.5	400,102		505		397	507	(397)	205					401,319	529,837
Short-term energy		9,655												9,655	18,297
Electricity network utilization charges	7.6	107,625		184	2		1,761	(678)	315	109				109,318	18,551
Other receivables		20,844												20,844	27,842
		538,226	-	689	2	397	2,268	(1,075)	520	109	-	-	-	541,136	594,527
Clients															
Energy Efficiency		2,341	13,164	719	233	92	3,541	(3,981)						16,109	22,133
Signature management services		488		112	39	13	150	(145)						657	1,539
Expenditure to be refunded		3,237	3,928	939	62	35		(97)						8,104	6,536
Generation of steam		11,700												11,700	7,793
Building solar power plant			2,997											2,997	953
Leases		7,428	3,039	308	486	167		(452)						10,976	9,333
Other customers		8,328	8	233		103	150	(220)						8,602	1,296
		33,522	23,136	2,311	820	410	3,841	(4,895)	-	-	-	-	-	59,145	49,583
Total current		1,667,077	24,191	382,465	69,432	136,127	539,339	(509,798)	38,065	100,605	23,485	105,175	(131,026)	2,445,137	2,856,290

		Consolidated								
		Current Falling Due		Current Overdue	PECLD	Renegotiated Falling Due	Renegotiation Overdue	PECLD	Net balance at December 31, 2022	Net balance at December 31, 2021
	Note	>60 days	>360 days	>360 days	(Note 7.9)	>360 days	>60 days	(Note 7.9)		
Non-current										
Consumers										
Billed supply	7.2									
Residential						69,296		(32,195)	37,101	9,213
Industrial				4,983	(3,213)	984		(489)	2,265	2,128
Commerce, services and other activities				18	(18)	21,767		(12,350)	9,417	3,537
Rural						5,114		(1,277)	3,837	775
Government										
Federal									-	2
State									-	3
Municipal						70	2,721		2,791	5,406
Public lighting						735	1,567		2,302	3,030
Public service						29	29	(14)	44	22
(-) Adjustment to present value						(1,844)	(1,676)		(3,520)	(730)
		-	-	5,001	(3,231)	96,151	2,641	(46,325)	54,237	23,386
Concessionaires										
Other receivables		910		119	(119)				910	909
		910	-	119	(119)	-	-	-	910	909
Clients										
Energy Efficiency			19,206						19,206	22,849
Expenditure to be refunded			11,041						11,041	19,745
Leases			65,536						65,536	37,088
Other customers	7.8		77,032						77,032	-
		-	172,815	-	-	-	-	-	172,815	79,682
Total non-current		910	172,815	5,120	(3,350)	96,151	2,641	(46,325)	227,962	103,977

The balance of Accounts Receivable is firstly recognized at fair value, at billed or value or to be billed, and subsequently measured at amortized cost using the method of effective interest rate, adjusted to present value, net of reductions for impairment, when applicable, including the liability tax of the Company and subsidiaries.

The balance of Consumers and Concessionaires refers mainly to: (i) The amounts billed to final consumers, distributor concessionaires and trading companies, as well as the income referring to energy supplied and not billed; (ii) the amounts receivable relating to the energy traded in the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE); and (iii) electricity network utilization charges.

7.1 Characteristics of accounts receivable

• Generation

The receipt of payments for the sale of energy made by the generation subsidiaries, with the exception of the subsidiary Porto do Pecém, related to bilateral agreements, occurs substantially with single maturity in the month following that of the income recognition. Agreements in the Regulated Contracting Environment are broken down into three equal installments falling due on the 15th and 25th days of the month following income recognition, and on the 5th day of the second month subsequent to recognition.

For the subsidiary Porto do Pecém, agreements are broken down into three installments, with the first installment falling due on the 10th day of the month following income recognition and the second installment on the 20th day of the subsequent month and the last one on the 10th day of the second month subsequent to recognition.

Power purchase agreements in the short-term market are settled according to Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) regulations; however, the average term for settlement is about 45 days after income recognition.

• Transmission

The Permitted Annual Revenue (RAP) remunerates the investment in Transmission Lines and the Operation and Maintenance services. The balances are fully due and initially recognized at fair value, by billed amount, and are subsequently measured at amortized cost at the effective interest rate method, adjusted at present value less recoverable value, when applicable, including respective taxes of tax liability. As required by CPC 48 - Financial Instruments, the balance of Concessionaires is analyzed in a simplified manner is formed when necessary to cover any losses in the realization of these assets.

• Distribution

Bills issued to residential, industrial, rural and commercial consumers fall due within a minimum period of 5 working days as of the date of respective presentation. In the case of governmental, public lighting and utility consumers, the minimum term until the due date is 10 business days. However, the company offers consumers the option of changing the due date of the bill (6 different date options) over the course of the month.

• Sales

For the trading subsidiaries, a substantial percentage of sales occurs in bilateral agreements. Therefore, the payment terms are negotiated freely between the parties, yet most incoming payments arrive on the 6th business day subsequent to income recognition.

• Clients

For these subsidiaries, the recognition of income linked to the construction of solar power plants and to the energy efficiency services occurs throughout the construction phase of the project via the input method, and payments can be received in two different ways: (i) with advance payments in the construction phase and the outstanding balance upon delivery of the project; and (ii) in installments over a particular period established in an agreement.

The balances are initially recognized at fair value, by billed or unbilled amount, and are subsequently measured at amortized cost at the effective interest rate method, adjusted at present value at the financing fee of each project, less recoverable value, when applicable, including respective direct taxes of tax liability.

In regard to steam sales and the subscription management service, income is recognized through the monthly measurements relating to the delivery of steam for the production of energy and according to the service provision, respectively, with the receipt of both scheduled around 30 days after income recognition.

7.2 Distributors – Billed supply

The observed reduction refers to: (i) on December 31, 2022, there was an increase in the balance provisioned for estimated allowance for doubtful accounts (Note 7.9) when compared to the previous year, causing a decrease in the balance of accounts receivable; and (ii) the green tariff flag in effect from May to December 2022, which resulted in a reduction in receivable balances (Note 4.5). Additionally, there was also an impact from the

7.3 Distributors - Unbilled supply

The change observed in the item refers to the impact of the unbilled supply resulting from the reduction in the tariff flag in 2022 when compared to 2021 (Notes 4.5 and 33.9), in addition to the impact from the application of Supplementary Law 194/2022 (Note 4.17).

7.4 Other receivables - Consumers

Out of the balance on December 31, 2022 of R$ 43,296 (R$ 29,649 on December 31, 2021), R$ 27,415 (R$ 27,415 on December 31, 2021) refers to the balance of Emergency Capacity Charges - ECE, effective from March 2002 to January 2006, and Charge for Acquisition of Emergency Electric Power - EAEEE under litigation, effective in January and February 2004, under litigation. Considering that those amounts must be transferred on to emergency power trading company (Comercializadora Brasileira de Energia Emergencial - CBEE), the subsidiary EDP Espírito Santo has a liability as of December 31, 2022 in the amount of R$ 43,291 (R$ 28,442 as of December 31, 2021) (Note 29).

7.5 Concessionaires – Electricity supply

The reduction of electric power supplies refers to: (i) to the subsidiary Porto do Pecém, which, in 2022, was not dispatched by the ONS given the improvement in the country's water scenario (Note 4.5); (ii) the subsidiary Enerpeixe, due to the seasonality strategy exercised by the subsidiary in relation to the sales contracts, which for the year were higher when compared to the year 2022; and (iii) the subsidiary EDP Trading, where there was an increase in the sale of energy contracts.

7.6 Concessionaires - Electricity network utilization charges

The increase presented in the year refers to (i) acquisition of subsidiary EDP Goiás (Notes 4.7 and 18.1); and (ii) EDP Transmissão Aliança, EDP Transmissão SP-MG, EDP Transmissão Litoral Sul and Mata Grande Transmissão, which went into full operation in February, May, July and August 2022, respectively. Thus, the change occurs due to RAP billing from June to December 2022. The Permitted Annual Revenue (RAP) remunerates the investment in the Transmission Line and the Operation and Maintenance services.

7.7 Adjustment to present value

The balances renegotiated are recognized at present value, considering the amount to be deducted, performing dates, settlement dates and the discount rate.

For distribution subsidiaries, the adjustment to present value, regulated by CPC 12 - Adjustment to present value, was calculated based on the average remuneration of capital, applied by ANEEL in their tariff reviews. This rate is compatible with the nature, term and risks of similar transactions at market conditions. On December 31, 2022 and December 31, 2021, corresponding rate for EDP São Paulo and EDP Espírito Santo is 12.26% p.a., negatively affecting distributors' financial result by R$ 2,790 (R$ 484, positively, in 2021).

For subsidiaries EDP Smart Soluções and EDP Smart Serviços, the adjustment to present value considers the return rate of each project, positively affecting the result for the year by R$ 4,053 (R$ 3,903 in 2021).

7.8 Other clients

The increase in the balance for the period refers to the subsidiary EDP Smart Serviços, due to the recognition of a lease agreement for the photovoltaic plant located in the municipality of Janaúba - MG, whose minimum expected generation is 10,038Mwh, for which an amendment was signed changing the contractual term to 23 years, thus valid until December 31, 2045. Considering the changes resulting from the amendment, the contract presented characteristics of a finance lease. Therefore, the considerations discounted at the implicit rate were initially recognized.

7.9 Estimated loss from allowance for doubtful accounts - PECLD

	Consolidated				
		Expected PECLD	Review of risk (i)		
	Balance at 12/31/2021	Throughout life	PECLD	(loss) from losses	Balance at 12/31/2022
Consumers					
Residential	(388,086)	(116,578)	567	50,268	(453,829)
Industrial	(45,688)	(7,448)	(959)	9,209	(44,886)
Commerce, services and other activities	(127,639)	(24,632)	965	15,804	(135,502)
Rural	(36,900)	(8,652)	6,365	2,565	(36,622)
Government	(1,519)	(27)	278	(174)	(1,442)
Public lighting	-	(318)	(1,489)	1,792	(15)
Public service	(792)	(229)	41	32	(948)
Free customers	(2,867)		(143)		(3,010)
Chargeable Services	(5,095)		12		(5,083)
Not billed	(4,331)	1,258			(3,073)
	(612,917)	(156,626)	5,637	79,496	(684,410)
Concessionaires	(498)		(696)		(1,194)
Clients	(4,298)	(569)	(28)		(4,895)
Total	(617,713)	(157,195)	4,913	79,496	(690,499)
Current	(597,362)				(640,824)
Non-current	(20,351)				(49,675)

(i) The risk matrix is evaluated annually, but the study may be reevaluated if the estimated losses on doubtful accounts (PECLD, in Portuguese) behaves differently from the expected outcome.

For distribution and trading subsidiaries, according to studies carried out by the Company for the year ended December 31, 2022, new PECLD percentages were applied, referring to 2022 billings based on a new study carried out by the Matrix. The matrix prior to the COVID-19 pandemic continues to be applied to billings for the aforementioned year, and no significant increase in expected loss was identified, as presented in the table below.

The percentages of expected losses segregated by class of consumption, applied upon the first recognition of receivables are as follows:

	12/31/2022							
	EDP São Paulo				EDP Espírito Santo			
	Irregular Consumption		Irregular Consumption		Irregular Consumption		Irregular Consumption	
			Active customers				Active customers	
	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage
Residential	1.19%	n/a	22.56%	n/a	1.79%	n/a	21.42%	n/a
Industrial	1.64%	0.23%	21.01%	8.51%	2.10%	0.82%	14.86%	7.37%
Commerce, services and other activities	0.75%	0.86%	10.93%	1.84%	1.07%	0.72%	13.31%	n/a
Rural	0.47%	n/a	14.62%	n/a	1.08%	0.11%	7.50%	n/a
Government	0.04%	n/a	4.51%	n/a	0.01%	0.00%	0.00%	n/a
Public lighting	0.01%	n/a	n/a	n/a	0.13%	0.04%	4.55%	n/a
Public service	n/a	n/a	n/a	n/a	n/a	0.18%	n/a	n/a

	12/31/2021							
	EDP São Paulo				EDP Espírito Santo			
	Irregular Consumption		Irregular Consumption		Irregular Consumption		Irregular Consumption	
			Active customers				Active customers	
	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage	Low voltage	Medium and high voltage
Residential	1.09%	n/a	17.32%	n/a	1.69%	n/a	13.01%	n/a
Industrial	1.86%	0.66%	9.93%	23.68%	1.77%	n/a	27.28%	7.37%
Commerce, services and other activities	0.84%	0.46%	24.25%	n/a	1.02%	0.46%	20.79%	n/a
Rural	0.35%	0.03%	14.62%	n/a	1.84%	0.01%	10.94%	n/a
Government	n/a	n/a	n/a	n/a	0.16%	n/a	24.75%	n/a
Public lighting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Public service	n/a	n/a	n/a	n/a	0.08%	0.18%	n/a	n/a

For PECLD purposes, the management of distribution subsidiaries adopted the following measurement assumptions as a practice:

- The monthly application of a default matrix, based on collection analyses;
- The grace period between expected losses and the application of the matrix is now 4 months;
- Review of credit risk from irregular consumption, based on historical customer information;
- Updating of credit risk by the current economic scenario considering the projection of the parameters of the regional LCA indicator for the concession area; and
- Receivables portfolio collection period in 60 months, which converges to the regulatory period for credit recovery with consumers.

For the year ended December 31, 2022, there was no change in the measurement assumptions.

The Company's exposure to credit risks is disclosed in Note 38.2.4.

8 Sectorial financial assets and liabilities

	Consolidated									
								Amortization amounts		
	Balance at 12/31/2021	Allocation	Amortization (i)	Inflation adjustment	Balance at 12/31/2022	Current	Non-current	IRT (*) 2022	IRT (*) 2023	IRT (*) 2024
CVA										
Purchase of energy (ii)	259,398	(881,881)	(52,876)	(42,502)	(717,861)	(508,712)	(209,149)	(368,370)	(436,777)	87,286
Itaipu Energy Cost (iii)	566,243	167,662	(430,983)	51,099	354,021	286,085	67,936	250,216	103,805	
PROINFA (iv)	28,507	73,808	(44,534)	5,057	62,838	65,066	(2,228)	65,927	(3,089)	
Basic Network Transportation (v)	93,652	115,356	(99,178)	9,057	118,887	72,721	46,166	51,883	67,004	
Energy Transportation - Itaipu	15,084	13,445	(12,319)	1,368	17,578	12,034	5,544	9,183	8,395	
System Service Charges - ESS/Energy Reserve Charges - EER (vi)	527,929	(328,504)	(169,812)	41,287	70,900	113,599	(42,699)	114,826	(43,926)	
Energy Development Account - CDE (vii)	(101,676)	246,145	11,311	27,222	183,002	151,561	31,441	134,646	48,356	
	1,389,137	(593,969)	(798,391)	92,588	89,365	192,354	(102,989)	258,311	(256,232)	87,286
Financial items										
Overcontracting of energy (viii)	(79,908)	224,646	42,881	(4,412)	183,207	56,990	126,217	(15,693)	198,900	
Neutrality of Parcel A (ix)	(40,827)	26,895	32,573	(220)	18,421	2,752	15,669	(644)	5,353	13,712
Exceeding of Demand and Reactive Energy Surplus (x)	(249,623)	(103,893)	185,920	(1,117)	(168,713)	(70,958)	(97,755)	(44,791)	(85,781)	(38,141)
Hydrological Risk (xi)	(362,418)				(362,418)	(169,025)	(193,393)	(215,201)	(147,217)	
Other (xii)	54,064	(165,233)	317,241	9,510	215,582	(10,117)	225,699	44,011	172,346	(775)
	(678,712)	(17,585)	578,615	3,761	(113,921)	(190,358)	76,437	(232,318)	143,601	(25,204)
PIS and COFINS										
PIS/COFINS Technical Note 115/04	21,305		(30,144)		(8,839)	(8,839)			(8,839)	
Exclusion of ICMS from PIS and COFINS basis (Note 9.2.2)	(1,425,643)		548,788	(93,169)	(970,024)	(952,123)	(17,901)	(970,024)		(17,901)
	(1,404,338)	-	518,644	(93,169)	(978,863)	(960,962)	(17,901)	(970,024)	(8,839)	(17,901)
Total	(693,913)	(611,554)	298,868	3,180	(1,003,419)	(958,966)	(44,453)	(944,031)	(121,470)	44,181
Current assets	643,174				80,687	80,687				
Non-current assets	786,263				72,641		72,641			
Current liabilities	627,003				1,039,653	1,039,653				
Non-current liabilities	1,496,347				117,094		117,094			

(*) IRT - Tariff repositioning index

Income from subsidiaries EDP São Paulo and EDP Espírito Santo is basically comprised by the sale of electricity and delivery (transport) thereof by using infrastructure (network) from distribution. Income from concessionaires is affected by the amount of energy delivered and the price. Electricity tariff consists of two parts that reflect the composition of the income:

• Parcel "A" (non-manageable costs): this installment must be neutral vis-à-vis the Entity's performance, i.e. the costs incurred by the distributors, that may be classified as Parcel "A", are fully passed on to the consumer or shouldered by the Concession Grantor; and

• Parcel "B" (manageable cost): comprises disbursements in the distribution infrastructure and respective return on the investment and disbursements with operation and maintenance. This part is the one that actually affects the distributors' performance, as it has inherent risk of business because there is no guarantee of tariff neutrality.

Sectorial financial assets and liabilities refer to the values originated from the difference between costs estimated by ANEEL and included in the tariff at the onset of the tariff period (Parcel "A") and those that are actually incurred during the tariff period. This difference is subsidiaries' unconditional right to receive cash from Concession Grantor where the budgeted costs are lower than costs actually incurred, or an obligation when the budgeted costs outweigh costs actually incurred. These are segregated into assets and liabilities in accordance with ratification schedule of tariffs by ANEEL in next tax proceedings.

During the tariff adjustments ANEEL recalculates the amounts actually invoiced and collected, pursuant to current regulations, with the purpose of guaranteeing the financial settlement of these amounts, without prejudice to the economic and financial balance of the concession, reducing the risk of losses to immaterial amounts.

They are approved annually by ANEEL and included in the electric power tariff through Tariff Adjustments or Reviews that, in EDP Espírito Santo, occur on August 7, and, in the EDP São Paulo, on October 23.

The amounts included in the sectorial financial assets and liabilities are:

• Account for compensation in change of Parcel "A" costs - CVA: It consists of the cost change with the acquisition of electricity, connection and transmission, in addition to sectorial charges. The CVA must be neutral vis-à-vis the Distributor's performance, i.e. the changes calculated are fully passed on to the consumer or shouldered by the Concession Grantor; and

• Financial items: They refer to other financial components that are rights or liabilities that are also part of the tariff composition, including: Overcontracting of energy; Neutrality of industry charges; and Financial exposure to spot market for the price difference between Submarkets.

The Amortization process is conducted on a monthly basis and corresponds to receipt/return through application of prevailing tariffs approved in last tariff events. Regarding financial items, the monthly amortization amounts correspond to 1/12 of total amounts homologated by ANEEL. For CVA, the monthly amortization is made according to the market curve. Amounts refer to difference between incurred costs and costs included in tariff up to reference month closing date to be approved in next tariff processes.

The distributors recognize its sectorial financial assets and liabilities based on "OCPC 08 – Recognition of Certain Assets and Liabilities in the General Purpose Accounting-Financial Reports of Electricity Company, issued in accordance with Brazilian and International Accounting Standards", in such a way that the records of financial assets and liabilities stemming from the differences found in items of Parcel A and other financial components in each accounting year have, as a contra entry, the item Income from the Sale of Goods and Services, in P/L for the year, as well as the Company's best estimate regarding the financial amount to be realized as a result of the full compliance with the performance obligation completed in the period, considering all existing facts and circumstances that support the transaction.

8.1 Material effects in the year

Total sectorial liabilities net of assets amounted to R$ 693,913 as of December 31, 2021, whereas the total sectorial liabilities net of assets is equivalent to the amount of R$ 1,003,419 as of December 31, 2022. The change in the year, amounting to R$ 309,506, was caused by the following reasons:

(i) Amortization: In the year, it was transferred to consumers through the energy bill the amount of R$ 298,868 related to net sectorial liabilities approved by ANEEL.

(ii) Purchase of energy: The change in the appropriation referring to the Power Purchase amounts is due to a situation of seasonality associated with 2021 energy scenario in relation to the average scenario foreseen for the tariff year of the distributors. Furthermore, it should be noted that in 2022, due to the inflows recorded, there was a reduction in the activation of thermoelectric plants (Note 4.5). Moreover, until mid-April, the Water Scarcity Tariff Flag (Note 33.9) was effective, which contributed to mitigating the deficit recorded at the end of 2021.

(iii) Itaipu Energy Cost: Itaipu's electricity costs attributed monthly to the distributors are valued in accordance with the US dollar exchange rate. In the 2021 tariff process of the subsidiary EDP São Paulo, carried out in August of that year, an assumption of R$ 5.10 was considered for the definition of the tariff coverage. For the 2022 tariff process, the assumption considered was R$ 5.34. However, the US dollar exchange rate verified in the current year has changed, contributing to the formation of the result under analysis. Moreover, another factor that explains the verified change stem from the CVA calculation methodology, in which Itaipu energy price is compared monthly, as well as the price of other energy contracts, with the Average Coverage Rate (TMC). TMC is a weighted average prices of the subsidiary's energy contracts planned for its tariff year. Therefore, the price of energy from Itaipu for the year was higher than TMC, resulting in the formation of a regulatory asset.

(iv) PROINFA: The change in the year analyzed is due to the increase in the value of PROINFA quotas, when compared to the tariff coverage defined in the 2021 Adjustments. The publication of the 2022 PROINFA quotas was defined by REH 2995/21.

(v) Basic network transportation: The balance observed in the year refers to the effect of the increase in Transmission Tariffs (TUST) for the 2022/2023 cycle, which remunerates the Basic Network costs and other transmission charges. The transmission tariffs for the 2022/2023 cycle were defined by REH 3066/22.

(vi) System Service Charges - ESS/Energy Reserve Charges - EER: The ESS/EER costs attributed to the Distributors for the year were higher than the expected amounts of tariff coverage, mainly due to the activation of thermoelectric plants dispatched out of order of merit. Furthermore, in the year verified, the Reserve Energy charge was billed, with the objective of remunerating the generators that operate in this modality. This thermoelectric allocation refers to the context of the water crisis mentioned in Note 4.5.

Additionally, we have the effect of the cost of the Incentive Program for the Voluntary Reduction of Electric Power Consumption, which according to CREG Resolution 2 (Note 4.4) will be recovered through the charge intended to cover the System Service Costs, following the Official Letters 131/2022-SGT/ANEEL and 132/2022-SGT/ANEEL, in addition to Order 397/2022 (Note 4.5), the costs were accounted for in March 2022.

(vii) Energy Development Account (Conta de Desenvolvimento Energético - CDE): the positive change accumulated in the year analyzed is due to the increase in the value of shares when compared to 2021. The publication of CDE quotas to be collected by the Distributors was defined by Homologatory Resolution 3004/22 (Note 4.3).

(viii) Overcontracting of energy: The appropriation of amounts in the year was due to participation in the Surplus Sale Mechanism (MVE), the subsidiary EDP São Paulo negotiated 158.00/MWm at a price of R$ 280.45/MWh, and the subsidiary EDP Espírito Santo negotiated 119.07 MWm at a price of R$ 286.93/MWh.

The Order 2.508/2020 issued by the Market Regulation (SRM) and Tariff Management (SGT) Superintendencies, disclosing the amounts of involuntary overcontracting in years 2016 and 2017, the subsidiaries and ABRADEE filed administrative appeals to: (a) review the criterion used by the Superintendencies in calculating the maximum effort, to recognize the willingness to overcontracting in year 2017, in accordance with current regulations; and (b) request the suspension of the effects of said Order, while the merits of the appeals have not been assessed. Regarding the revision of the maximum effort criterion, ANEEL should evaluate the merits of the Administrative Appeals presented, whose decision will be the responsibility of the Agency's Collegiate Board. Regarding the second point, ANEEL's executive board issued Order No. 2.897/2020 denying the granting of suspensive effect to Administrative Appeals.
In December 2021, Technical Note 121/2021–SRM/SGT/ANEEL was issued with new criteria for calculating involuntary overcontracting regarding the maximum effort, migration of free consumers and effects of the distribution of quotas that reflect on the amounts of 2016 onwards.
In August 2022, Order 2.169/2022 was published, which recognized the amount of exposure and involuntary overcontracting for 2016 and 2017, recognizing the withdrawal of the economic criterion for calculating the involuntary overcontracting, with a favorable decision regarding the suspensive effect of Order 2508/2020. Moreover, it also decided to withdraw the adoption of a new maximum effort, as mentioned above.
Finally, it is worth mentioning that in the 2018 Tariff Readjustment of subsidiary EDP Espírito Santo, the Collegiate Board of ANEEL elected to anticipate the tariff treatment of its over-contracting as a volunteer for the 2016 and 2017 fiscal years, based on a regulatory claim filed by the subsidiary, according to the decision made at the 28th ANEEL Board of Directors' Meeting in 2018 and approval of ANEEL Homologatory Resolution 2432/2018. Despite the 2018 decision, ANEEL is deducting the amount of overcontracting referring to 2017 from the current tariff. Moreover, on December 31, 2022, the balance of R$ 1,495 refers to the recognition of the recomposition right.
(ix) Neutrality of Parcel A: In the year under analysis, there was a market growth in which distributors are in relation to the benchmark market of the 2021 Tariff Readjustment, therefore causing a higher payment of Sectorial Charges. The differences will be transferred to consumers in the 2022 tariff process.

(x) Exceeding of Demand and Reactive Energy Surplus: These refer to billings made by distributors, referring to the portion of inefficiency in the use of Demand and Reactive electricity network by medium and high voltage consumers. These billed amounts refer to sector liability, to be reversed in the tariffs at the time of the Tariff Review of the distributors.
(xi) Hydrological Risk Forecast – Anticipation: The amounts in allocation for the year under analysis refer to the tariff coverage of the Hydrological Risk costs, provided for in the previous tariff process, which face the GSF costs for the hydroelectric plants of Itaipu, Cotas and Repactuação CCEAR. This forecast is based on the GSF expectation for the next 12 months, in addition to the benchmark PLD at the time of the tariff process.
(xii) Other: The amount observed in the year refers mainly to the provisions for Tariff Flags. At the end of the year 2021, the Water Scarcity Tariff Flag was effective (Note 4.5), whose provisioned amounts were high. As of December 31, 2022, the Green Flag is in effect (Note 33.9).

9 Income tax, social contribution, and other taxes

		Parent Company							
	Note	Balance at 12/31/2021	Addition	Write-offs	Inflation adjustment	Advances / payments	Federal tax offsetting	Transfer	Balance at 12/31/2022
Offsettable assets									
Recoverable income tax and social contribution	9.1	112,181			4,655	7,295	(103,800)	79,400	99,731
Total		112,181	-	-	4,655	7,295	(103,800)	79,400	99,731
Current		56,760							99,731
Non-current		55,421							
Other recoverable taxes									
ICMS		-	25						25
PIS and COFINS		411	928					(927)	412
Income tax on interest earning bank deposits		60,124	9,121					(61,857)	7,388
IRRF (Withholding income tax) on interest on own capital		-	69,372					(20,243)	49,129
Withholding income tax and social contribution on billing		990	18					(4)	1,004
Other		3,524	59					(125)	3,458
Total		65,049	79,523	-	-	-	-	(83,156)	61,416
Current		63,140							61,416
Non-current		1,909							
Liabilities payable									
Income tax and social contribution payable		3,899				(1,072)		(2,827)	-
Total current		3,899	-	-	-	(1,072)	-	(2,827)	-
Other taxes payable									
PIS and COFINS		34,146	43,908			(11,723)	(41,222)	(1,336)	23,773
Taxes on services rendered by third-parties		2,443	7,957			(6,773)			3,627
IRRF (Withholding income tax) on interest on ov	9.5	68,222	97,686	(5,644)			(62,578)	407	98,093
Installments	9.6.1	16,983			832	(5,803)			12,012
Personnel charges		11,873	22,494			(18,392)			15,975
Other		433	486		2				921
Total		134,100	172,531	(5,644)	834	(42,691)	(103,800)	(929)	154,401
Current		122,691							148,346
Non-current		11,409							6,055

	Note	Consolidated								
		Balance at December 31, 2021	Addition	Write-offs	Inflation adjustment	Advances / Payments	Federal tax offsetting	Acquisition of companies (Note 18.1)	Transfer	Balance at 12/31/2022
Offsettable assets										
Recoverable income tax and social contribution	9.1	420,603		(89)	32,805	80,510	(218,594)	2	22,557	337,794
Total		420,603	-	(89)	32,805	80,510	(218,594)	2	22,557	337,794
Current		280,791								238,560
Non-current		139,812								99,234
Other recoverable taxes										
ICMS	9.3	259,345	202,824	(59)		5,656	(170)		(46,772)	420,824
PIS and COFINS	9.2	1,116,479	1,079,189		52,759	(22,889)	(849,395)		(1,048,335)	327,808
Income tax on interest earning bank deposits		77,007	62,933	(5)					(87,619)	52,316
on own capital		1,840	85,436						(22,083)	65,193
contribution on billing		6,940	7,086	(346)				182	(6,655)	7,207
Other		22,332	4,112	(1,378)	8	38	(223)	2,043	(10,509)	16,423
Total		1,483,943	1,441,580	(1,788)	52,767	(17,195)	(849,788)	2,225	(1,221,973)	889,771
Current		552,974								456,679
Non-current		930,969								433,092
Liabilities payable										
Income tax and social contribution payable		136,043	539,726		2,987	(145,252)	(231,360)	3,437	(93,743)	211,838
Total current		136,043	539,726	-	2,987	(145,252)	(231,360)	3,437	(93,743)	211,838
Other taxes payable										
ICMS	9.4	302,327	2,362,071		13,660	(2,533,496)	(170)		(46,761)	97,631
PIS and COFINS		131,071	1,852,105		30	(151,667)	(685,432)	1,992	(1,059,191)	88,908
Taxes on services rendered by third-parties		12,367	108,148		74	(104,915)			(116)	15,558
tax) on interest on own capital		116,453	171,470	(5,646)		(15,079)	(116,810)		407	150,795
Installments		334,394			30,746	(45,710)				319,430
Personnel charges		25,477	188,691		36	(159,551)	(25,174)	1,776	(12)	31,243
Other		4,788	16,228		2,636	(21,474)		473		2,651
Total		926,877	4,698,713	(5,646)	47,182	(3,031,892)	(827,586)	4,241	(1,105,673)	706,216
Current		634,891								433,864
Non-current		291,986								272,352

As required by CPC 32 - Income taxes, the Company and its subsidiaries present current income tax and social contribution consolidated assets and liabilities at its net value when: (i) could be offset by the same tax authority; and (ii) the tax legislation permits that the Company and its subsidiaries settle or receive the tax in lump sum.

9.1 Income tax and social contribution - Assets to offset - Parent company

The recorded amounts refer mostly to tax withholdings at source and respective restatements based on the Selic (Central Bank) rate. That balance is mostly offset with withholding income tax on declared interest on own capital and PIS and COFINS on financial income.

9.2 PIS and COFINS

9.2.1 PIS and COFINS – Offsettable Assets - Consolidated

The subsidiary Enerpeixe recalculated the PIS and COFINS due to the change from cumulative to non-cumulative regime in the period from September 2011 to December 2015, generating a credit of R$ 134,244, of which the amount of R$ 83,439 (R$ 78,071 as of December 31, 2021) is net of offsets up to December 31, 2022, with a monetary restatement of R$ 20,371 (R$ 15,127 as of December 31, 2021) and offsets in the amount of R$ 71,300 (R$ 71,300 as of December 31, 2021). This credit is being offset against the respective debits of these taxes, as the electricity billings are carried out.

9.2.2 Distributors - Exclusion of ICMS from PIS/COFINS calculation basis

As of April 3, 2019 and December 10, 2019, the distribution subsidiaries EDP Espírito Santo and EDP São Paulo were granted an unappealable favorable decision in a lawsuit, in which the right not to include the ICMS amounts in the PIS and COFINS calculation basis was granted, as well as the right to recover the amounts previously collected. The Brazilian Federal Revenue Service granted the request for credit qualification. Regarding the tariff treatment, the distributors inquired ANEEL and received a response through Official Letter 392 on November 19, 2019, with the guidance that the agency, through its technical areas, is analyzing the best way to transfer the amounts recovered to tariffs approved to consumers of the Concessionaires. On March 17, 2020, ANEEL opened Subsidies Taking No. 5/2020, seeking to obtain subsidies through "Social Participation" for the formulation of its position regarding the treatment to be given by electricity distributors to tax credits arising from these lawsuits.

On February 11, 2021, ANEEL opened Public Consultation 5/2021, aiming to define the methodology for returning tax credits to consumers. The agents' contribution period extended until March 29, 2021, whose main points of discussion presented in Technical Note 9/2021 SFF/SGT/SRM/SMA/ANEEL, were related to: (i) amounts to be returned at each tariff cycle of distributors; (ii) time needed for the return; and (iii) operationalization of the return.

The subsidiary EDP Espírito Santo, through letter CT-EDP-ES-61/2021, EDP Espírito Santo requested the consideration of anticipating the reversal of these credits as extraordinary negative financial component to be offset against the total amount provided by the Brazilian Federal Revenue Service. On July 29, 2020, the Tariff Management Superintendence (SGT), through Technical Note 170/2020-SGT/ANEEL, consolidated the calculation of the Annual Tariff Readjustment - RTA 2021 of the subsidiary, for the tariffs applied to consumers as of August 7, 2021.

Through letter CT-EDP-SP-64/2021, the subsidiary EDP São Paulo requested the consideration of anticipating the reversal of credits as extraordinary negative financial component to be offset against the total amount provided by the Brazilian Federal Revenue Service. As of October 20, 2021, the Tariff Management Superintendence (SGT), through Technical Note 236/2021-SGT/ANEEL accepted the Company's request and consolidated the calculation of the Annual Tariff Readjustment - RTA 2021 of the Company, for the tariffs applied to consumers as of October 23,

On June 27, 2022, Law 14.385/22 was enacted, amending Law 9.427/96 with the objective of disciplining the return of overpaid taxes by the providers of the public service of electric power distribution. The current law supports ANEEL to reverse credits in favor of consumers, within the scope of the concessionaires' tariff processes, a practice adopted by the Agency on a provisional basis since the 2020 Tariff Adjustment of EDP Espírito Santo and the 2021 Tariff Adjustment of EDP São Paulo.

On July 29, 2022, the subsidiary EDP Espírito Santo, through Technical Note 147/2022-SGT/ANEEL, consolidated the calculation of the Periodic Tariff Review - RTP 2022 of the company, for the tariffs applied to consumers as of August 7, 2022 (Note 4.18). In the process, the amount of the credits already obtained from the Brazilian Federal Revenue Service until June 2022 was considered, as well as the monthly use provided for by the distributor for the next 12 months, making a negative financial component in the updated amount of R$ 463,358.

On October 13, 2022, the subsidiary EDP São Paulo, through Technical Note 190/2022-SGT/ANEEL, consolidated the calculation of the Annual Tariff Readjustment - RTA 2022 of the company, for the tariffs applied to consumers as of October 23, 2022 (Note 4.20). In the process, the amount of the credits already obtained from the Brazilian Federal Revenue Service until September 2022 was considered, as well as the monthly use provided for by the distributor for the next 12 months, making a negative financial component in the updated amount of R$ 821,001.

Thus, the amount recognized in the sectorial financial liabilities item (Note 8) refers to the monetarily restated principal amount. Changes in said amounts are in accordance with the Brazilian Federal Revenue Service (RFB) Consultation Solution 13/2018, including inflation adjustment and offsetting as of December 31, 2022, as follows:

		Balance at 12/31/2021	Addition	Restatement	(-) Offset	Balance at 12/31/2022
Exclusion of own ICMS from PIS and COFINS calculation basis	EDP Espírito Santo	381,228		17,461	(364,289)	34,400
	EDP São Paulo	463,614	1,605	21,501	(479,252)	7,468
		844,842	1,605	38,962	(843,541)	41,868

9.3 ICMS - Assets to offset - Consolidated

Of the amount on December 31, 2022 in the amount of R$ 420,824 (R$ 259,345 on December 31, 2021) the subsidiaries EDP São Paulo and EDP Espírito Santo have a balance of R$ 349,339 (R$ 252,475 as of December 31, 2021), which includes ICMS (value-added tax) credits from the purchase of goods in the amount of R$ 349,292 (R$ 253,306 on December 31, 2021) which, according to paragraph 5 of article 20 of Supplementary Law 87/96, are offset at the ratio of 1/48 per month.

9.4 ICMS - Liabilities payable - Consolidated

Of the amount on December 31, 2022 of R$ 97,631 (R$ 302,327 on December 31, 2021), subsidiaries EDP São Paulo and EDP Espírito Santo had a balance of R$ 83,673 (R$ 290,930 on December 31, 2021), referring to ICMS levied on electricity bills.

9.5 IRRF (Withholding income tax) on interest on own capital

Refers to the Company's Withholding Income Tax at the rate of 15%, levied on amounts paid to shareholders as Interest on Own Capital, in accordance with the law. In the parent company, the balance of R$ 97,686, on December 31, 2022, refers to IRRF (Withholding income tax) on interest on own capital (JSCP) approved in 2022 and will be settled in January 2023.

9.6 Installments

9.6.1 Parent Company

9.6.1.1 REFIS

In 2009, the Company formalized with the Brazilian Federal Revenue Service (RFB) its participation in the program of reduction and installment payments of federal taxes, according to Law 11.941/09 – "REFIS IV". On June 30, 2011, the Company consolidated the debts included in the installment plan. Below are the amounts and the list of taxes payable in installments:

	Parent Company					
Installments - REFIS	**Principal**	**Fine**	**Interest**	**Total installment**	**Conversion to income**	**Adhesion value - REFIS**
COFINS	30,754	6,151	9,793	46,698	2,092	48,790
PIS	6,677	1,335	2,126	10,138	454	10,592
Total amount of taxes	37,431	7,486	11,919	56,836	2,546	59,382
Decrease in Refis program						(7,471)
Use of negative Basis/ Tax Loss						(11,933)
Total						39,978

9.6.2 Consolidated

9.6.2.1 REFIS

The subsidiary EDP Espírito Santo, together with the Company, also formalized with the RFB the adherence to "REFIS IV" (Note 9.6.1.1). Amounts and list of taxes to be paid in consolidated installments are as follows:

	Consolidated						
Installments - REFIS	**Principal**	**Fine**	**Interest**	**Charges**	**Total installment**	**Conversion to income**	**Adhesion value - REFIS**
COFINS	2,925	585	2,681		6,191		6,191
Social contribution on net income (CSLL)	4,442	888	4,093	1,885	11,308	3,742	15,050
INSS	8,548	3,021	10,256	670	22,495	10,822	33,317
IRPJ/ IRRF	4	1	8		13	5,257	5,270
Fine		223	192		415	190	605
Total amount of taxes	15,919	4,718	17,230	2,555	40,422	20,011	60,433
Decrease in Refis program							(11,578)
Use of negative Basis/ Tax Loss							(12,099)
Total							36,756

9.6.2.2 Special Tax Regularization Program - PERT

As a result of the calculation of the debts arisen from the recalculation of taxes, the distribution subsidiaries and Enerpeixe adhered in August 2017 to the PERT.

Among the installment payment options, the subsidiaries adhered to the cash payment of 20% of the consolidated debt, without discount, in 5 monthly and successive installments, falling due from August to December 2017, and the remaining amount in 145 monthly and successive installments, falling due from January 2018, with 80% reduction in late payment interests, and 50% of late-payment interest, ex-officio or isolated fines. The installments will be monthly restated at SELIC plus 1%.

Amounts and list of taxes to be paid in consolidated installments are as follows:

	Consolidated			
Installments - PERT	**Principal**	**Fine**	**Interest**	**Total installment**
PIS	37,010	7,401	10,649	55,060
COFINS	166,807	33,361	47,259	247,427
Social contribution on net income	63,432	12,686	16,017	92,135
IRPJ/ IRRF	155,787	31,158	38,304	225,249
	423,036	84,606	112,229	619,871
Decrease in PERT program				(105,668)
Total				514,203

9.6.3 Changes in installments

Changes in the installment plans and the respective balances as of December 31, 2022 are as follows:

	Parent Company	Consolidated		
	REFIS	**REFIS (ii)**	**PERT**	**Total**
Adhesion value	39,978	76,734	514,203	590,937
Adjustment in consolidation REFIS/PERT (i)	791	1,934	(12,258)	(10,324)
Interest adjustments – Consolidation 2011	8,707	11,422		11,422
Assets to be offset		3,640		3,640
Judicial deposit in favor of the Company		17,284		17,284
Appropriation in favor of the Federal Government	(5,689)	(24,071)		(24,071)
Amortization	(54,774)	(90,853)	(309,706)	(400,559)
Restatement	22,999	32,307	101,686	133,993
Reversal of update of the appropriation in favor of the Federal Government		(2,892)		(2,892)
Balances at December 31, 2022	12,012	25,505	293,925	319,430

(i) The amount of R$ 791 in the Parent Company relates to the judicial deposit aiming at the suspension of the enforceability of the IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) debt arising from the administrative proceedings of the merged company Magistra Participações S.A., which was included in the Federal REFIS (Tax Recovery Program) in 2013 and ratified in March 2017 by the Federal Revenue Service, which supposedly erred by equating types of deposits.

(ii) Out of the total consolidated amount of REFIS debt as of December 31, 2022 totaling R$ 25,505 (R$ 30,014 on December 31, 2021): (i) R$ 12,012 (R$ 16,983 as of December 31, 2021) refers to the Company, which have been paid in installments and are restated monthly by the SELIC rate; and (ii) R$ 13,493 (R$ 13,031 as of December 31, 2021), refers to subsidiary EDP Espírito Santo, with judicial deposits of R$ 17,310 (R$ 20,544 as of December 31, 2021), which expect appropriation by the Federal government (in accordance with article 32 of PGFN/RFB Ordinance No. 06/09), and when that is done this liability will be written off.

Out of total debt of the Company as of December 31, 2022 of R$ 12,012 (R$ 16,983 as of December 31, 2021), 22 parcels of R$ 470 monthly restated at SELIC still remain.

10 Deferred taxes

		Parent Company		Consolidated							
		Liabilities		Assets				Liabilities			
		Non-current		Current		Non-current		Current		Non-current	
	Note	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
PIS and COFINS	10.1	210	169	139,427	56,661	87,368	26,205	161,454	67,229	737,883	491,114
Income tax and social contribution	10.2	203,646	206,033			558,280	575,217	1,079	329	1,174,148	735,085
Service tax										489	1,637
Total		203,856	206,202	139,427	56,661	645,648	601,422	162,533	67,558	1,912,520	1,227,836

10.1 PIS and COFINS

Deferred PIS and COFINS (recognized) have the following types:

	Parent Company		Consolidated							
	Liabilities		Assets				Liabilities			
	Non-current		Current		Non-current		Current		Non-current	
	12/31/2022	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Future commitments (Note 15)			139,427	56,661	87,368	26,205	160,470	66,928	112,169	53,308
Income due to the recognition of incurred costs (CPC 47) in EDP Smart Soluções							984	301	448	1,494
Income from construction in transmission subsidiaries									619,165	432,071
Inflation adjustment of judicial deposits	210	169							6,101	4,241
	210	169	139,427	56,661	87,368	26,205	161,454	67,229	737,883	491,114

10.2 Income tax and social contribution

They are recorded on tax losses, negative basis of social contribution and temporary differences, considering the rates in force of the aforementioned taxes, in accordance with the provisions of CVM Resolution 599/09 and consider past profitability record and expectations of future taxable income based on a technical viability study. They are recognized according to the transaction that originated them, whether in income or

Income tax and social contribution - deferred and social contribution assets and liabilities are presented according to their nature and total amount is presented at net value after due offsets, as required by CPC 32.

10.2.1 Breakdown

		Parent Company			
		Non-current liabilities		Income (loss)	
Nature of credits	**Note**	**12/31/2022**	**12/31/2021**	**2022**	**2021**
Temporary differences					
Bargain purchase	10.2.1.1	151,230	151,230		(1,677)
Surplus		50,748	53,436	2,688	1,920
Other		1,668	1,367	(301)	(70)
Total		203,646	206,033	2,387	173

		Consolidated							
		Non-current assets		Non-current liabilities		Income (loss)		Shareholders' equity	
Nature of credits	**Note**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**2022**	**2021**	**2022**	**2021**
Tax losses	10.2.1.2	335,447	317,967			17,480	28,639		
Negative basis of social contribution	10.2.1.2	121,159	108,021			12,589	9,405		
		456,606	425,988	-	-	30,069	38,044	-	-
Temporary differences									
Estimated loss from allowance for doubtful accounts - PECLD		279,372	255,641			22,984	16,259		
Post-employment benefits		126,870	144,319			(17,323)	13,963		
Provision for tax, civil and labor risks		206,577	178,870			26,562	20,977		
Consumers - adjustment to present value		1,197	243	5		949	(164)		
Pre-operating expenditures		20,509	14,444			6,065	1,923		
Bargain purchase	10.2.1.1			151,230	151,230		(1,677)		
Surplus	18.1	7,684		483,111	486,400	3,580	(1,803)		
Amortization/depreciation - Surplus in the acquired business - CP		4,554	4,554	(314,760)	(152,220)	162,540	14,794		
Use of Public Property - CPC 25		180,354	172,086	47,176	46,594	7,686	24,239		
Fair value of indemnifiable financial assets - ICPC 01 (R1)				596,619	448,522	(126,892)	(119,397)		
Remuneration of concession assets				992,793	435,463	(275,971)	(175,787)		
PIS and Cofins on concession assets		201,448	141,753			22,992	27,890		
Financial instruments - CPC 39		50,442	5,314	76,533	72,551	40,632	(27,790)	514	(659)
Post-employment benefits - PSAP	10.2.1.3	(106,832)	(121,475)			14,578	(10,207)	66	
Post-employment benefits - Other comprehensive income		244,947	266,448			236	280	(21,998)	(15,574)
Concession right - GSF	24.1.3.1			136,834	144,745	13,416	(43,561)		
Environmental permits		10,944	8,071	9,799	7,638	(1,061)	(868)		
Future commitments	15	833,621	304,592	988,930	441,481	(18,420)	(59,557)		
Leases - CPC 06 (R2)		54,180	72,080	47,032	71,358	6,433	722		
Other		36,107	82,011	79,750	44,252	(74,863)	29,665		
Total temporary differences		2,151,974	1,528,951	3,295,052	2,198,014	(185,877)	(290,099)	(21,418)	(16,233)
Tax credit of goodwill taken over	10.2.1.4	70,604	83,207			(12,603)	(13,439)		
Total gross		2,679,184	2,038,146	3,295,052	2,198,014	(168,411)	(265,494)	(21,418)	(16,233)
Offset between Deferred Assets and Liabilities		(2,120,904)	(1,462,929)	(2,120,904)	(1,462,929)				
Total		558,280	575,217	1,174,148	735,085				

10.2.1.1 Bargain purchase

Deferred taxes on bargain purchases arise from acquisitions: (i) R$ 120,096 from Porto do Pecém; (ii) R$ 29,457 of Celesc; and (iii) R$ 1,677 from Mata Grande Transmissora. Taxes on negative goodwill will be realized on the disposal of these investments.

10.2.1.2 Tax losses and negative basis of social contribution tax

Under the tax legislation in force, the tax loss and the negative basis of social contribution can be offset with future income, up to the limit of 30% of the taxable income, and are not subject to a statutory limitation period.

10.2.1.3 Provision for Social Security Deficit - PSAP

The taxable credit arising from the Provision for the Pension Plan Deficit - PSAP of EDP São Paulo refers to the portion of liabilities related to the benefits exceeding the assets of the Defined benefit pension plans, the provision for which was effected on December 31, 2001 with a counterparty in the Shareholders' Equity, deductible on the occasion of the monthly payments, expected to be terminated in 2028 (Note 28.1.1.6).

10.2.1.4 Tax credit of goodwill taken over

The goodwill fiscal credit derives from:

(i) in subsidiary EDP São Paulo: from the takeover of the spin off portion of the former parent company Enerpaulo - Energia Paulista Ltda. within the subsidiary EDP São Paulo during 2002, represented by the goodwill paid by Enerpaulo on the acquisition of shares issued by EDP São Paulo;

(ii) in subsidiary EDP Espírito Santo: from the takeover that occurred in April 2005 of the spin off portion of the Parent Company with the subsidiary EDP Escelsa, represented by the goodwill paid by the merged companies EDP 2000 Participações Ltda. and EDP Investimentos Ltda. on the acquisition of shares issued by IVEN, which was the parent company of EDP Espírito Santo; and

(iii) in the subsidiary Lajeado: the takeover of the subsidiaries EDP Lajeado and Tocantins within the subsidiary Lajeado, dated November 2009, represented by the goodwill paid by Lajeado.

The amounts were accounted for in accordance with CVM Instructions 319/99 and 349/99, and in accordance with ANEEL's instructions, and amortized according to the curve between the expectations of future results and the terms of the subsidiaries' concession. This translates into a future average annual tax credit realization of R$ 5,747 for the subsidiary EDP São Paulo up to 2027, R$ 1,514 for the subsidiary EDP Espírito Santo up to 2025, and R$ 3,733 for the subsidiary Lajeado up to 2032.

10.2.2 Realization of deferred tax assets

Deferred tax assets are reviewed at the year-end and are reduced as their realization is no longer probable.

Management of subsidiaries and indirect subsidiaries EDP São Paulo, EDP Espírito Santo, Lajeado, Investco, EDP Trading, EDP Smart Energia, EDP Smart Serviços, EDP Smart SPE, Enerpeixe, Porto do Pecém, EDP Transmissão Aliança, EDP Transmissão SP-MG, EDP Goiás and Santa Leopoldina prepared the projection of future taxable income, demonstrating the realization capacity of these tax credits in indicated years. Based on the technical study of taxable income projections, the subsidiaries estimate recovering tax credit arisen out of accumulated losses in the following years:

2023	2024	2025	2026	2027	2028–2030	As of 2031	Total non-current
527,967	462,552	490,803	394,076	443,887	216,465	143,434	2,679,184

The realization of deferred tax assets is in line with the provisions of standard CPC 32 – Income Taxes.

10.2.3 Unrecognized deferred tax assets

On December 31, 2022, the Company and its subsidiaries Lajeado, Porto do Pecém, EDP Ventures, Nova Geração Solar I and Energia Solar I have tax credits related to tax, negative bases of social contribution and temporary differences not recognized in financial statements totaling R$ 30,899 (R$ 3,000 in 2021), in view of uncertainties in its realization. Such amount may be the object of future recognition, in accordance with annual reviews of taxable income generation projections. There is no statute of limitation period for the use of said credits.

11 Related parties

Besides the amounts of the balance of dividends payable and receivable and loans payable provided in Note 27, the other balances of assets and liabilities, as well as the transactions of the Company with its subsidiaries and jointly-controlled subsidiaries, key Management and other related parties, which influenced the income (loss) of the year, are presented as follows:

				Parent Company											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration												
Loans receivable															
Loan agreements - 100–110% CDI															
EDP Trading	Subsidiary		10/02/2020–10/01/2024			105,711	94,132							11,579	3,907
Horizon Transmissão MA I	Subsidiary (**)		01/01/2019–12/31/2022												5,664
Horizon Transmissão MA II	Subsidiary (**)		01/01/2019–12/31/2022												2,077
EDP Transmissão SP-MG	Subsidiary		11/04/2022–11/21/2026		216,606	155,563								25,149	8,975
EDP Espírito Santo	Subsidiary		01/08/2019–01/07/2021												65
Mata Grande Transmissão	Subsidiary		08/11/2022–08/10/2024			55,134								835	
				-	216,606	316,408	94,132	-	-	-	-	-	-	37,563	20,688
Advances for future capital increase															
Mata Grande Transmissão	Subsidiary		From 08/23/2017 to an undefined date			42,800									
EDP Transmissão Aliança	Subsidiary		From 08/23/2017 to an undefined date				135,000								
EDP Smart Energia	Subsidiary		From December 15, 2017 to an undefined date				5,300								
EDP Ventures	Subsidiary		From December 13, 2019 to an undefined date			1,400	16,455								
EDP Smart Serviços	Subsidiary		From December 7, 2015 to an undefined date			197,750	186,100								
Santa Leopoldina	Subsidiary		From 11/25/2021 to an undefined date				3,400								
Resende	Subsidiary		From May 14, 2019 to an undefined date			30	30								
				-	-	241,980	346,285	-	-	-	-	-	-	-	-
Other receivables and other accounts payable (Note 16)															
Human Resources Sharing Agreement (a)															
EDP São Paulo	Subsidiary		01/01/2019–12/31/2022			292						(2,769)	(8,071)		
Energest	Subsidiary (*)		01/01/2019–12/31/2022				128				10	353	1,236		
EDP Trading	Subsidiary		01/01/2019–12/31/2022			484	112			987	986	5,472	1,821		
Investco	Subsidiary		01/01/2019–12/31/2022				879				25	1,011	1,193		
EDP Espírito Santo	Subsidiary		01/01/2019–12/31/2022			1,569	91					13,707	6,619		
Porto do Pecém	Subsidiary		01/01/2019–12/31/2022			188	248					3,864	7,225		
EDP Smart Soluções	Subsidiary		01/01/2019–12/31/2022			25	1,223					916	509		
EDP Smart Serviços	Subsidiary		01/01/2019–12/31/2022				(5)				148	921	(974)		
Lajeado	Subsidiary		01/01/2019–12/31/2022			276	765					2,067	1,721		
Horizon Transmissão ES	Subsidiary (**)		01/01/2019–12/31/2022									1,414	124		
EDP Smart Energia	Subsidiary		01/01/2019–12/31/2022			158	73						1,575		
EDP Transmissão Norte	Subsidiary		01/01/2019–12/31/2022			15						48			
Horizon Transmissão MA I	Subsidiary (**)		01/01/2019–12/31/2022										287		
Horizon Transmissão MA II	Subsidiary (**)		01/01/2020–01/01/2022										238		
EDP Transmissão SP-MG	Subsidiary		01/01/2019–12/31/2022			136	30					2,157	1,393		
EDP Transmissão Litoral Sul	Subsidiary		01/01/2019–12/31/2022			39					2	517			
EDP Transmissão Aliança	Subsidiary		01/01/2019–12/31/2022			192	55				17	2,553	1,699		
EDP Goiás	Subsidiary (***)		01/01/2019–12/31/2022							11		1,810			
Mata Grande Transmissão	Subsidiary		01/01/2019–12/31/2022			12						120			
CEJA	Jointly-controlled subsidiary		01/01/2018–12/31/2022			8	8			236	236		(493)		
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/01/2019–12/31/2022			5	203				259		528		
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2022			102	268						1,205		
Enerpeixe	Subsidiary		07/01/2018–12/31/2022				79			273		1,354	944		

				Parent Company											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	2022	2021	2022	2021
Infrastructure Service Sharing (b)															
EDP São Paulo	Subsidiary		01/01/2019–12/31/2022							60	75	2,052			
Energest	Subsidiary (*)		01/01/2019–12/31/2022				3					52	29		
EDP Trading	Subsidiary		01/01/2019–12/31/2022			45	15					533	346		
Horizon Transmissão ES	Subsidiary (**)		01/01/2019–12/31/2022										271		
Investco	Subsidiary		01/01/2015–12/31/2026				10					260	92		
Porto do Pecém	Subsidiary		01/01/2019–12/31/2022			66	30					828	494		
Lajeado	Subsidiary		01/01/2019–12/31/2022			14						225	68		
EDP Espírito Santo	Subsidiary		01/01/2019–12/31/2022			245	75					2,823	1,134		
EDP Smart Serviços	Subsidiary		01/01/2019–12/31/2022			44	11					451	166		
Horizon Transmissão MA I	Subsidiary (**)		01/01/2019–12/31/2021										17		
Horizon Transmissão MA II	Subsidiary (**)		01/01/2019–12/31/2022										13		
EDP Transmissão SP-MG	Subsidiary		01/01/2015–12/31/2026			13	5					184	60		
EDP Transmissão Litoral Sul	Subsidiary		01/01/2019–12/31/2022			3	1					37	6		
EDP Transmissão Aliança	Subsidiary		01/01/2019–12/31/2022			14	5					188	100		
EDP Transmissão Norte	Subsidiary		01/01/2019–12/31/2022			1						4			
Mata Grande Transmissão	Subsidiary		01/01/2019–12/31/2022			1						10			
EDP Goiás	Subsidiary (***)		01/01/2019–12/31/2022			9				40		159			
EDP Smart Soluções	Subsidiary		01/01/2019–12/31/2022			21	52					311	139		
Enerpeixe	Subsidiary		01/01/2019–12/31/2022							15					
EDP Smart Energia	Subsidiary		01/01/2019–12/31/2022			17	5					6	76		
Reimbursement of auction expenditures															
EDP Transmissão Litoral Sul	Subsidiary		From 03/01/2019 to an undefined date				758						758		
EDP Transmissão SP-MG	Subsidiary		From 06/01/2017 to an undefined date				24						24		
EDP Transmissão Aliança	Subsidiary		From 06/01/2017 to an undefined date				23						23		
Mata Grande Transmissão	Subsidiary		From 05/01/2021 to an undefined date				230						725		
EDP Transmissão Norte	Subsidiary		From 04/01/2021 to an undefined date				781						1,593		
Santa Leopoldina	Subsidiary		From 12/01/2021 to an undefined date				12						12		
EDP Smart SPE V	Subsidiary		01/01/2019–12/31/2022							72					
Stock option granted by the Company (Note 11.2.1)															
EDP São Paulo	Subsidiary		06/15/2017–06/30/2026			554	514					554	514		
Energest	Subsidiary (*)		06/15/2017–06/30/2026				194						(140)		
EDP Trading	Subsidiary		06/15/2017–06/18/2025			67	224					67	30		
EDP Espírito Santo	Subsidiary		06/15/2017–06/30/2026			547	465					(547)	(690)		
Porto do Pecém	Subsidiary		06/15/2017–06/30/2026			337	733					(337)	638		
EDP Transmissão SP-MG	Subsidiary		06/18/2020–06/30/2026			32	17						(6)		
EDP Smart Serviços	Subsidiary		06/06/2018–06/30/2026			4	261						305		
EDP Transmissão Aliança	Subsidiary		06/22/2020–06/22/2025												
Agreement of consulting services															
EDP Renováveis	Related party		From 06/01/2017 to an undefined date		437		270						289		
Service agreement (c)															
EDP Portugal	Parent Company		Undetermined	10,881	8,124			61,894	44,336	1,238	1,287		(21,823)		(354)
EDP Valor	Related party		Undetermined					5,804	5,347				(1,541)		

				Parent Company											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	2022	2021	2022	2021
Agreement for the Sharing of Backoffice Activities (d)															
EDP Espírito Santo	Subsidiary		01/01/2019–12/31/2024			2,912	769					14,766	11,557		
Mata Grande Transmissão	Subsidiary		01/01/2019–12/31/2024			41						259			
EDP Transmissão Norte	Subsidiary		01/01/2019–12/31/2024			50						360			
EDP Transmissão SP-MG	Subsidiary		01/01/2019–12/31/2024			110	71					1,035	858		
EDP Transmissão Aliança	Subsidiary		01/01/2019–12/31/2024			213	67					1,219	946		
EDP Goiás	Subsidiary (***)		01/01/2019–12/31/2024									702			
Energest	Subsidiary (*)		01/01/2019–12/31/2024				102					357	515		
EDP Smart Soluções	Subsidiary		01/01/2019–12/31/2024			417	132					1,423	1,410		
Lajeado	Subsidiary		01/01/2019–12/31/2024			141						771	885		
Porto do Pecém	Subsidiary		01/01/2019–12/31/2024			708	357					5,554	5,178		
EDP Smart Serviços	Subsidiary		01/01/2019–12/31/2024			215	123					1,049	1,095		
EDP São Paulo	Subsidiary		01/01/2019–12/31/2024			5,754	396					18,602	7,032		
EDP Trading	Subsidiary		01/01/2019–12/31/2024			596	109					3,549	1,777		
Enerpeixe	Subsidiary		01/01/2019–12/31/2024			3	134					37	1,608		
Investco	Subsidiary		01/01/2019–12/31/2024				104					767	1,431		
Horizon Transmissão ES	Subsidiary (**)		01/01/2019–12/31/2024									1,801	669		
EDP Smart Energia	Subsidiary		01/01/2019–12/31/2024			5	49					174	658		
EDP Transmissão Litoral Sul	Subsidiary		01/01/2019–12/31/2024			154	1					839	2		
				10,881	8,561	16,867	11,289	67,698	49,683	2,932	3,045	96,639	39,377	-	(354)
				10,881	225,167	575,255	451,706	67,698	49,683	2,932	3,045	96,639	39,377	37,563	20,334

				Consolidated											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration												
Accounts receivable (Note 7)															
Electricity supply															
Cachoeira Caldeirão	Jointly-controlled subsidiary	140.76	01/01/2017–12/31/2046									1,234	5,207		
CEJA	Jointly-controlled subsidiary	121.10	01/01/2017–12/31/2046										697		
São Manoel	Jointly-controlled subsidiary		01/01/2017–12/31/2046	3,664								37,225			
Central Eólica Baixa do Feijão I	Related party		01/01/2017–12/31/2046									21			
Central Eólica Baixa do Feijão II	Related party		01/01/2017–12/31/2046									13			
Central Eólica Baixa do Feijão III	Related party		01/01/2017–12/31/2046									20			
Central Eólica Baixa do Feijão IV	Related party		01/01/2017–12/31/2046									20			
Central Eólica Jaú	Related party		01/01/2017–12/31/2046									50			
Central Eólica Srmn I	Related party		01/01/2017–12/31/2046									2,030			
Central Eólica Srmn IV	Related party		01/01/2017–12/31/2046									1,652			
Grid use charge															
CEJA	Jointly-controlled subsidiary		02/09/2019–02/10/2047	64	5							492	34		
São Manoel	Jointly-controlled subsidiary		02/09/2019–02/10/2047	194	16							1,608	112		
Cachoeira Caldeirão	Jointly-controlled subsidiary		02/09/2019–02/10/2047	35	3							309	3		
Rendering of services															
Central Eólica Jaú	Related party		Undetermined										308		
Central Eólica Aventura I	Related party		Undetermined										149		
				3,957	24	-	-	-	-	-	-	44,674	6,510	-	-

				Consolidated											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	2022	2021	2022	2021
Suppliers (Note 25)															
Electricity supply															
CEJA	Jointly-controlled subsidiary	209.02	01/01/2015–12/31/2044					749	791			(6,610)	(6,054)		
CEJA	Jointly-controlled subsidiary	121.10	01/01/2017–12/31/2046										(9,104)		
CEJA	Jointly-controlled subsidiary	165.63	01/01/2015–12/31/2044						1,131			(9,969)			
Central Eólica Aventura I	Related party		From 01/24/2018 to an undefined date									(155)			
Central Eólica Aventura II	Related party		From 01/24/2018 to an undefined date					2,497	3,184			(32,273)			
Central Eólica Aventura III	Related party		10/01/2021–12/31/2036					2,940	3,748			(38,001)	(699)		
Central Eólica Aventura IV	Related party		10/01/2021–12/31/2036					1,220	1,587			(16,037)	(14,551)		
Central Eólica Aventura V	Related party		10/01/2021–12/31/2036					4,355	1,725			(21,106)	(11,367)		
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2038					1,782	3,116			(43,797)	(39,376)		
Central Eólica Pereira Barreto I	Related party		10/01/2021–12/31/2036					1,597	1,436			(13,262)	(9,040)		
Central Eólica Pereira Barreto II	Related party		10/01/2021–12/31/2036					1,597	1,436			(19,695)	(2,547)		
Central Eólica Pereira Barreto III	Related party		10/01/2021–12/31/2036					1,615	1,453			(18,425)	(2,468)		
Central Eólica Pereira Barreto IV	Related party		10/01/2021–12/31/2036					1,615	1,453			(17,146)	(2,324)		
Central Eólica Pereira Barreto V	Related party		10/01/2021–12/31/2036					1,378				(12,830)			
Central Eólica Srmn I	Related party		12/01/2022–12/31/2022						1,238			(11,203)			
São Manoel	Jointly-controlled subsidiary	134.26	04/26/2018–12/31/2047					213	192			(1,698)	(1,544)		
São Manoel	Jointly-controlled subsidiary	107.58	04/26/2019–12/31/2047												
Rendering of services															
Pecém OM	Jointly-controlled subsidiary		Undetermined					387				(5,227)	(5,227)		
				-	-	-	-	21,945	22,490	-	-	(267,434)	(104,301)	-	-
Future commitments															
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2038		25,719		24,625	19,544	18,973	21,199		(85,990)	21,603		
EDP Renováveis	Related party		12/01/2023–12/31/2038				94,576	50,656		79,889		(225,121)	94,576		
Central Eólica Aventura II	Related party		12/01/2022–12/31/2022						6,454			6,454	(6,454)		
Central Eólica Aventura III	Related party		12/01/2022–12/31/2022						7,605			7,605	(7,605)		
Central Eólica Aventura IV	Related party		12/01/2022–12/31/2022		820				4,655			3,835	(3,835)		
Central Eólica Aventura V	Related party		12/01/2022–12/31/2022		4,712							(4,712)	4,712		
Central Eólica Srmn I	Related party		1/01/2023–12/31/2023		2,663							(2,664)	2,663		
Central Eólica Jerusalém I	Related party		1/01/2023–12/31/2023				9,248	36,809				(46,056)	9,248		
Central Eólica Monte Verde I	Related party		7/01/2023–12/31/2023				3,490	8,896		796		(13,181)	3,490		
Central Eólica Monte Verde IV	Related party		7/01/2023–12/31/2023				5,049	9,688				(14,735)	5,049		
Central Eólica Monte Verde V	Related party		7/01/2023–12/31/2023				3,366	6,457				(9,824)	3,366		
Central Eólica Barreto I	Related party		10/01/2021–12/31/2036		35,367		44,639	39,102		46,218		(165,325)	80,006		
				-	69,281	-	184,993	171,152	37,687	148,102	-	(549,714)	206,819	-	-

				Consolidated											
				Assets				Liabilities				Income (expenses)			
				Current		Non-current		Current		Non-current		Operating		Financial	
	Relationship	Price practiced	Duration	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	2022	2021	2022	2021
Other receivables and other accounts payable (Note 16)															
Human Resources Sharing Agreement (a)															
CEJA	Jointly-controlled subsidiary		01/01/2018–12/31/2022			8	8			236	236		(493)		
Cachoeira Caldeirão	Jointly-controlled subsidiary		01/01/2019–12/31/2022			5	203				274		528		
São Manoel	Jointly-controlled subsidiary		05/01/2018–12/31/2022			102	268						1,205		
Rendering of services - Backoffice															
Pecém TM	Jointly-controlled subsidiary		05/01/2015–05/01/2025				75					1,012	1,012		
Pecém OM	Jointly-controlled subsidiary		05/01/2015–05/01/2025	127			128					376	345		
Mabe	Jointly-controlled subsidiary		05/01/2015–05/01/2025	1,311	1,311										
Agreement of consulting services															
EDP Renováveis	Related party		From 06/01/2017 to an undefined date		437		270						289		
Service agreement (d)															
EDP Portugal	Parent Company		Undetermined	10,881	8,124			63,509	46,198	1,238	1,287		(21,823)	(433)	(367)
São Manoel	Common Control		06/01/2022–06/01/2023	340								583			
CEJA	Common Control		06/01/2022–06/01/2023	348								1,190			
Cachoeira Caldeirão	Common Control		06/01/2022–06/01/2023	348								594			
EDP Valor	Related party		Undetermined					5,804	5,347				(1,541)		
Elebrás	Related party		01/01/2019–03/31/2023									57	198		
Cenaeel	Related party		01/01/2019–03/31/2023									11	39		
Central Eólica Baixa do Feijão I	Related party		01/01/2019–03/31/2023									59			
Central Eólica Baixa do Feijão II	Related party		01/01/2019–03/31/2023									64			
Central Eólica Baixa do Feijão III	Related party		01/01/2019–03/31/2023									62			
Central Eólica Baixa do Feijão IV	Related party		01/01/2019–03/31/2023									61			
Central Eólica Jaú	Related party		01/01/2019–03/31/2023									164	280		
Central Eólica Aventura I	Related party		01/01/2019–03/31/2023									59	141		
Central Eólica Aventura II	Related party		01/01/2019–03/31/2023									17			
Central Eólica Aventura III	Related party		01/01/2019–03/31/2023									21			
Central Eólica Aventura IV	Related party		01/01/2019–03/31/2023									24			
Central Eólica Aventura V	Related party		01/01/2019–03/31/2023									24			
Central Eólica Srmn I	Related party		01/01/2019–03/31/2023									27			
Central Eólica Srmn II	Related party		01/01/2019–03/31/2023									24			
Central Eólica Srmn III	Related party		01/01/2019–03/31/2023									27			
Central Eólica Srmn IV	Related party		01/01/2019–03/31/2023									27			
Central Eólica Srmn V	Related party		01/01/2019–03/31/2023									21			
Infrastructure Service Sharing (b)															
EDP Renováveis	Related party		07/29/2015–12/31/2022			18	18								
Coal resale agreement															
EDP Espanha	Related party		Undetermined									448,102			
				13,584	9,872	133	970	69,313	51,545	1,474	1,797	453,003	(19,785)	(433)	(367)
				17,541	79,177	133	185,963	262,410	111,722	149,576	1,797	(319,471)	89,243	(433)	(367)

(*) On December 7, 2022, the Company sold the subsidiary Energest and, consequently, as of this date it is no longer consolidated.
(**) On December 28, 2021, the Company sold the subsidiaries Horizon Transmissão ES, Horizon Transmissão MA I and Horizon Transmissão MA II and, consequently, as of that date onwards they are no longer consolidated.
(***) On February 7, 2022, the Company acquired the subsidiary EDP Goiás.

Related-party transactions were made under conditions compatible with market conditions.

The collateral sureties and guarantees provided by the Company are described in the Note on Guarantees (Note 39.2).

Transactions made with counterparties below were carried out in the normal course of business, without any incremental profit margin.

(a) Human Resources Sharing Agreement: The purpose of the instrument is to apportion human resources expenditures of activities shared between the Company and the subsidiaries EDP São Paulo, EDP Espírito Santo, EDP Trading, Energest (*), Investco, Lajeado, Porto do Pecém, Horizon Transmissão ES, EDP Transmissão Aliança, Horizon Transmissão MA I, Horizon Transmissão MA II, and EDP Transmissão SP-MG. The contract maintains the regulatory apportionment criterion and is effective until December 2022.

Additionally, as of January 01, 2020, with a term of 24 months, a Human Resources Sharing Agreement was signed among the Company and the subsidiaries EDP Smart Energia, EDP Smart Serviços and EDP Smart Soluções, without the need for prior consent by ANEEL, using the criterion of allocation of expenditures according to the percentage of dedication of the activity, process or department to the related parties.

ANEEL expressed its position by informing that the prior consent is no longer required for the conclusion of the amendment to the Human Resources Sharing agreement, which will now share personnel expenses between EDP - Energias do Brasil and related parties EDP São Paulo, EDP Espírito Santo, EDP Trading, Energest (*), Investco, Lajeado, Porto do Pecém, EDP Transmissão Aliança SC and EDP Transmissão SP-MG. The agreement will keep the regulatory apportionment criterion as above and its new effectiveness will be until December 2022.

(b) Agreements for Sharing of Infrastructure Services: The purpose of the instrument is to apportion property lease costs, condominium fees and telecommunications expenditures.

In 2021, an Infrastructure sharing agreement was signed related to the Company's new headquarters. The agreement celebrates the sharing between the Company and the related-party subsidiaries EDP São Paulo, EDP Espírito Santo, Energest (*), EDP Transmissão Aliança, EDP Transmissão Litoral Sul and EDP Transmissão SP-MG. Both contracts are valid until December 31, 2022. With the sale by the parent company EDP - Energias do Brasil, of the companies Horizon Transmissão ES, Horizon Transmissão MA I and Horizon Transmissão MA II in December 2021, an amendment was signed, effective as of January°1, 2022, where they were excluded from sharing.

Also in 2021, two infrastructure sharing agreements were signed related to the unit of the subsidiary EDP São Paulo, located in São José dos Campos. These agreements celebrate the sharing of space and infrastructure services between the subsidiary and related parties EDP Trading, Porto do Pecém, Investco, Lajeado, EDP Smart Serviços, EDP Smart Soluções and EDP Smart Energia, and the second agreement with the parties EDP Energias do Brasil, EDP Espírito Santo, Energest (*), EDP Transmissão Aliança, EDP Transmissão Litoral Sul and EDP Transmissão SP-MG. Both contracts are valid until December 31, 2022. With the sale of the companies Horizon Transmissão ES, Horizon Transmissão MA I and Horizon Transmissão MA II in December 2021, an amendment was signed, effective as of January° 1, 2022, where they were excluded from sharing.

As of February 7, 2022, the amendments were signed with the inclusion of EDP Goiás as part of the agreements. The contracts are valid until December 31, 2026.

The apportionment percentages must be reviewed annually and, in case of changes, the contractual addenda must be submitted to the prior consent of ANEEL.

(c) Service agreements

The agencies responsible for control and respective supervision of these agreements are the Corporate Governance Committee and Related Parties, the Board of Directors and the Company's internal area dedicated to verification and checking of imported and exported services.

Every imported or exported service is subjected to a rigorous analysis that requires interaction of the area dedicated to verification and checking with other internal areas of the Company that imported and exported the service. It is ascertained whether the time spent in activities, the number of beneficiaries and the volume of aggregate businesses show effectively the applied by employees to carry out the activities in question.

EDP Portugal

The amounts refer to consulting service and management support agreements mutually executed between the Company and its controlling shareholder EDP – Energias de Portugal S.A. These contracts aim: (i) cost sharing, structure, knowledge and technology, thus allowing a greater synergy between the companies in the group; (ii) preventing any idle staff capacity; (iii) lowering procurement costs of certain services in relation to the market average; and (iv) preventing third-party access to strategic issues or technology information owned by contracting parties.

EDP Trading, EDP Goiás, Enerpeixe, Investco, Lajeado, Cachoeira Caldeirão, CEJA, EDP Transmissão Aliança, EDP Transmissão SP- MG and EDP Transmissão Litoral Sul

The purpose of the agreements is to provide services related to the operating processes of the power plant, lines, substations and related equipment, as well as the intermediation with the National System Operator - ONS, which is effective for 36 months, starting on January 1, 2019 and ending on December 31, 2021, by EDP - Energias do Brasil as assignor, with EDP Trading being the assignee, and an amendment was signed on October 1, 2019, date of the beginning of the service provision, and EDP Trading was transferred to the assignor. The operation processes are divided between pre-operation services, post-operation services, real-time information supervision services, regulation, control system and infrastructure via Operation Center, automation and telecommunications.

ANEEL – through the following orders – consented to enter into the contract for the provision of remote operation services related to the "Real Time" modality, in a regime of continuous twenty-four hour shifts, seven days a week, for a period of 36 months: (i) Order 1962, as of July 3, 2020, with EDP Transmissão Aliança, with total contractual amount of R$ 1,726; (ii) Order 2.943, as of October 14, 2020, with Horizon Transmissão MA I, with total contractual amount of R$ 1,769; (iii) Order 3036, as of October 22, 2020, with EDP Transmissão SP-MG, with total contractual amount of R$ 1,785; and (iv) Order 588, of March 3, 2021 with EDP Transmissão Litoral Sul, in the total amount of the contract, of R$ 1,573.

With the transfer of the assets of the Generation and Transmission Operation Center (COGT) from EDP Trading to EDP Goiás, these contracts were terminated to be signed with EDP Goiás, in place of EDP Trading. Both the transfer of COGT assets and the contracts for the provision of remote operation services were approved by ANEEL on December 15, 2022 through Order 3588/2022.

(d) Agreement for the Sharing of Backoffice Activities: The purpose of the instrument is to apportion costs with materials, services rendered and other expenditures associated with back-office activities, such as the administrative, financial, accounting and legal functions and others.

The apportionment criterion considers drivers that weight the effort of each area for each company, which was supported by an independent specialized consultancy firm, and involves the Company and the following related parties EDP São Paulo, EDP Espírito Santo, EDP Trading, Energest (*), Investco, Lajeado and Porto do Pecém, Horizon Transmissão ES, EDP Transmissão Aliança, Horizon Transmissão MA I, Horizon Transmissão MA II and EDP Transmissão SP-MG. With the sale of Horizon Transmissão ES, Horizon Transmissão MA I and Horizon Transmissão MA II in December 2021, as of 2022, these companies are excluded from sharing, a fact that was signed in contract amendment. The apportionment criterion considers the same drivers mentioned above. These contracts are exempt from the prior approval from ANEEL, since the disbursement amounts of the participating companies fall within the waiver limits. The back-office activities sharing agreement is valid until December 31, 2023.

As of December 10, 2019, this agreement was approved by ANEEL, through Order 3.399, effective until December 31, 2023.

In 2022, the amendment was signed with the inclusion of the companies Mata Grande Transmissora, EDP Transmissão Norte, and EDP Goiás (Note 1.1.1) as part of the agreement. The apportionment criterion considers the same drivers mentioned above. These contracts are exempt from the prior approval from ANEEL, since the disbursement amounts of the participating companies fall within the waiver limits. The back-office activities sharing agreement is valid until December 31, 2023.

(*) On December 7, 2022, the Company sold the subsidiary Energest and, consequently, as of this date it is no longer consolidated.

11.1 Direct and ultimate parent company

The ultimate parent company of the Company is EDP – Energias de Portugal S.A., which exerts its controlling through its subsidiaries EDP International Investments and Services, S.L. and EDP IS - Investimentos e Serviços, Sociedade Unipessoal, Lda.

11.2 Management remuneration

11.2.1 Shares granted by the Company

From 2016 to 2022, the Company created, Share-Based Payment Plans (Plans 1 to 6) with similar characteristics, which grant future shares to its beneficiaries. Among them, there are statutory and non-statutory managers and executive officers and its subsidiaries, and in the results of 2022 of the Company the amount of R$ 2,237 (R$ 651 in 2021) is estimated to be reimbursed by the subsidiaries at the time of grant. The shares will be granted upon fulfillment of certain conditions within 3 or 5 years from the beginning of the plan.

11.2.2 Total remuneration of the Board of Directors, Tax Council and Statutory Board of Directors paid by the Company

	2022				2021			
	Statutory Board	Board of Directors	Tax Council	Total	Statutory Board	Board of Directors	Tax Council	Total
Remuneration (a)	7,582	1,755	237	9,574	7,085	1,640	234	8,959
Short-term benefits (b)	217			217	197			197
Benefits - Private pension plan	132			132	211			211
Share-based payments	3,474			3,474	1,028			1,028
Total	11,405	1,755	237	13,397	8,521	1,640	234	10,395

(a) It is comprised of fixed and variable remuneration (bonus and profit sharing), besides the respective payroll charges (not applicable to the Tax Council).

(b) Represents the benefits with medical and dental care, medicine allowance, food and meal vouchers, and life insurance.

In relation to the granted shares, the amount related to the statutory officers of the Company, estimated in the profit or loss for 2022, is R$ 2,085 (R$ 2,373 in 2021). The estimated amounts are only considered as the Statutory Board of Directors' remuneration in the chart above at the time of the effective grant of the Company's shares.

11.2.3 Share-based remuneration

The shares of Remuneration Plan II were exercised as Note 32.3.2.2.

11.2.4 Maximum, minimum and average individual remuneration of members of the Statutory Board of Directors and Executive Board at the years ended December 31

	Parent Company					
	2022			2021		
	Board of Directors	Statutory Board	Tax Council	Board of Directors	Statutory Board	Tax Council
No. of paid members	4.08	4.00	3.00	4.17	5.17	3.00
Amount of the highest individual remuneration	526	3,581	79	496	2,489	78
Amount of the lowest individual remuneration	376	2,100	79	342	881	78
Average amount of individual remuneration	430	2,851	79	393	1,648	78

12 Inventories

		Consolidated	
	Note	12/31/2022	12/31/2021
Raw material and inputs for generation of electric power			
Charcoal	12.1	129,345	470,025
Diesel		3,648	3,220
CAL		245	244
Other		3,248	2,763
		136,486	476,252
Storeroom materials		93,821	90,951
Wastes and scrap		57,039	39,312
Photovoltaic kit		673	404
Inventory of work in progress		2,035	2,400
Other		44	9
(-) Estimated losses in the realization of inventories	12.2	(14,376)	(148,920)
		139,236	(15,844)
Total		275,722	460,408

Inventories are stated a cost or net realizable value, whichever is lower, less possible loss in the recoverable value. The method of valuation of Inventory is determined based on the weighted average cost method.

Materials used in the construction of the concession infrastructure are classified under the captions: (i) Concession assets at the distribution subsidiaries for the amount of R$ 94,275 on December 31, 2022 (R$ 86,466 at December 31, 2021); and (ii) Property, plant and equipment, at the generation, service and transmission subsidiaries, for the amount of R$ 74,007 on December 31, 2022 (R$ 21,189 on December 31, 2021).

12.1 Charcoal

The reduction in coal inventory at the subsidiary Porto do Pecém is due to the following factors: (i) due to the favorable hydrological scenario in 2022 (Note 4.10), the subsidiary has been disconnected by the ONS since the beginning of the year. For this reason, it was not necessary to acquire inventory in 2022; and (ii) sale of inventory of 306,000 tons of coal to the company of the same economic group EDP Spain, whose impacts as of December 31, 2022 are shown in Notes 11 and 34.

12.2 Estimated loss in the realization of inventories - Subsidiary Porto do Pecém

As at December 31, 2021, the provision was formed in the amount of R$ 141,490 in the subsidiary Porto do Pecém, resulted from the adjustment to the realizable value of the inventory, measured by the anticipated Unit Variable Cost - CVU price applied considering the inventory realization scenario in the next year, mainly due to the hydrological crisis scenario and the high average price of coal in 2021, where the subsidiary was fully dispatched in 8 months and partially in 4 months.

This provision occurred in the year ended December 31, 2021, mainly due to the hydrological crisis scenario mentioned in Note 4.5 and the high average price of coal, where the subsidiary Porto do Pecém was fully dispatched in 8 months, and partially in 4, with an average CVU of R$ 359.84/MWh in 2021 and R$ 147.45/MWh in 2020, in addition to the average dollar quotation of R$ 5.21 for the acquisition of coal, which brought high acquisition for dispatch planning. At the end of the year 2021, the subsidiary was terminated by the ONS after the increase in rainfall, which made the dispatch projections move to the first semester of 2023, bringing the reduction to the recoverable value of inventories, with a reversal in the amount of R$ 3,427 as of March 31, 2022 and R$ 67,371 in the period ended June 30, 2022 and R$ 70,692 in the period ended December 31, 2022, reversing the full amount formed in 2021.

Considering the improvement in the global water and energy scenario and the frustration with the initial coal burning forecast, which moved from the first quarter of 2022, as of December 31, 2021, to the first quarter of 2023, as of December 31, 2022, the subsidiary that had a total inventory of 409 thousand tons of coal entered into an agreement to sell 306 thousand tons of the inventory to EDP Spain (Note 11), with delivery in the second quarter of 2022 of 117 thousand tons and 114 thousand tons in the third quarter of 2022 (Note 11) and 75 thousand tons in the fourth semester of 2022 (Note 4.10). The burning of the remaining 103 thousand tons of coal is scheduled for the first quarter of 2023. Considering the current scenario and based on the expectation of inventory realization for the second semester of 2023, a provision for loss of R$ 4,103 was recorded on December 31, 2022.

13 Pledges and restricted deposits

		Parent Company					
	Note	Balance at 12/31/2021	Addition	Restatement	Redemption	Write-offs	Balance at 12/31/2022
Judicial deposits	31	4,850	10,898	795	(42)	(40)	16,461
Other pledges		392					392
Total		5,242	10,898	795	(42)	(40)	16,853
Current		350					350
Non-current		4,892					16,503

		Consolidated						
	Note	Balance at 12/31/2021	Acquisition of Companies (Notes 4.7 and 18.1)	Addition	Restatement	Redemption	Decrease	Balance at 12/31/2022
Judicial deposits	31	413,482	525	75,172	26,954	(15,377)	(35,725)	465,031
Pledges linked to loans, financing and debentures		5,798	12,958	5,956	2,023	(9,492)		17,243
Other pledges		10,497	765	6,153	851	(9,012)		9,254
Total		429,777	14,248	87,281	29,828	(33,881)	(35,725)	491,528
Current		10,001						19,782
Non-current		419,776						471,746

13.1 Judicial deposits - Addition

The balance in the parent company of R$ 10,898 mainly refers to the merger of the judicial deposits of the companies Horizon Transmissão ES, Horizon Transmissão MA I and Horizon Transmissão MA II sold in 2021, and of Energest, sold on December 7, 2022 in the amount of R$ 10,083.
The consolidated balance of R$ 75,172, mainly refers to: (i) R$ 9,663 to the judicial deposit unfavorable to the subsidiary EDP São Paulo after the decision was handed down, in which the risk changed from possible to probable (Note 19.1.3); and (ii) R$ 28,446 to the judicial deposit made by the subsidiary EDP Espirito Santo to avoid liquidating the guarantee offered in the tax foreclosure (bank guarantee), which may occur at any time after the Federal Government authorizes the provisional foreclosure.

13.2 Judicial deposits - Redemption

The consolidated balance of R$ 75,172 mainly refers to: (i) R$ 8,168 refers to the redemption of the judicial deposit on behalf of the subsidiary EDP São Paulo after a partially favorable decision in MS 5023534-95.2020.4.03.6100, which discusses PIS and COFINS debits of February 2018 and COFINS of April 2018, due to the lack of processing of the rectifying DCTFs, and the Brazilian Federal Revenue Service (RFB) itself recognized that these amounts were not fully due. The current balance is R$ 911, which is awaiting a court decision; and (ii) R$ 23,293 refers to the write-off of the unfavorable judicial deposit for the subsidiary EDP Espírito Santo, which was converted to the Federal Government, referring to the lawsuit where the illegality of the reestablishment of PIS and COFINS rates on total financial revenues was questioned (Note 9).

14 Dividends – Assets and liabilities

Dividends and interest on own capital (JSCP) payable are recognized in the shareholders' equity in following occasions: (i) JSCP (Interest on own capital) recorded as dividends: when approved by the Board of Directors; (ii) minimum mandatory dividends: at year-end, as provided for in the Company's Bylaws, possibly deducted from JSCP (Interest on own capital) already stated in the year; (iii) additional dividends: upon approval at Annual Shareholders' Meeting - AGO; and (iv) interim dividends and dividends from previous years: when approved by the Board of Directors or the Annual Shareholders' Meeting. Dividends receivable from subsidiaries, associated companies and jointly-controlled subsidiaries are recorded as an asset in the Company's financial statements, consistent with previously described liabilities' accounting practice.
The interest on own capital credits are initially recorded in finance expenses for tax purposes, and, concomitantly, reversed from this same line item as counterparty to shareholders' equity. Tax reduction generated by them is recognized in income for the year upon their credit. In relation to interest on own capital receivable, these are initially recorded in financial income for tax purposes, and, concomitantly, reserved from this same line item as counterparty to investment.

Parent Company

Allocation of net income for the year ended December 31, 2021 was approved in the Annual and Special Shareholders' Meeting held on April 05, 2022, with distribution of R$ 2,159,838 to be distributed as follows: (i) formation of Legal Reserve in the amount of R$ 107,992; (ii) Interest on own capital in the total gross value of R$ 454,811, attributable to the dividends already accounted for on December 31, 2021; (iii) dividends amounting to R$ 803,189; and (iv) R$ 743,846 in Profit Retention Reserve, for investment purposes, according to the capital budget, for the year 2022. Interest on own capital and dividends were paid with no adjustment to Company's common shareholders on May 26, 2022.
As of December 28, 2022, the Company's Board of Directors approved the credit of interest on own capital in 2022 in the gross amount of R$ 651,239, with 15% of withholding income tax, except for exempt shareholders that proved such condition up to December 31, 2022, attributable to the dividends to be distributed by the Company on a payment date to be decided on.

Changes to balance of dividends receivable and payable balance in the year are as follows:

	Parent Company							
		Dividends						
Assets	**Balance at 12/31/2021**	**Complementary**	**Additional**	**Prior years**	**Interest on own capital**	**Receipts**	**Reversal**	**Balance at 12/31/2022**
Energest	26,833		78,601			(105,434)		-
EDP Trading	14,244	144			13,098	(14,244)		13,242
EDP São Paulo	43,335	62,432	322,368	395,632	68,880	(761,335)		131,312
EDP Espírito Santo	55,502	39,625	256,914	185,086	90,291	(497,502)		129,916
Lajeado	11,343	34,399	104,385		12,993	(115,728)		47,392
EDP Smart Energia	-		3,185		1,171		(3,185)	1,171
EDP Transmissão Aliança	19,188				22,712	(19,188)		22,712
EDP Transmissão SP-MG	33,598	20,198			16,831	(33,598)		37,029
Pecém TM	95	105	286			(381)		105
Pecém OM	54	35	164			(218)		35
CEJA	18,492		33,980		27,561	(52,473)		27,560
Celesc	31,375		5,977		43,247	(37,294)		43,305
Porto do Pecém	106,406				62,249	(106,406)		62,249
	360,465	156,938	805,860	580,718	359,033	(1,743,801)	(3,185)	516,028

	Parent Company				
	Balance at 12/31/2021	**Dividends Additional**	**Interest on**	**Payments**	**Balance at 12/31/2022**
Liabilities					
Non-controlling shareholders	228,740	290,143	240,028	(519,473)	239,438
EDP International Investments and Services, S.L.	160,315	217,691	179,639	(378,525)	179,120
EDP IS - Investimentos e Serviços, Sociedade Unipessoal Lda.	126,845	168,983	139,530	(295,904)	139,454
	515,900	676,817	559,197	(1,193,902)	558,012

	Consolidated					
		Dividends				
Assets	**Balance at 12/31/2021**	**Complementary**	**Additional**	**Interest on own capital**	**Receipts**	**Balance at 12/31/2022**
Pecém TM	94	105	286		(381)	104
Celesc	31,375		5,977	43,247	(37,294)	43,305
Pecém OM	54	35	164		(218)	35
CEJA	18,492		33,980	27,561	(52,473)	27,560
	50,015	140	40,407	70,808	(90,366)	71,004

	Consolidated							
		Dividends						
	Balance at 12/31/2021	**Complementary**	**Additional**	**Interest on own capital**	**Founders' shares**	**Payments**	**Unrealized Payments**	**Balance at 12/31/2022**
Liabilities								
CEB Lajeado	2,767		1,593	7,980		(4,360)		7,980
Paulista Lajeado Energia	969		557	2,794		(1,526)		2,794
Eletrobras	155,492	107,121		13,757	31,082	(155,492)		151,960
Government of Tocantins	826	2,505	7,601	946		(8,427)		3,451
Celesc Geração	2,132			2,524				4,656
Non-controlling shareholders	231,528		290,143	240,031		(519,473)	21	242,250
EDP IS - Investimentos e Serviços, Sociedade Unipessoal Lda.	160,315		217,691	179,639		(378,525)		179,120
EDP International Investments and Services, S.L.	126,845		168,983	139,530		(295,904)		139,454
	680,874	109,626	686,568	587,201	31,082	(1,363,707)	21	731,665

15 Future commitments - Mark-to-market of a Derivative Financial Instrument

EDP Trading

The contracts entered into by the energy trading subsidiary EDP Trading are aimed at the sale of electricity in accordance with the requirements of the Trading Rules, regulated by Brazilian Electricity Regulatory Agency - ANEEL and applicable to all agents registered with the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). These transactions are held for receipt or delivery until the settlement date of the transaction established in the agreement, under the terms of the contractual purchase and sale requirements, also

Therefore, the subsidiary evaluates its contracts, from the viewpoint of standard CPC 48 – Financial Instruments, and they are not only intended for the delivery of energy ("own use", according to the term used in CPC 48), but for generating value in financial intermediation, regarding the purchase and sale of a non-financial item (energy), but which can be settled at its net cash value or by another financial instrument. Accordingly, the subsidiary fully recognizes the purchased and sold energy curves in its portfolio (at the sale limit). These future commitment contracts are measured at fair value using the forward curve with the best available and observable information. Therefore, the Mark-to-Market (MtM) of a Derivative Financial Instrument is considered in the result.

In this measurement, the PLD sensitivities are considered, assessing the portfolio of operations containing forward energy price curves, represented by Dcide (a company from the industry to calculate future energy price curves), in addition to the right of clients to flexibly use the consumption, under the same price. The result of these contracts is determined based on the difference, for each term, between the prices of bilateral contracts for the purchase and sale of energy and the respective mark-to-market valuation using forward price curves. The methodology adopted is the VaR (Value at Risk) with a 95% confidence level that considers a forward curve of market prices, portfolio exposure (difference between purchase and sale) and volatility and liquidity observed in the market free for each period.

In the year ended December 31, 2022, the realization of the fair value of the aforementioned contracts, through the settlement between the purchase and sale of energy, generated a net income of R$ 17,423 (R$ 175,172 in 2021) recorded in income (loss) for the year 2022.

EDP Smart Energia

EDP Smart Energia enters into energy trading contracts in accordance with the requirements of the Trading Rules, regulated by Brazilian Electricity Regulatory Agency - ANEEL and applicable to all agents registered with the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). This agent profile is responsible for the entire operation of its representatives in the free energy market, from the migration to the ACL to the management of all procedures related to its operation, including modeling, measurement, accounting,

In this regard, the subsidiary also evaluates its contracts, from the viewpoint of standard CPC 48 – Financial Instruments, considering that they are also intended for the delivery of energy and generating value in financial intermediation, regarding the purchase and sale of a non-financial item (energy), and can be settled at its net cash value or by another financial instrument. Accordingly, the subsidiary started to fully recognize the purchased and sold energy curves in its portfolio (at the sale limit). These futures commitment contracts are also measured according to the benchmark purchase prices of the day, and the other risks are transferred to EDP Trading, as it is exposed to the market. Therefore, the margins of the subsidiary EDP Smart Energia are fixed and its exposure is measured by EDP Trading through the use of a forward curve with the best available and observable information. Thus, the mark-to-market of a Financial Instrument is considered in the result.

In the year ended December 31, 2022, the realization of the fair value of the aforementioned contracts, through the settlement between the purchase and sale of energy, generated a net income of R$ 58,177 (R$ 26,438 in 2021) recorded in income (loss) for the year 2022.

16 Other receivables – Assets and Other accounts payable – Liabilities

		Parent Company				Consolidated			
		Current		Non-current		Current		Non-current	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Other receivables - Assets									
Advances		181				42,752	44,224		
Discount	16.2					84,936	211,928		
Affordable rates – low income	16.3							8,060	8,055
Assets for disposal/discontinuance		2,203	2,411			14,393	12,640		
Services in progress						19,030	4,947	528	501
Services rendered to third parties		4	4			60,153	84,373	95	457
Collection agreements						1,972	1,571	23	
Related-party/shared services	11	10,881	8,561	16,867	11,289	13,584	9,872	133	970
Income receivable						5,217	2,927		
Risk premium - GSF	16.4					2,750	2,749	14,435	17,184
Prepaid expenses	16.1	457	480			27,436	15,599	1,056	1,663
Securities receivable	16.9	3,329	1,121	28,004	27,024				
Other		16,323	16,435	3,047	2,673	44,416	34,604	6,192	3,740
Total		33,378	29,012	47,918	40,986	316,639	425,434	30,522	32,570
Other accounts payable – Liabilities									
Advances received - disposal of assets and rights						3,171	26		
Public lighting contribution	16.5					31,641	31,489		
Sundry creditors - consumers and concessionaires	16.10					58,559	159,941		
Payroll		1,955	1,298			15,338	8,627	3,821	2,266
Affordable rates – low income	16.3					448	454	9,810	9,810
Third party collection to be transferred						18,478	19,861		
Related-party/shared services	11	67,698	49,683	2,932	3,045	69,313	51,545	1,474	1,797
Leases and rentals	16.8	3,693	1,250	14,857	6,904	31,079	29,850	117,730	80,560
Social charges and labor obligations	16.6	22,093	17,905			120,219	116,987		
Reserve for reversal and amortization	16.7					1,945	1,944	5,831	7,774
Advance for future capital increase								20	15,000
Other		3,441	3,431	8,319	4,969	35,762	44,205	23,456	8,162
Total		98,880	73,567	26,108	14,918	385,953	464,929	162,142	125,369

16.1 Prepaid expenses

The change is mainly due to the contracting of an operational risk insurance policy in the subsidiary Porto do Pecém in July 2022, in the amount of R$ 24,285 and effective for 18 months.

16.2 Tariff discounts and Advances of tariff discounts

This refers to discounts applied to customers in tariffs of consumer units, according to regulations by ANEEL through specific resolutions. The discounts are applied according to the classification of the activity of each consumer unit and are intended for allocation to low-income households registered with the Single CAD (Register) of the Federal Government, as an incentive to the improvement of agricultural production, and as discounts for essential public services, as is the case of the water, sewage and sanitation units.

At the same time as they determine the percentage of discount to be applied to the monthly billings of the consumer units, the orders for tariff readjustments also establish the subsidiaries' right to be reimbursed in the respective amounts through the economic grant mechanism, with funds originating from the Energy Development Account (Conta de Desenvolvimento Energético - CDE), as Law 10438/02.

Through Law 13.360/16, beginning as of May 2017, management and transfer of funds are the responsibility of Chamber of Commercialization of ANEEL homologated amounts to be transferred to subsidiaries EDP São Paulo and EDP Espírito Santo through the following Ratifying Resolutions:

Homologatory Resolution	Periods	Monthly amount
EDP Espírito Santo		
ANEEL 2.918/21	Aug2021–July2022	27,464
ANEEL 3.091/22	Aug2022–July2023	23,660
EDP São Paulo		
ANEEL 2.964/21	Oct2021–Sep2022	11,521
ANEEL 3.129/22	Oct2022–Sep2023	14,239

See below the breakdown of the tariff discounts:

	Note	Consolidated			
		Balance at 12/31/2021	Discount	Reimbursement	Balance at 12/31/2022
Low Income Grant		15,953	139,416	(128,644)	26,725
Incentivized Source Load Grant - Res. 77/04		44,985	323,875	(309,728)	59,132
Incentivized Source Generation Grant - Res. 77/04		1,252	10,964	(10,891)	1,325
Rural Grant		34,615	38,907	(56,066)	17,456
Irrigator/Fish Farmer Grant - Res. 414/10		(14,928)	55,508	(64,550)	(23,970)
Water/Sewage/Sanitation Grant – Order 3629/11		9,026	13,312	(14,862)	7,476
Distribution Grant - TUSD (Tariff for Use of the Distribution System)	wire B	(2,800)	1,509	(1,917)	(3,208)
Grant for Water Crisis	16.2.1	123,825	(1,950)	(121,875)	-
		211,928	581,541	(708,533)	84,936

Additionally, below we show the breakdown by portion of the tariff discount:

	EDP Espírito Santo	EDP São Paulo	Balance at 12/31/2021	Balance at 12/31/2022
Monthly installment	22,119	12,541	34,660	34,817
Portion of approved adjustments	14,805	10,791	25,596	50,020
Portion of adjustments to be approved	(10,501)	8,456	(2,045)	111,138
Balance of low income grant	13,511	13,214	26,725	15,953
	39,934	45,002	84,936	211,928

16.2.1 Grant for Water Crisis

The item refers to the recognition of the Water Crisis grant, which is based on Resolution 2, of August 31, 2021 (Note 4.5), which aims to encourage consumers to reduce their energy consumption amid water shortages. To be entitled to the bonus, the consumer had to reduce electricity consumption in the months of September to December 2021, in such a way that the sum of electricity consumption in the period is at least 10% lower, in relation to the sum verified in the same period of 2020. Once the reduction target is reached, the consumer receives a bonus of R$ 0.50/kWh of the total energy saved, which is credited to the electricity bill and is limited to 20% of the energy saved. Consumers eligible to receive the bonus are those of low voltage, medium and high voltage, from residential, industrial, commercial, services and other activities, rural and public service consumption classes, including residential consumers benefiting from the Electricity Social Tariff (TSEE). ANEEL DSP 397/22 establishes the operationalization of the collection of costs and transfer of credits (Note 4.5).

On December 31, 2021, the total grant amount of R$ 123,825 was recognized by the distributors. The reduction recorded on December 31, 2022 refers to the settlement of the bonus recognized at the end of the previous year (Note 4.5), of which R$ 64,018 refers to the subsidiary EDP São Paulo, and R$ 59,807 to the subsidiary EDP Espírito Santo.

16.3 EDP São Paulo – Low-income affordable rates

By means of the Notification Term 1.091/05, the Commission of Public Energy Services - CSPE, currently Regulatory Agency of Sanitation and Energy of the State of São Paulo - ARSESP determined the correction of criteria of registry of the measurement equipment installed in residential consumer units, changing from biphasic to monophasic with retroactive effect to year 2002..

The consumer units, despite being connected through the single-phase three-wire system, were classified as biphasic, a situation that prevented their billing as low-income residential. After several negotiations with ANEEL and ARSESP, between 2008 and 2009, the subsidiary EDP São Paulo provided a billing review classifying the consumer units as Low Income residential, when the amounts to be returned to consumers hitherto billed without the benefit of social tariff were identified.

As agreed with ANEEL and ARSESP, the refund of amounts to consumers began with the billing in March 2009. Until December 31, 2022, the amount refunded was R$ 19,507 (R$ 19,491 as of December 31, 2021), with a remaining balance to be refunded in the amount of R$ 10,258 (R$ 10,264 as of December 31, 2021), involving consumer units still active and inactive in the billing register of subsidiary.

As refunds are made by offsetting monthly invoices, the inactive consumer units, measures by the subsidiary are required to identify the customer's new location in order to make the refund.

Additionally, the regulation provides for the right of the subsidiary to recover amounts related to economic grant, net of such taxes and estimated deductions, whose balance receivable on December 31, 2022 and December 31, 2021 is R$ 8,060, which will be realized as the repayments to consumers are validated by ARSESP and ratified by ANEEL.

Considering the unfeasibility of registering consumers entitled to credit, the subsidiary EDP São Paulo forwarded CT-EDP-SP-063-2022 correspondence, dated August 4, 2022, to ARSESP, suggesting that as the original billing of consumer units was carried out considering the full tariff of the residential class, while, for the refund, the subsidiary EDP São Paulo provided the calculation of the billing of the same consumer units applying the tariff of the low-income residential class, so that the total to be refunded totaled R$ 10,255. Under these circumstances, after the DMR – Monthly Revenue Difference was processed, the subsidiary EDP São Paulo would be entitled to receive the amount of R$ 7,148 as an economic

Alternatively, the subsidiary EDP São Paulo could transfer the difference between the amounts above, that is, R$ 3,107, to the affordable rates account.

The subsidiary EDP São Paulo is awaiting a response from ARSESP.

16.4 Risk premium - GSF

Due to adhesion to renegotiation of hydrological risk (Note 38.2.3) in the Regulated Contracting Environment, the balance of current and non-current assets refers to premiums equivalent to amount paid as GSF for the period from January to December 2015, amortized under the straight-line basis.

The changes during the year are as follows:

Subsidiaries	Amortization periods	Balance at 12/31/2021	Amortization	Balance at 12/31/2022
Lajeado	Jan2015–Mar2029	19,586	(2,701)	16,885
Investco	Jan2015–Mar2029	347	(47)	300
Total		19,933	(2,748)	17,185
Current		2,749		2,750
Non-current		17,184		14,435

16.5 Public lighting contribution

This refers to the Contribution to Fund the Street Lighting Service - CIP of distribution subsidiaries, whose purpose consists of the street lighting facility design, implementation, expansion, operation and maintenance services. It is charged to consumers, in conformity with the provisions established in municipal law, collected by the distributors and transferred monthly to the Municipal authorities, as provided in Article 149-A of the Federal Constitution.

16.6 Social charges and labor obligations

These are related to the sums of provision and vacation pay, provision for profit sharing and results and its respective INSS and FGTS.

16.7 Reserve for reversal and amortization

Refers to resourced derived from the Reserve for reversal and amortization, set up until December 31, 1971 under the terms of the regulation of Public Electric Power Service (SPEE) (Federal Decree 41.019/57 revoked by Decree 10.810/21), applied by the subsidiary EDP São Paulo in the expansion of the Public Electric Power Service. With regard to the Fund for reversal, 5% interest p.a. is charged on the reserve amount and paid monthly. The amortization of principal awaited resolutions from the Concession Grantor.

Decree-Law 9022/17 determined that the Concessionaires, which had funds corresponding to the reversal fund, should fully amortize their debits by December 31, 2026, with Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

The amortizations began in January 2018 and the amount related to principal and interest, of the next 12 installments, were transferred from non-current to current.

16.8 Leases and rentals

Complying with the CPC 06 (R2), the Company and its subsidiaries recorded the amounts payable under the lease and rental agreements, as shown below:

	Parent Company					
	Balance at 12/31/2021	Additions	Payments	Transfers	AVP	Balance at 12/31/2022
Buildings	1,250	854	(2,012)	2,007	7	2,106
Vehicles	-	1,447	(1,559)	1,701	(2)	1,587
Total current	1,250	2,301	(3,571)	3,708	5	3,693
Buildings	6,904	4,964		(2,007)	1,300	11,161
Vehicles	-	4,642		(1,701)	755	3,696
Total non-current	6,904	9,606	-	(3,708)	2,055	14,857
	8,154	11,907	(3,571)	-	2,060	18,550

	Consolidated					
	Balance at 12/31/2021	Additions	Payments	Transfers	AVP	Balance at 12/31/2022
Land	1,433	4,592	(4,552)	3,588	327	5,388
Buildings	15,521	1,241	(17,611)	16,927	61	16,139
IT equipment	-	90	(44)	115		161
Machinery and equipment	8,419	4,595	(9,611)	2,430	312	6,145
Vehicles	4,477	2,732	(7,620)	3,452	205	3,246
Total current	29,850	13,250	(39,438)	26,512	905	31,079
Land	4,610	24,195		(3,588)	3,005	28,222
Buildings	73,803	4,528		(16,927)	9,453	70,857
IT equipment	-	201		(115)	(9)	77
Machinery and equipment	2,027	10,945		(2,430)	573	11,115
Vehicles	120	9,283		(3,452)	1,508	7,459
Total non-current	80,560	49,152	-	(26,512)	14,530	117,730
	110,410	62,402	(39,438)	-	15,435	148,809

The amounts recorded in liabilities are adjusted to present value at the rates that represent the financing cost of the respective leased assets.

The rates aforementioned, as well as the maturity of said leases and rentals consider the following future payment flow as follows:

	Parent Company			
	Buildings		Vehicles	
	Amount	Rates (%)	Amount	Rates (%)
2023	2,106	10.54%	1,587	13.81%
Total current	2,106		1,587	
2024	322	11.05%	245	13.81%
2025	1,774	11.19%	1,364	13.81%
2026	1,596	11.19%	1,199	13.81%
2027	1,435	11.19%	888	12.66%
2028	1,291	11.19%		
2029–2041	4,743	11.19%		
Total non-current	11,161		3,696	

	Consolidated									
	Land		Buildings		IT equipment		Machinery and equipment		Vehicles	
	Amount	Rates (%)	Amount	Rates (%)	Amount	Rates (%)	Amount	Rates (%)	Amount	Rates (%)
2023	5,388	4.89%	16,139	9.82%	161	6.98%	6,145	3.81%	3,246	10.87%
	5,388		16,139		161		6,145		3,246	
2024	1,803	5.22%	2,531	9.96%	25	6.98%	851	4.63%	473	11.30%
2025	2,769	8.58%	13,820	9.99%	52	1.17%	4,548	4.62%	2,606	11.30%
2026	3,869	8.58%	11,878	10.01%			3,471	6.91%	2,253	11.30%
2027	3,352	8.58%	10,087	10.08%			2,245	5.76%	2,124	9.78%
2028	3,086	8.58%	8,763	9.86%					3	9.78%
2029–2041	13,343	8.58%	23,778	10.05%						
	28,222		70,857		77		11,115		7,459	

The potential right of PIS/COFINS to be recovered, embedded in the lease/rental consideration, according to the periods provided for payment, are shown below:

	Parent Company		Consolidated	
Cash flows	Nominal	With AVP	Nominal	With AVP
Lease consideration	28,523	18,550	174,746	148,809
Potential PIS/COFINS (9.25%)	(2,638)	(1,716)	(16,164)	(13,765)

The lease and rental agreements were recorded as a contraentry to property, plant and equipment, as “Right-of-use assets” (Note 23.1.2).

16.9 Accounts receivable

	Parent Company			
	Current		Non-current	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Preference and redeemable shares of "A", "B" and "C" classes	3,329	1,121	57,593	58,912
Preference and redeemable shares of "A", "B" and "C" classes			(29,589)	(31,888)
Total	3,329	1,121	28,004	27,024

Refer to Redeemable preferred shares of "A", "B", and "C" shares, issued by the subsidiary Investco in the original amount of R$ 43,964, where, according to the article eight of Investco's By-laws, such shareholders are entitled to the right of receiving a cumulative fixed annual dividend of 3% on their respective interest in capital.

In addition, according to Article 9 of redeemable preferred shares of "A" and "C" classes will be entitled to equalization upon distribution of dividends in case dividends are paid to other classes of shares higher than unit value of fixed annual dividends.

The balance at December 31, 2022 of R$ 31,333 (R$ 28,145 as of December 31, 2021) contemplates the original amount and interest up to 2033 (end of concession), both of them discounted at present value at the rate of 8.70% p.a., which is equivalent to average funding cost of Investco on the date shares are evaluated.

Due to its characteristics, these shares were classified as receivable financial instruments as they meet the definition of financial assets, since Investco does not have the right to avoid the remittance of cash or other financial asset to the Company, as determined in item 19 of CPC 39.

16.10 Sundry creditors - consumers and concessionaires

The reduction in sundry creditors was due to the settlement of the bonus for customers who saved energy with the water shortage bonus (Note 16.2.1). Of the balance of R$ 159,941 on December 31, 2021, R$ 64,018 and R$ 59,807 refer to the aforementioned bonus of the subsidiaries EDP São Paulo and EDP Espírito Santo, respectively. All the amounts were settled in the period ended June 30, 2022.

17 Non-current assets and liabilities held for sale

Non-current assets and liabilities held for sale are recorded in the respective captions and were measured at the lowest value between their book value and the fair value less selling expenses.

In the year ended December 31, 2021, assets held for sale were included (Note 17.1) and, in the period ended December 31, 2022, assets that were previously classified as held for sale were returned (Note 17.2).

Because they do not qualify as discontinued operations, no change was made in the disclosure of the statement of income, except for depreciations and amortization which are not considered between the purchase and sale agreement signature and conclusion of disposal as provided in CPC 31.

17.1 Sale of 100% of the capital of Energest

Company's Management strategically aimed at the sale of 100% stake in the water asset of the subsidiary Energest S.A. ("Energest" or "UHE Mascarenhas"). Therefore, in October 2021, the related assets and liabilities were presented in the non-current groups held for trading, as described in Note 4.19.

On August 30, 2022, a purchase and sale agreement of 100% of the capital held by VH GSEO UK Holding Limited in the respective company was signed with the company owned by EDP - Energias do Brasil.

With the conclusion of the disposal processes on December 07, 2022, the amount of R$ 326,252 was recorded in the Gain on disposal of investments as of November 30, 2022 and the asset is no longer part of the asset held for sale and, consequently, the Company's consolidated.

The total value of the transaction was R$ 1,225,000, of which R$ 800,000 upon closing, which, after price adjustments related to changes in Net Debt and Working Capital, corresponded to R$ 707,655. Furthermore, there is the possibility of an addition to the acquisition price of a maximum amount of R$ 425,000, if the extension of the Energest concession agreement is approved, in scenarios which, as they are future conditions of an uncertain nature and which are not under the control of Company, do not include the gain, as defined in CPC 00 - Conceptual Framework for Financial Reporting.

Please see below the summary of financial information relating to the disposed company as of November 30, 2022:

Energest		
ASSETS	**11/30/2022**	**12/31/2021**
Current	**Unaudited**	
Cash and cash equivalents	86,388	35,871
Concessionaires	24,808	22,727
Recoverable income tax and social contribution	3,157	5,241
Other recoverable taxes	2,834	5,294
Loans receivable		105,305
Inventories	7,107	6,545
Other receivables	1,013	1,603
Total current assets	125,307	182,586
Non-current		
Pledges and restricted deposits	3,290	3,260
Risk premium - GSF	90	631
Other receivables	29	18
	3,409	3,909
Property, plant and equipment	186,051	196,320
Intangible assets	77,822	94,795
Total non-current assets	267,282	295,024
Total Assets	392,589	477,610

Energest		
Liabilities	**11/30/2022**	**12/31/2021**
Current	**Unaudited**	
Suppliers	3,190	5,981
Income tax and social contribution payable	23,720	10,796
Other taxes payable	2,101	3,905
Dividends		26,833
Loans and financing		110,183
Provisions		105
Other accounts payable	3,426	4,934
Total current liabilities	32,437	162,737
Non-current		
Deferred taxes	17,688	23,102
Post-employment benefits	11,054	11,451
Provisions	6,699	6,460
Other accounts payable	373	1,085
	35,814	42,098
Shareholders' equity		
Capital	3,205	3,205
Profit reserves	193,632	272,233
Other comprehensive income	(2,154)	(2,663)
Retained earnings	129,655	
Total liabilities and shareholders' equity	392,589	477,610

The calculation of the gain on the sale is presented below:

	Note	Energest
Shareholders' equity of subsidiaries on the date of trading		324,338
Reversals of depreciation and amortization		39,572
Balance of Asset held for sale on disposal date (1)		363,910
Sales value		800,000
Price adjustments	(i)	(92,345)
Amount received		707,655
Gain upon disposal		343,745
Transaction costs		(11,947)
Other adjustments	(ii)	(5,546)
Net value of costs in the disposal (2)		690,162
Net gains in the disposal of equity interest (2) - (1)		326,252

(i) Price adjustments refer to dividends and cash adjustments.

(ii) Refers to post-employment benefits in comprehensive income and net contingencies

17.2 Joint ventures

In addition to Energest mentioned in the previous note, the assets and liabilities related to jointly-controlled subsidiaries CEJA and Cachoeira Caldeirão were presented in the non-current groups held for sale as of October 2021. Considering the Company's pursuit for better capturing the value of assets, the Company's Management declined on the intention to dispose of its interest in both jointly-controlled investments, which are once again included in the accounts of Grupo EDP - Energias do Brasil.

18 Investments and provision for unsecured liability

The financial statements of the Parent company, the investments in jointly-controlled subsidiaries and associated companies with a percentage of the voting capital above 20% or with significant influence, are valued by the equity method.

• **Subsidiaries**

Subsidiaries are all entities (including specific purpose entities) that the Company is exposed or has the right to establish the financial and operating policies to obtain variable returns from its activities.

• **Associated companies and jointly-controlled subsidiaries**

Associated companies are all entities over which the Company has significant influence but not control, generally through an ownership interest of 20% to 50% of the voting rights.

Jointly-controlled subsidiaries are all entities over which the Company has joint control with one or more parties. Investments in joint arrangements are classified as joint ventures depending on each investor's rights and liabilities relating to the arrangement.

The investments of Grupo EDP - Energias do Brasil in associated companies and joint ventures includes the goodwill identified on acquisition, net of any accumulated impairment losses.

The Company's share of the profits or losses of its associated companies and jointly-controlled subsidiaries is recognized in the statement of income, and the share in Other comprehensive income is recognized directly against the Company's shareholders' equity. When the Company's share of the losses of an associated company or jointly-controlled subsidiaries is equal to or exceeds the book value of the investment, including any other receivables, the Company does not recognize any additional losses unless the Company has assumed liabilities or made payments to the associated company or jointly-controlled subsidiary.

Unrealized gains from transactions between the Grupo EDP - Energias do Brasil and its associated companies and jointly-controlled subsidiaries are eliminated to the extent of Grupo EDP - Energias do Brasil's interest in them. Non-realized losses are also eliminated, unless the transaction shall provide evidence of a loss (impairment) of the transferred asset. The accounting policies of associated companies and jointly-controlled subsidiaries are altered, where necessary, to ensure consistency with the policies adopted by Grupo EDP - Energias do Brasil.

• **Business combination**

A business combination occurs through an event in which the Company and its subsidiaries acquire control of a new asset (business), regardless of its legal form. Upon acquisition, acquiring Company must recognize and measure identifiable acquired assets, assumed liabilities and income from ownership interest at fair value, which will result in recognition of an asset due to expected future earnings (goodwill) or in gain deriving from bargain purchase and it is recorded in income (loss) for the year. Costs generated by acquisition of assets shall be recognized directly in income, as incurred.

18.1 Business combination - EDP Goiás

On October 14, 2021, the Company, subsidiary Santa Leopoldina, won the bidding in auction, carried out in the form of CelgPar Notice 02/2021, for the sale of 100% of the shares of Celg Transmissão S.A. ("Celg-T") belonging to Companhia Celg de Participações - CelgPar, amounting to R$ 1,977,000.

The settlement of the auction and the consummation of the acquisition of EDP Goiás shares, through the execution of a share purchase and sale agreement, was ratified by the Bid Committee, approved by the Administrative Council for Economic Defense (CADE) on January 4, 2022, and received consent from ANEEL on January 24, 2022.

As of February 7, 2022, the Company released a Notice to the Market informing that, in compliance with the provisions of CVM Instruction 44, of August 23, 2021, as amended, and in continuity with the Material Fact disclosed on October 14, 2021 on that date, concluded the acquisition of 99.994% of the shares of EDP Goiás (formerly Celg Transmissão S.A.) for the updated amount of R$ 2,113,690, restated on this base date.

EDP Goiás (Note 1.1) has a portfolio of 755.5 km of network and operates 14 substations (12 owned + 2 as accessing stations), predominantly covering the state of Goiás. The concession period is up to the period from 2043 to 2046 and has a Permitted Annual Revenue ("RAP") of R$ 223.0 million (cycle 2021/2022). This transaction reinforces EDP Brasil's growth cycle, with an emphasis on the distribution and transmission segments, presented to the market on April 26, 2021.

The three concession agreements (Note 2) of EDP Goiás, and their effective dates are: (i) Concession Agreement 63/2001, from January 1, 2013 to January 1, 2043; (ii) Concession Agreement 03/2015, from March 6, 2015 to March 6, 2045; and (iii) Concession Agreement 04/2016, from January 20, 2016 to January 20, 2046. Three contracts may be extended at the discretion of the Concession Grantor.

The total amount paid for the acquisition was temporarily accounted for on the date of its realization under assets and liabilities assumed as the Concession Right, as well as the intangible assets related to the concession right of use, which will be amortized over its remaining term (Note 24). No residual value has been allocated as goodwill.

The Company evaluated the operation through CPC 15 (R1) - Business combination and determined that the assets acquired and liabilities assumed constitute a business and meet the conditions for the application of the method of acquisition of business combination through the acquisition of control, analysis of inputs and outputs, concentration, and substantial test.

The total amount paid in the acquisition was temporarily allocated, on the date of its realization, as an intangible asset related to the right to use the concession, not containing residual value allocated as goodwill. The acquisition report was prepared by a specialized and independent consulting firm and, with that, the Company's Management allocated it definitively. Furthermore, the breakdown of the temporary allocation on December 31, 2022, compared to the temporary allocation of September 30, 2022, includes the intention of the Company's Management to carry out the corporate restructuring involving the companies EDP Goiás and Santa Leopoldina. Therefore, the deferred taxes temporarily allocated were fully reversed.
The acquisition price, which refers to the consideration as per the bid, added to the monetary restatement adjustments for the aforementioned valuation, was R$ 2,113,690.
The breakdown of the final allocation, compared to the temporary allocation, is as follows: (i) R$ 1,070,920 (R$ 1,075,133) referring to the investment, that is, the total shareholders' equity of the investee at the time of acquisition; and (ii) R$ 1,053,796 (R$ 1,038,557) of Surplus in the subsidiary's concession. In the acquisition report, the company's main assets were appraised for fair value measuring, including the balances related to Investment Property (Note 22), initially recognized on the transaction date in the total amount of R$ 64,047, and the balances related to Concession Agreements, in the amount of R$ 1,213,083.
The Concession Right balances were also appraised. The consulting firm responsible for preparing the report applied the Multi Period Excess Earning methodology. EDP Goiás operates three concession contracts with maturity dates scheduled for December 2042, February 2045 and December 2045. Considering the nature of EDP Goiás' business and the potential economic benefit to be generated by these contracts in the future, the concession contracts were identified as intangible assets linked to the Company on the base date of the valuation, and had a Surplus valuated in the amount of R$ 1,042,770.
Thus, the final transaction amounts are:

Acquisition of assets	**Note**	**Temporary Allocation**	**Final allocation at 12/31/2022**	**Change**
Investment	(i)	1,075,133	1,070,920	4,213
Concession right		1,038,557	1,053,796	(15,239)
Investment property	(ii)		(11,026)	11,026
Amount paid on acquisition		2,113,690	2,113,690	-

(i) The amount of R$ 4,213 refers to adjustments of accounting practices occurred in 2022;
(ii) The amount of R$ 11,026 refers to the write-off of the fair value of the investment property

The acquisition value of assets and liabilities on the acquisition date is presented below:

Assets	**Note**	**01/31/2022**
Current		
Cash and cash equivalents		194,348
Availability of the electrical network		26,102
Concession Assets		160,492
Taxes and social contributions		2,225
Inventories		411
Other receivables		4,178
Total current assets		387,756
Non-current		
Concession assets	21	1,135,450
Pledges and restricted deposits		1,291
Other receivables		12,958
Investments		532
Investment property		63,515
Property, plant and equipment		2,175
Intangible assets		1,790
Total non-current assets		1,217,711
Total Assets		1,605,467

Liabilities	**Note**	**01/31/2022**
Current		
Suppliers		1,519
Taxes and social contributions		7,321
Dividends and Interest on own capital		35,246
Loans and financing		10,668
Social charges and labor obligations		4,094
Sectorial charges		2,768
Other accounts payable		675
Total current liabilities		62,291
Non-current		
Social and deferred taxes and contributions	10.1	370,544
Loans and financing		84,260
Post-employment benefits		1,498
Sectorial charges		1,944
Provisions		12,295
Other accounts payable		1,647
Total non-current liabilities		472,188
Shareholders' equity		
Capital		328,750
Reserves		773,072
Retained earnings (losses)		(44,903)
Income (loss) for the year		14,069
Total shareholders' equity (i)		1,070,988
Total liabilities		1,605,467

The calculation of the amount disbursed is shown below:

Acquisition of assets	**Note**	**Book value**
Investment	(i)	1,070,920
Concession right	24	1,053,796
Investment property	22	(11,026)
Amount paid on acquisition		2,113,690

(i) R$ 136 on the acquisition date refers to non-controlling interests (Note 32.6).
The amount of the Company's investment in the acquired company considers the adequacy of the policies of Grupo EDP - Energias do Brasil.

18.2 Changes in investments and Provision for unsecured liabilities

	Parent Company										
										% Direct interest	
	Balance at 12/31/2021	Additions	Write-off / Amortizations	Equity in net income of subsidiaries	Dividends/Interest on own capital	Other comprehensive income	Other	Transfer	Balance at 12/31/2022	12/31/2022	12/31/2021
Investments											
EDP São Paulo	1,290,518			525,249	(861,468)	28,298			982,597	100.00	100.00
EDP Espírito Santo	1,382,908			560,493	(587,849)	13,667			1,369,219	100.00	100.00
Lajeado	236,985			145,821	(154,071)	93			228,828	55.86	55.86
Lajeado (Goodwill)	91,755			(2,669)			(1,592)		87,494	55.86	55.86
Mata Grande Transmissora	12,816			(2,205)					10,611	100.00	100.00
EDP Transmissão Aliança	308,855	158,400		78,581	(26,720)				519,116	90.00	90.00
EDP Transmissão SP-MG	291,203			148,115	(39,997)				399,321	100.00	100.00
Enerpeixe	399,462			(6,767)					392,695	60.00	60.00
Energest (Note 17.1)	-			154,502	(78,602)	509		(76,409)	-	100.00	100.00
EDP Trading	348,817			55,754	(15,553)				389,018	100.00	100.00
EDP Smart Energia	20,279	16,025		23,333	(1,378)				58,259	100.00	100.00
CEJA	-			84,983	(66,409)			500,571	519,145	50.00	50.00
CEJA (Surplus)	-			(7,843)				155,744	147,901	50.00	50.00
Cachoeira Caldeirão	-			(3,866)				283,716	279,850	50.00	50.00
Cachoeira Caldeirão (Surplus)	-			(62)				1,421	1,359	50.00	50.00
Porto do Pecém	2,734,834			(651,834)	(73,234)	(1)		(14,352)	1,995,413	100.00	100.00
Porto do Pecém (Surplus) (Note 4.23)	290,761			(305,113)				14,352	-	100.00	100.00
Pecém TM	5,383			441	(392)				5,432	50.00	50.00
Pecém OM	3,757			147	(199)				3,705	50.00	50.00
Resende	21,182			(17)					21,165	100.00	100.00
EDP Smart Serviços	124,091	216,900		(34,782)		(999)			305,210	100.00	100.00
Mabe	391			(290)				(101)	-	50.00	50.00
Celesc(*)	698,188			156,866	(56,852)	63,005			861,207	29.90	29.90
São Manoel	603,696			(14,570)					589,126	33.334	33.334
EDP Ventures	19,275	18,455		(3,552)					34,178	100.00	100.00
Santa Leopoldina	-	244,700		(24,436)		1,238		(34,757)	186,745	100.00	100.00
Energia Solar II	-	1							1	100.00	
Energia I	-	1							1	100.00	
Energia II	-	1							1	100.00	
	8,885,156	654,483	-	876,279	(1,962,724)	105,810	(1,592)	830,185	9,387,597		
Concession right (Note 18.2.1)											
EDP São Paulo	9,841		(1,458)						8,383		
Enerpeixe	1,722		(116)						1,606		
Lajeado	58,105		(5,272)						52,833		
	69,668	-	(6,846)	-	-	-	-	-	62,822		
Total investments	8,954,824	654,483	(6,846)	876,279	(1,962,724)	105,810	(1,592)	830,185	9,450,419		

	Parent Company										
Provision for unsecured liabilities	**Balance at 12/31/2021**	**Additions**	**Write-off / Amortizations**	**Equity in net income of subsidiaries**	**Dividends/Interest on own capital**	**Other comprehensive income**	**Other**	**Transfer**	**Balance at 12/31/2022**	**% Direct interest 12/31/2022**	**% Direct interest 12/31/2021**
Santa Leopoldina	(1,065)			(33,692)				34,757	-	100.00	100.00
Mabe	-			(139)				101	(38)	50.00	50.00
Total provision for unsecured liabilities	(1,065)	-	-	(33,831)	-	-	-	34,858	(38)		
Net investment	8,953,759	654,483	(6,846)	842,448	(1,962,724)	105,810	(1,592)	865,043	9,450,381		

(*) The amount of R$ 861,202 refers to the investment in Celesc in the period ended September 30, 2022.

	Consolidated							
	Balance at 12/31/2021	**Additions**	**Equity accounting**	**Dividends/ Interest on own capital**	**Other comprehensive income**	**Acquisition of companies**	**Transfer**	**Balance at 12/31/2022**
Investments								
EDP - Energias do Brasil								
Celesc	698,188		156,866	(56,852)	63,005			861,207
Pecém TM	5,383		441	(392)				5,432
Pecém OM	3,757		147	(199)				3,705
CEJA (Note 17.2)	-		84,983	(66,409)			500,571	519,145
CEJA (Surplus) (Note 17.2)	-		(7,843)				155,744	147,901
Cachoeira Caldeirão (Note 17.2)	-		(3,866)				283,716	279,850
Cachoeira Caldeirão (Surplus) (Note 17.2)	-		(62)				1,421	1,359
Mabe	391		(290)				(101)	-
São Manoel	603,696		(14,570)					589,126
BB	470							470
Sicoob Juriscredcelg	-	1,028				532		1,560
Total investments	1,311,885	1,028	215,806	(123,852)	63,005	532	941,351	2,409,755
Provision for unsecured liabilities								
Mabe	-		(139)				101	(38)
Blue Sol Participações	(2,329)		(1,703)					(4,032)
Total provision for unsecured liabilities	(2,329)	-	(1,842)	-	-	-	101	(4,070)
Net investment	1,309,556	1,028	213,964	(123,852)	63,005	532	941,452	2,405,685

18.2.1 Concession right

According to ICPC 09, Concession Rights are classified as investments in the parent company. For consolidation purposes, they are classified as intangible assets (Note 24.1.3).

18.3 Direct interests in investments

	Shares / Quotas owned by the Company (In thousands)				% of Company's ownership interest													
	12/31/2022		12/31/2021		12/31/2022		12/31/2021		Total assets		Liabilities (Current and non-current)		Shareholders' equity (unsecured liability)		Income		Net income (loss) for the year	
Company	Ordinary / Quotas	Preferred shares	Ordinary / Quotas	Preferred shares	Paid-up capital	Voting capital	Paid-up capital	Voting capital	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	2022	2021	2022	2021
EDP São Paulo	39,091,735		39,091,735		100.00	100.00	100.00	100.00	6,554,339	7,214,987	5,571,742	5,924,469	982,597	1,290,518	5,691,600	6,460,411	525,249	446,677
EDP Espírito Santo	5,876		5,876		100.00	100.00	100.00	100.00	6,158,185	6,588,861	4,788,966	5,205,953	1,369,219	1,382,908	4,989,581	5,245,884	560,493	444,408
Energest (Note 17.1)	48,205		48,205		100.00	100.00	100.00	100.00	392,589	477,610	68,251	204,835	324,338	272,775	206,443	308,364	129,655	136,060
Lajeado	113,690		113,690		55.86	100.00	55.86	100.00	1,429,438	1,357,556	738,389	657,824	691,049	699,732	749,958	716,237	310,826	377,077
CEJA	12,897		12,897		50.00	50.00	50.00	50.00	1,826,467	1,802,672	788,168	801,531	1,038,299	1,001,141	315,195	317,843	169,966	137,211
Enerpeixe	499,951		499,951		60.00	60.00	60.00	60.00	1,745,146	1,866,974	1,090,654	1,201,201	654,492	665,773	315,141	421,390	(11,281)	(2,817)
Cachoeira Caldeirão	364,000		364,000		50.00	50.00	50.00	50.00	1,397,133	1,395,979	837,430	828,545	559,703	567,434	163,746	164,885	(7,731)	(11,156)
EDP Trading (*)	32,606		32,606		100.00	100.00	100.00	100.00	3,579,882	2,292,065	3,190,864	1,943,248	389,018	348,817	3,314,744	2,955,211	55,754	59,972
EDP Smart Energia	4,531		4,531		100.00	100.00	100.00	100.00	728,456	122,251	670,196	101,972	58,260	20,279	348,667	181,234	23,334	13,410
EDP Smart Serviços	10		10		100.00	100.00	100.00	100.00	764,392	516,509	459,181	392,417	305,211	124,092	132,090	23,300	(34,782)	(63,644)
Porto do Pecém	2,368,998		2,368,998		100.00	100.00	100.00	100.00	3,713,602	3,939,611	1,703,837	1,204,777	2,009,765	2,734,834	1,390,778	2,336,898	(651,834)	246,560
Pecém TM	1,682		1,682		50.00	50.00	50.00	50.00	15,730	15,539	5,049	4,768	10,681	10,771	23,986	20,802	883	797
Pecém OM	3,527		3,527		50.00	50.00	50.00	50.00	9,807	9,299	2,506	1,786	7,301	7,513	7,845	7,845	294	514
São Manoel	803,341		803,341		33.334	33.334	33.334	33.334	3,812,428	3,818,594	2,045,086	2,007,542	1,767,342	1,811,052	418,165	375,052	(43,710)	(79,811)
Mabe	283,076		283,076		50.00	50.00	50.00	50.00	4,060	6,172	4,137	5,390	(77)	782			(858)	(1,491)
Resende	21,573		21,573		100.00	100.00	100.00	100.00	21,216	21,213	51	30	21,165	21,183			(17)	(16)
Horizon Transmissão ES (***)																36,756		28,146
Horizon Transmissão MA I (***)																167,147		71,294
Horizon Transmissão MA II (***)																72,480		47,912
EDP Transmissão Aliança	148,051		113,851		90.00	90.00	90.00	90.00	2,527,678	2,316,687	1,950,882	1,973,515	576,796	343,172	344,131	610,051	87,313	89,769
EDP Transmissão SP-MG	33,001		33,001		100.00	100.00	100.00	100.00	2,737,586	2,488,283	2,338,267	2,197,080	399,319	291,203	501,765	621,669	148,115	134,394
Celesc(**)	5,141	6,391	5,141	6,391	29.90	33.11	29.90	33.11	3,146,392	2,803,107	213,051	181,738	2,933,341	2,621,369			437,190	575,051
EDP Ventures	6,501		6,501		100.00	100.00	100.00	100.00	40,355	38,663	6,176	19,387	34,179	19,276			(3,552)	(1,339)
Mata Grande Transmissora	8,830		8,830		100.00	100.00	100.00	100.00	121,534	117,128	110,923	104,312	10,611	12,816	37,274	62,302	(2,205)	(2,136)
Blue Sol	66,665		66,665		40.00	40.00	40.00	40.00	3,319	24,129	13,398	29,950	(10,079)	(5,821)			26,796	(2,310)
Santa Leopoldina	10		10		100.00	100.00	100.00	100.00	2,348,873	2,510	2,162,128	3,575	186,745	(1,065)			(58,128)	(1,065)

(*) The amount as of December 31, 2021, for the subsidiary EDP Trading is restated for proper information at R$ 249,883 between total assets and liabilities, which refers to advances to suppliers and customers.
(**) The equity amounts refer to the interim accounting information as of September 30, 2022 and the financial statements as of December 31, 2021 and the statements of income relating to the interim accounting information as of September 30, 2022 and 2021, respectively.
(***) In 2022, Novo Horizon, the current parent company of these transmission companies, changed the corporate name of the companies from EDP Transmissão, EDP Transmissão MA I and EDP Transmissão MA II to Horizon Transmissão ES S.A., Horizon Transmissão MA I S.A. and Horizon Transmissão MA II S.A., respectively.

18.4 Reconciliation of financial information of investments

Below is a reconciliation of the main investment balances:

	EDP São Paulo		EDP Espírito Santo		Lajeado		EDP Transmissão Aliança		Porto do Pecém		São Manoel		Celesc	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	30/09/2022	12/31/2021
Shareholders' equity - Opening balance	1,290,518	987,963	1,382,908	1,082,961	699,732	676,832	343,172	238,584	2,734,834	2,613,691	1,811,052	1,890,863	2,586,668	1,984,612
Capital increase							176,000	38,000						
Distribution of dividends to the shareholders	(861,468)	(124,309)	(587,849)	(193,356)	(288,594)	(316,668)	(29,689)	(23,181)	(73,234)	(125,184)			(136,179)	(178,504)
Net profits (loss) for the period	525,249	446,677	560,493	444,408	279,744	339,369	87,313	89,769	(651,834)	246,560	(43,710)	(79,811)	437,190	563,172
Other comprehensive income	28,298	(19,813)	13,667	48,895	167	199			(1)	(233)			(6,614)	217,388
Shareholders' equity - Closing balance	982,597	1,290,518	1,369,219	1,382,908	691,049	699,732	576,796	343,172	2,009,765	2,734,834	1,767,342	1,811,052	2,881,065	2,586,668
Percentage of ownership interest - %	100.00%	100.00%	100.00%	100.00%	55.86%	55.86%	90.00%	90.00%	100.00%	100.00%	33.334%	33.334%	29.90%	29.90%
Interest in the investments	982,597	1,290,518	1,369,219	1,382,908	386,037	390,887	519,116	308,855	2,009,765	2,734,834	589,126	603,696	861,207	773,190
Founders' shares					(252,150)	(252,150)								
Tax benefit					56,244	56,244								
Retained earnings (losses)					38,697	42,004								
Goodwill									(14,352)					
Book balance of the investment in the Parent Company	982,597	1,290,518	1,369,219	1,382,908	228,828	236,985	519,116	308,855	1,995,413	2,734,834	589,126	603,696	861,207	773,190
Non-controlling interest	-	-	-	-	462,221	462,747	57,680	34,317	14,352	-	1,178,216	1,207,356	2,019,858	1,813,478

19 Disclosure at other entities

As required by Technical Pronouncement CPC 45 – Disclosure in other entities, the condensed financial statements for each of the relevant joint ventures and associated company are presented below: Those projects' investments are recorded under the equity method and the amounts shown in the financial statements were prepared under IFRSs.

19.1 Joint ventures

All information presented below represents 100% of the balances of joint ventures which, under Company's evaluation, are considered significant.

CEJA

CEJA is the holder of the concession right for Usina Hidrelétrica Santo Antônio do Jari (UHE Jari), headquartered in the city of São Paulo - SP. The project is no longer in the asset held for sale.

Cachoeira Caldeirão

Cachoeira Caldeirão holds concession right of Hydroelectric Power Plant Cachoeira Caldeirão, headquartered in city of Ferreira Gomes in the state of Amapá. The project is no longer an asset held for sale.

São Manoel

São Manoel holds concession right of Hydroelectric Power Plant São Manoel, headquartered in the city of Rio de Janeiro.

By replacing Consórcio Construtor of UHE São Manoel, carried out in January 2017, the Management expected that there would be an increase in the total amount for the construction of the UHE São Manoel, since additional expenditures would be required from the new company to complete the construction within the expected schedule.

Due to what happened, as at December 31, 2016, São Manoel conducted the impairment test of assets to check if this potential increase in the total value of the asset would be recoverable. Based on the assumptions from the determination base of recoverable value to the discount rate, in 2016, São Manoel, considering that the best estimates were available for the calculation, identified an impairment loss of the asset in UHE São Manoel totaling R$ 460,236, recorded as a counterparty in the item "Other operating expenses" in the result of that year.

Additionally, São Manoel evaluates the obligation to indemnify the position of Pan Seguros S.A., the insurance company that issued the insurance bond policy for São Manoel, starting coverage from July 2014, was considered as assumption. São Manoel hired legal advice from specialized consultants, who concluded that São Manoel has the right to receive the indemnity since the insurance has the purpose to ensure the carrying out, at full contract basis, at a fixed price, of the materials and equipment supplies, assembly, engineering and civil work services, under the full "Turn Key" modality for the implementation of the project. The indemnity limit under policy is R$429,555.

In August 2018, Pan Seguros S.A. ended the claim adjustment procedure and denied insurance coverage to São Manoel. Thus, in January 2019, a collection lawsuit was filed by the São Manoel against the insurance company. In October 2019, an unfavorable sentence was rendered to São Manoel, and, in view of this decision, an appeal was filed, which is awaiting judgment. The loss prognosis remains classified as "possible" by São Manoel's legal advisors.

São Manoel quarterly monitors the events that may significantly change the test for impairment. In fiscal years 2021, 2020, 2018 and 2017, São Manoel reviewed the impairment test of assets, and did not identify any need to reverse or supplement the amount recorded in 2016.

However, in the last quarter of 2019, São Manoel's Management, through sensitivity tests, regulatory changes, and analysis of indicators, identified indications that the calculation of the power plant's recoverable amount could be underestimated, affecting the impairment entry recognized in 2016. The identified indicators range from the approval of the new Physical Guarantee, to factors of improvement in the macroeconomic scenario, components for discounting cash flow in the valuation of investments, used to calculate the recoverable value.

After the analysis of indicators and the impairment test were conducted, using the internal and external sources of information provided for in CPC 01 (R1) - Asset Impairment, São Manoel continued with the registration of the reversal in the amount of R$111,191.

As of December 31, 2022, São Manoel's Management carried out the analysis of the equity and financial situation and concluded that the recorded value of non-financial assets for the year, considering the foregoing, is recoverable, having not recorded any additional value or reversal.

19.1.1 Condensed financial statements

Balance sheet

	São Manoel		CEJA		Cachoeira Caldeirão	
Assets	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Current						
Cash and cash equivalents	119,396	93,791	249,812	188,364	104,832	62,653
Consumers and Concessionaires	52,429	47,942	43,684	45,868	21,596	27,741
Other receivables	114,609	75,724	27,192	35,108	39,461	28,281
	286,434	217,457	320,688	269,340	165,889	118,675
Non-current						
Recoverable income tax and social contribution			7,317	5,239		
Deferred taxes	330,688	308,250			83,810	81,392
Other receivables	120,538	126,403	31,052	34,299	45,702	54,545
	451,226	434,653	38,369	39,538	129,512	135,937
Property, plant and equipment	3,008,837	3,094,742	1,013,139	1,017,376	1,090,143	1,129,668
Intangible assets	65,931	71,742	454,271	476,418	11,589	11,699
Total assets	3,812,428	3,818,594	1,826,467	1,802,672	1,397,133	1,395,979
Liabilities						
Current						
Suppliers	30,142	23,234	112,897	93,640	11,778	11,160
Debentures	27,896	37,882			40,300	26,954
Loans, financing and debt charges	70,686	48,861	54,098	53,755	33,644	28,410
Provisions	18,699	24,007	2,510	2,326	1,812	2,259
Other accounts payable	11,164	12,538	75,348	55,295	3,614	5,212
	158,587	146,522	244,853	205,016	91,148	73,995
Non-current						
Deferred taxes	34	19	113,754	117,898	6	2
Debentures	264,889	273,456			162,813	190,617
Loans and financing	1,549,013	1,510,707	390,266	440,036	544,308	531,649
Use of public property	54,393	52,097	33,143	31,927	13,164	12,631
Provisions	16,565	24,389	6,143	6,600	25,274	19,402
Other accounts payable	1,605	352	9	54	717	249
	1,886,499	1,861,020	543,315	596,515	746,282	754,550
Shareholders' equity	1,767,342	1,811,052	1,038,299	1,001,141	559,703	567,434
Total liabilities and shareholders' equity	3,812,428	3,818,594	1,826,467	1,802,672	1,397,133	1,395,979

Statement of income

	São Manoel		CEJA		Cachoeira Caldeirão	
	2022	2021	2022	2021	2022	2021
Income	418,165	375,052	315,195	317,843	163,746	164,885
Cost of production and electricity services	(303,014)	(302,160)	(95,599)	(101,404)	(102,943)	(100,263)
Operating expenses and income	(4,154)	(7,522)	(22,363)	(20,653)	(3,823)	(3,852)
Financial result	(177,145)	(186,164)	(22,798)	(41,850)	(66,992)	(75,330)
Income tax and social contribution - current					(137)	(1,401)
Income tax and social contribution - current and deferred	22,438	40,983	(4,469)	(16,725)	2,418	4,805
Net income (loss) for the year	(43,710)	(79,811)	169,966	137,211	(7,731)	(11,156)

19.1.2 Term extension - GSF

As well as the generation subsidiaries that had the extensions in the concession terms described in Note 24.1.3.1, São Manoel also proceeded with the accounting record as follows:

	Concession right GSF - ACL		Concession right GSF - ACR		Total	
	Increase - R$	Extension - term	Increase - R$	Extension - term	Increase - R$	Extension - term
CEJA	5,714	3.8	9,815	6.1	15,529	9.9
Cachoeira Caldeirão			1,875	2.7	1,875	2.7
São Manoel	11,484	5.8	4,737	2.2	16,221	8.0
Total	17,198		16,427		33,625	

19.1.3 Civil, tax and labor provisions and restricted deposits – Current and non-current

19.1.3.1 Risk of probable loss

	CEJA							
	Liabilities						Assets	
							Judicial deposit	
	Balance at 12/31/2021	Formation	Payments	Reversal	Inflation adjustment	Balance at 12/31/2022	12/31/2022	12/31/2021
Labor	2,582	457	(186)	(1,193)	1,490	3,150	146	523
Civil	45	1			9	55		
Tax	30				1	31		
Other	610	7	(13)	(33)	64	635		
Total non-current	3,267	465	(199)	(1,226)	1,564	3,871	146	523

	Cachoeira Caldeirão						
	Liabilities						Assets
	Balance at 12/31/2021	Formation	Payments	Reversals	Inflation adjustment	Balance at 12/31/2022	Judicial deposit 12/31/2021
Civil	16,815	1,722	(376)	(10)	5,238	23,389	1,050
Other	680			(13)		667	
Total non-current	17,495	1,722	(376)	(23)	5,238	24,056	1,050

	São Manoel				
	Liabilities				
	Balance at 12/31/2021	Formation	Reversal	Restatement	Balance at 12/31/2022
Labor	2,714	142		586	3,442
Other	663	167	(6)	15	839
Total non-current	3,377	309	(6)	601	4,281

Cachoeira Caldeirão

Among the civil lawsuits noteworthy were the claims involving the expropriation issue related to the water crossing event occurred in the opening contracted in the cofferdam of the UHE Cachoeira Caldeirão in which on May 7, 2015, due to rise of Araguari river, Cachoeira Caldeirão conducted a controlled opening of left margin cofferdam to permit river waters to pass. Subsequent to this safety procedure and maneuvers carried out by other plants of the region, the municipality of Ferreira Gomes, downstream the dam, was partially flooded.

In view of this occurrence, on May 18, 2015, Cachoeira Caldeirão entered into a Term for Adjustment of Conduct (TAC), without the presumption of guilt, with the Federal Public Prosecutor's Office of Amapá State for the purpose of indemnifying families and dealers (under emergency circumstances) affected by the flood.

The Public, State and Federal Ministries filed a Writ of Mandamus in order to determine via judicial investigation the cause and those responsible for what happened regarding UHE Ferreira Gomes, UHE Coaracy Nunes, Instituto de Meio Ambiente e Ordenamento Territorial do Amapá - Imap, and Cachoeira Caldeirão.

Complainers allege that they have been impacted by the flood and claim for application of TAC terms, in addition to those previously signed by Cachoeira Caldeirão, that is, indemnity of R$20 for houses and R$35 for commercial establishments.

Regarding other lawsuits, Cachoeira Caldeirão filed, which was admitted by Amapá State appeal collegiate court, which suspended part of lawsuits in Special Civil Court until the final decision of the STF (Federal Supreme Court). However, Cachoeira Caldeirão participated in the joint efforts of the Court of Justice of Amapá in March 2019, jointly with the Court of Ferreira Gomes, closing some of the lawsuits in progress. The appeal of Cachoeira Caldeirão was not recognized by the Federal Court of Justice, so that a portion of the suspended claims are now under analysis. Pain and suffering claims remain suspended.

Cachoeira Caldeirão had called its insurance company to obtain reimbursement for the indemnities and overhead expenses arising from the event, and, on August 13, 2018, the insurance adjustment process was completed, determining as indemnity to Cachoeira Caldeirão, already net of deductible, the amount of R$ 28,000.

19.1.3.2 Risk of possible loss

	São Manoel				CEJA				Cachoeira Caldeirão	
			Assets				Assets			
			Judicial deposit				Judicial deposit			
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Labor	6,299	5,479			8	1,293	233	154		19
Civil	5,247	1,679	4		35,234	29,164			9,336	7,941
Tax	11,555	44,321	2,741	2,501	923	860	81	73	16,304	12,884
Total	23,101	51,479	2,745	2,501	36,165	31,317	314	227	25,640	20,844

CEJA

Civil

CEJA, along with other agents of the industry, in October 2014, filed a lawsuit pending in 2nd Federal Court in the Federal District, before the Federal Government, to suspend the effects of Resolution 03/13 of the Brazilian Energy Policy Council (CNPE), enacted by the Federal Government, which introduced a sharing between all agents of the energy market of the costs incurred for the additional dispatch of thermal sources (oil, coal and gas) due to the shortage of rain (System Service Charge – ESS).
On November 04, 2014, an injunction was granted to suspend the effects of the provisions established in articles 2 and 3 and in the attachment to CNPE Resolution 03/13. The decision considering valid the request by the plaintiff was published on September 05, 2017. Companhia Elétrica do Jari (CEJA) awaits a decision for the appeal filed by the Federal Government. As of December 31, 2022, the estimated amount of the lawsuit is R$ 35,234 (R$ 29,164 as of December 31, 2021) and it is based on the accounting reports of Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

Tax

Administrative discussion arising from the Tax Assessment Notice drawn up on June 30, 2020 by the Brazilian Federal Revenue Service, aimed at the collection of a fine for allegedly incorrect information in ancillary obligations (EFD ICMS/IPI and EFD Contributions), as well as the collection of PIS and COFINS for the 2016 period, since the peculiarities of the energy sector were not considered for the purposes of calculating said taxes. The lawsuit is currently in the process of preparation of defense. The amount as of December 31, 2022 is R$ 123 (R$ 111 as of December 31, 2021). CEJA obtained a favorable administrative decision, resulting in a change in the risk forecast for remote loss amounting to R$ 28,903. The proceeding remains in progress, awaiting judgment of appeal.

Cachoeira Caldeirão

Tax

Lawsuit filed by Cachoeira Caldeirão against the Brazilian Federal Revenue Service, in which it discusses the non-approval of the requests for the offsetting of withholding tax credits (IRRF – Corporate Income Tax), involving the amount of R$ 14,074 as of December 31, 2022 (R$ 10,791 as of December 31, 2021). Currently, it is awaiting the court's decision.

São Manoel

Civil

São Manoel is party to a Public Civil Lawsuit proposed by the Federal Public Prosecutor's Office (Ministério Público Federal - MPF), on the grounds of alleged irregularities in the environmental permits for the construction of UHE São Manoel, non-compliance with conditions for the indigenous

In all lawsuit, the MPF requires injunction for suspension of permits. Due to the complexity of such lawsuit, it is not possible to estimate the economic value involved, because the results of possible permit suspension will vary according to investment value already realized by São Manoel to build the project. Despite strong arguments of the defense, São Manoel and its legal advisors classified the lawsuit as possible risk due to the protective trend in environmental matters. Currently, the lawsuits is awaiting for the judgment of the appeal filed by MPF (Public Prosecutor's Office).

Tax

• Writ of Mandamus filed by São Manoel with the State of Pará, aiming to discuss the constitutionality of the ICMS rate differential that should have been provided for by the Supplementary Law, as well as the calculation form established in the State Law 8315/15, as of June 30, 2020, taking into account the unfavorable decision in the appellate court, São Manoel included this lawsuit in the group of possible risk of loss the amount involved on December 31, 2022, which is R$ 28,521 (R$ 26,687 as of December 31, 2021). São Manoel obtained a favorable court decision, resulting in a change in the risk forecast for remote loss. The lawsuit awaits a retraction decision for adaptation according to the decision of the Federal Supreme Court (STF).

• Lawsuit filed by São Manoel against the Brazilian Federal Revenue Service, in which it discusses the non-approval of the requests for the offsetting of withholding tax credits (IRRF – Corporate Income Tax), involving the amount of R$ 8,024 as of December 31, 2022 (R$ 7,366 as of December 31, 2021). São Manoel is waiting the decision.

• Administrative dispute arising from the Tax Assessment Notice drawn up by the State of Pará, aiming at the collection of the rate differential relating to the period between March and August 2016. The amount involved on December 31, 2022 is R$ 7,746 (R$ 7,040 as of December 31, 2021). São Manoel obtained a favorable court decision, resulting in a change in the risk forecast for remote loss. The lawsuit is awaiting a decision and adequacy of the topic, according to the decision of the Federal Supreme Court (STF).

19.1.4 Contractual commitments and guarantees

19.1.4.1 Contractual commitments

As of December 31, 2022, the joint ventures present contractual commitments not recognized in the financial statements, which are presented by the total amount.
Contractual commitments mentioned in the chart below reflect agreements and commitments necessary for its subsidiary's normal operations, adjusted at respective projected rates and adjusted at present value, which represent average financing rate for construction of projects.

	São Manoel		CEJA		Cachoeira Caldeirão	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Liabilities with operating leases			239		405	
Liabilities for purchases						
Purchase of energy		34,515	9,111	8,825	68,080	65,970
Energy connection and transportation charges		88				
Materials and services	90,577	32,083	36,684	22,790	32,950	23,221
Risk premium - GSF			79,694	75,083		
Interest Falling Due Loans, Financing and Debentures	1,113,360	1,100,522	125,072	141,238	348,387	353,181
	1,203,937	1,167,208	250,800	247,936	449,822	442,372

Contract commitments mentioned in the chart below reflect the same contract commitments shown above, however, they are adjusted at respective rates on base date December 31, 2022, that is, without projection of correction indices, and are not adjusted at present value.

	São Manoel		CEJA		Cachoeira Caldeirão	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Liabilities with operating leases			230		408	
Liabilities for purchases						
Purchase of energy		32,883	10,383	11,031	77,551	82,446
Energy connection and transportation charges		86				
Materials and services	91,158	32,831	37,891	23,362	36,400	26,792
Risk premium - GSF			241,616	241,616		
Interest Falling Due Loans, Financing and Debentures	1,708,463	1,736,501	160,618	161,193	516,270	535,496
	1,799,621	1,802,301	450,738	437,202	630,629	644,734

19.1.4.2 Guarantees

		São Manoel		CEJA		Cachoeira Caldeirão	
Guarantees	**Type of guarantees**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Loans and financing	(i) Blocked deposit; (ii) Bank guarantee; (iii) Corporate guarantee; (iv) Lien on shares; and (v) Pledge of Rights	1,635,009	1,576,836	444,724	494,242	579,761	562,101
Debentures	(i) Bank guarantee; and (ii) Corporate guarantee	304,976	325,674			203,360	217,885
Lawsuits	(i) Blocked deposit; (ii) Bank guarantee; and (iii) Insurance bond.				180		34,050
Purchase of energy	(i) Blocked deposit; (ii) Bank guarantee; (iii) Corporate guarantee; (iv) Receivables; and (v) Insurance bond.						1,196
Construction performance bond	Insurance bond	823	823				
Other	Receivables			2,741	2,431	1,730	1,534
		1,940,808	1,903,333	447,465	496,853	784,851	816,766

19.2 Associated Company

The Company holds 6,390,720 preferred shares, plus 5,140,868 common shares, totaling 11,531,588 shares, which together represent 29.90% of Celesc's total capital.

Celesc is a mixed publicly-held corporation that has been operating since 1955 in the areas of power generation, transmission and distribution. During this period, it established itself as one of the largest companies in the Brazilian power sector, with national and international recognition for the quality of its services and for its actions in the technical, economic, environmental and social fields. In 2006, pursuant to the model advocated by the national power sector legislation, Celesc was structured as a holding company, with two wholly-owned subsidiaries: Celesc Geração S.A., which has 12 power plants in operation with a generation capacity of 115.27 MW, and Celesc Distribuição S.A., which serves more than 3.2 million customers, in 285 municipalities, besides part of the municipality of Rio Negro, in Paraná. In addition, it has the jointly-controlled subsidiary Companhia de Gás de Santa Catarina S.A. – SCGÁS which operates in the distribution of natural gas.

The information presented below represents 100% of the balances of Celesc, extracted from: (i) interim accounting information on September 30, 2022, disclosed to the market on November 11, 2022; and (ii) financial statements on December 31, 2021, released d to the market on March 11, 2022 which, in the Company's opinion, are considered relevant for disclosure. The Company assessed the corporate events disclosed to the market by Celesc between January 1 and December 31, 2022 and did not identify any material facts to be adjusted in the financial statements used to calculate equity.

19.2.1 Individual and condensed financial statements

Balance sheet

Assets	**09/30/2022**	**12/31/2021**
Current		
Cash and cash equivalents	26,663	26,872
Recoverable taxes	46,148	37,879
Dividends receivable	205,644	145,877
Other current assets	653	51
	279,108	210,679
Non-current		
Interest earning bank deposits measured at fair value	130,865	137,478
Other non-current assets	61,181	51,984
	192,046	189,462
Investments	2,670,969	2,398,187
Property, plant and equipment	205	338
Intangible assets	4,064	4,441
Total assets	3,146,392	2,803,107

Liabilities	**09/30/2022**	**12/31/2021**
Current		
Dividends and interest on own capital payable	176,111	134,356
Tax obligations	8,943	23,304
Other current liabilities	4,720	3,483
	189,774	161,143
Non-current		
Provisions	23,277	20,477
Other non-current liabilities	-	118
	23,277	20,595
Shareholders' Equity	2,933,341	2,621,369
Total liabilities and shareholders' equity	3,146,392	2,803,107

Statement of income

	09/30/2022	**09/30/2021**
Operating expenses and income	(12,489)	(16,612)
Income (loss) from ownership interest	454,942	481,437
Financial result	(5,176)	5,578
Income tax and social contribution - current and deferred	(87)	4,496
Net income (loss) for the period	437,190	474,899

19.2.2 Civil, tax and labor provisions and restricted deposits – Non-current

19.2.2.1 Risk of probable loss

	09/30/2022		**12/31/2021**	
		Assets		**Assets**
	Liabilities	**Judicial deposit**	**Liabilities**	**Judicial deposit**
Labor		4,704		4,686
Civil	572	2,994	181	6,589
Tax	19,222	45,301	16,813	17,276
Regulatory	3,483	8,182	3,483	8,182
Total non-current	23,277	61,181	20,477	36,733

19.2.2.1.1 Tax

These are related to tax contingencies at the federal level, regarding the payment of COFINS (Contribution for Financing Social Security) and Social Welfare Contribution, and at the municipal level, associated with tax notifications issued by the Florianópolis City Government for ISS (Service Tax)

19.2.2.1.2 Regulatory

Regulatory contingencies are associated with notifications made by ANEEL, ARESC or Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) in punitive administrative proceedings resulting from events that have already occurred, the settlement of which may result in the delivery of funds for contractual or regulatory violations in the electricity sector. The lawsuits in which Celesc D is litigating matters pertaining to the application of the sectorial regulation with other sectorial agents (electric power generation, trading, transmission or distribution concessionaires, as well as institutional agents such as ANEEL, Chamber of Commercialization of Electric Energy (Câmara de

20 Indemnifiable financial assets

	Consolidated					
	Net value as of December 31, 2021	Transfer of concession assets	Fair value (Note 20.1)	Write-offs	Reclassification	Net value as of December 31, 2022
Indemnifiable financial assets	4,362,393	1,002,268	384,236	(33,943)	(8,107)	5,706,847
Total non-current	4,362,393	1,002,268	384,236	(33,943)	(8,107)	5,706,847

The subsidiaries EDP São Paulo and EDP Espírito Santo present a balance of non-current asset from the Concession Grantor at the end of concession, as an indemnity for investments made and not recovered in the rendering of services granted, from the bifurcation required by ICPC 01 (R1). These financial assets are valued at their fair value, based on the New Replacement Value - NVR of assets pertaining to the concession, reviewed every four years in the appraisal report on the Regulatory Remuneration Basis - BRR, as established in Concession agreement.
The Replacement Cost New– VNR method determines that each asset must be valued at current prices by all the expenditures required for its replacement with an identical, similar or equivalent asset that provides the same services and has the same capacity as the existing asset. The application of this method occurs through the use of the Reference Price Base, the Company's Price Base or the Referential Budget.

The Reference Price Base represents the average regulatory costs, by group, of smaller components and additional costs, as defined in Appendix V of the Tariff Regulation Procedures – PRORET, submodule 2.3.

The Price Base is defined as the base formed using information from the actual company, and can only be applied to the main equipment or alternatively, to the smaller components and additional costs.

The Referential Budget represents the value of an assets or its individual parts by means of the comparison of market data relating to others with similar characteristics, applied exclusively to Buildings, construction works and improvements.

Indemnifiable financial asset is adjusted: (i) per Amplified Consumer Price Index (IPCA) restatement according to Normative Resolution 686/15; and (ii) per additions and write-off of infrastructure as regulated by ANEEL.

These assets will be reversed to Concession Grantor at the end of concession and effects from measurement at fair value are recognized directly income for the year.

In this sense, assessment is validated under supervision of ANEEL and occurs from inspections in the field of the concession infrastructure, following the methodology and criteria for evaluation of assets considered eligible, of the concessionaires of public service of electricity distribution, in order to restore the efficient level of operating costs and of the regulatory remuneration basis of the concessionaires.

20.1 Fair value

The amount of R$ 384,236 in the fair value account is impacted by the increase in inflation for the year. The accumulated IPCA rate in 2022 is 5.60%, while it was 10.67% in 2021.

21 Concession assets

	Consolidated											
	Net value as of December 31, 2021	Transfers to intangible assets	Transfers to indemnifiable financial assets	Additions (Notes 21.1.1 and 34)	Remuneration	Annual Revenues	Acquisition of companies (Note 18.1)	Capitalized interest	Construction margin	Reclassification	Other (**)	Net value as of December 31, 2022
	Restated (*)											
Distribution	858,576	(354,920)	(1,002,268)	1,524,870				16,660		5,748		1,048,666
Transmission	4,881,645			446,006	730,566	(522,559)	1,296,193	84	15,358		288,008	7,135,301
	5,740,221	(354,920)	(1,002,268)	1,970,876	730,566	(522,559)	1,296,193	16,744	15,358	5,748	288,008	8,183,967
Current	55,184											700,042
Non-current	5,685,037											7,483,925

(*) The amount as of December 31, 2021 is restated for proper information in the Transmission item, including the amount of R$ 1,659 of reversal.
(**) The amount presented in the "Other" column refers to the recognition of PIS and COFINS levied on the additions of the concession assets for the transmission subsidiaries.

21.1 Distribution

They are related to a contractual right of the concessionaires of charging users for the power distribution system construction, when respective assets went live and are measured at fair value plus financial charges, when applicable.

In accordance with the provisions of the Accounting Instructions of the Electricity Sector Accounting Manual and in CVM Resolution 672/11, which approves the technical pronouncement CPC 20 (R1), the financial charges relating to the financing obtained from third parties, effectively invested in Concession Assets, are recorded in this subgroup as cost of the respective works. The annual average rate invested in the period to determine the sum of the capitalizable financial charges was 1.5412% for distribution subsidiaries, which represent the effective rate of the loan as PRORET rules provided in submodule 2.4 and ANEEL Normative Resolution 648/15.

Upon the completion of the infrastructure construction works, the conclusion of performance obligation is evidenced and required by CPC 47, and these assets are divided as Indemnification assets (Note 20) or as Intangible Assets (Note 24), depending on the type of return.

21.1.1 Additions

The distribution in the investment amounts of distributors are highlighted below:

	EDP Espírito Santo	EDP São Paulo
Installation of metering systems, expansion of lines, substations and distribution networks for the connection of new customers	44%	32%
Network improvement, replacement of equipment and meters, both obsolete and depreciated, as well as the replacement of network conductors at the end of their useful lives	21%	15%
Telecommunications, IT and other activities, such as infrastructure and commercial projects	14%	19%
Loss prevention	21%	34%
	100%	100%

21.2 Transmission

The assets of the transmission concession of the subsidiary EDP Goiás are related to the utility service concession agreements and are depreciated using the straight-line method based on the annual rates established and periodically reviewed by ANEEL, which are practiced and accepted as representing the economic useful lives of the assets linked to the concession infrastructure.

However, assets linked to agreements for the use of public assets under the system of independent electricity producers are depreciated based on the annual rates established by ANEEL, limited to the concession term. Other property, plant and equipment items are depreciated under the straight-line method based on the estimated useful life.

Depreciation is calculated on property, plant, and equipment in service, using the straight-line method, based on the accounting balances recorded in the respective Registration Units - UC, as determined by ANEEL Normative Resolution 674 of August 11, 2015, at rates included in the table attached to the same Resolution, which reflects the estimated useful life of the assets.

For other transmission companies of Grupo EDP - Energias do Brasil, contractual assets include amounts receivable relating to the infrastructure implementation and income from the return on concession asset services. These assets are measured at the present value of future cash flows, based on the average funding rate of the project in force at the time of formalization of the concession agreement, according to CPC 47.

The financial asset model determines that income from the concession agreement must be recognized according to the criteria of CPC 47. In this sense, the transmission companies recognize Concession Infrastructure Construction Income with a margin proportional to the progress of the work, using the cost method, considering fulfillment of the performance required by the concession agreement.

As a result, the asset has the nature of a “contract asset” until the monthly issue of the RAP (Annual Permitted Revenue) billing permission by the ONS, when the corresponding amount is reclassified to Financial Assets. This is because the transmission companies still have contractual performance obligations to be fulfilled during the concession. In addition to Concession Infrastructure Construction Income, the RAP serves to remunerate the O&M service and settle part of the Interest Income. The formation of the contractual assets of the transmission companies is an accounting estimate, and the assumptions used by the Company are presented in Note 33.

At the end of the concession agreement period, all assets and facilities linked will be incorporated into the Brazilian Federal Government's assets.

Receipt of RAP

The receipt of RAP refers to the anticipation of works, as mentioned in Note 4.6.

Tariff readjustments and review

As mentioned in Note 4.17, the tariff adjustment and review of the transmission subsidiaries were approved.

22 Investment properties

On December 31, 2022, the amount substantially refers to the subsidiary EDP Goiás acquired in the year (Notes 4.7 and 18.1), refers to properties not usable by the concession of Celg Distribuição S.A., transferred to the indirect subsidiary EDP Goiás, with the consent of CELGPAR, in accordance with CPC 28 – Investment Property, of operations carried out prior to the acquisition of the subsidiary by the Company. The amount was adjusted to fair value based on the aforementioned CPC, as they were considered unserviceable for the concession of Celg Distribuição S.A., and transferred to EDP Goiás, pursuant to the spin-off agreement.

As of December 31, 2022, the fair value was determined at the direct market data comparative method that consists in determining the market value of an asset through the comparison with other similar assets, by means of its sales prices, considering their similar characteristics.

23 Property, plant and equipment

Property, plant and equipment are recorded at cost plus non-recoverable taxes on purchases/construction costs directly attributable to bringing the asset to the location and condition necessary for the operation, less accumulated depreciation and when applicable, accumulated impairment losses. Also part of the cost of property, plant and equipment is interest on loans and financing from third parties, capitalized during the construction phase, deducted from the financial income of third party unallocated funds.

The book value of the replaced goods is written off, and expenditures on repairs and maintenance are fully recorded as a counterparty to the result for the year.

According to Articles 63 and 64 of Decree 41019/57, the infrastructure assets used in generation, are related to these services and cannot be disposed, sold, assigned or mortgaged without the prior and formal authorization of the Regulatory Agency.

The depreciation calculation basis is the asset's depreciable amount (acquisition cost, less residual value) of the asset. Depreciation is recognized in the income statement on a straight line basis in accordance with the useful life of each addition and removal unit, as this method best reflects the consumption pattern of future economic benefits incorporated into the asset. The depreciation rates used as provided for in table XVI of the Manual of Asset Control in the Electricity Sector (Manual de Controle Patrimonial do Setor Elétrico - MCPSE) were approved by Normative Resolution 674, of August 11, 2015.

The depreciation rate considers the useful life of the asset, however, for assets not indemnifiable by the Concession Grantor at the end of the concession/authorization, the depreciation is recorded considering the remaining period of Concession/Authorization.

At the end of the concession agreement period, all assets and facilities linked to the Hydroelectric Power Plants will be incorporated into the Brazilian Federal Government's assets, and the concessionaires will be refunded for any investments made and not yet amortized, provided that the latter have been authorized by ANEEL and subjected to an ANEEL audit.

23.1 Breakdown of property, plant and equipment

		Parent Company							
		12/31/2022				12/31/2021			
	Note	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value
Construction in service									
Management									
Construction, civil works and improvements		12.50	24,797	(5,256)	19,541	12.50	24,797	(3,334)	21,463
Machinery and equipment		11.52	28,225	(22,482)	5,743	11.52	28,069	(20,905)	7,164
Vehicles		10.00	1,245	(1,023)	222	10.00	1,245	(931)	314
Furniture and fixtures		8.67	7,460	(2,657)	4,803	8.67	7,460	(2,251)	5,209
Total construction in service			61,727	(31,418)	30,309		61,571	(27,421)	34,150
Assets related to right to use	23.1.2								
Construction, civil works and improvements		9.81	13,580	(1,596)	11,984	11.16	7,762	(437)	7,325
Vehicles		20.00	6,089	(1,331)	4,758				-
Depreciation - Total assets related to right to use			19,669	(2,927)	16,742		7,762	(437)	7,325
Construction in progress									
Management			13,459		13,459		26,092		26,092
Total construction in progress			13,459	-	13,459		26,092	-	26,092
Total property, plant and equipment			94,855	(34,345)	60,510		95,425	(27,858)	67,567

	Note	Consolidated							
		12/31/2022				12/31/2021			
		Average depreciation annual rate %	Historical cost	Impairment (Note 4.25)	Accumulated depreciation	Net value	Average depreciation annual rate %	Historical cost	Accumulated depreciation	Net value
Construction in service										
Generation										
Land			186,960			186,960		183,610		183,610
Reservoirs, dams and water mains		1.77	1,764,390		(600,466)	1,163,924	1.84	1,764,278	(590,674)	1,173,604
Construction, civil works and improvements		2.20	948,804	(1,278)	(330,463)	617,063	2.26	944,039	(324,532)	619,507
Machinery and equipment		3.62	5,851,840	(1,202,849)	(2,824,872)	1,824,119	3.93	5,446,291	(2,154,431)	3,291,860
Vehicles		14.18	4,703		(4,054)	649	14.48	4,890	(3,784)	1,106
Furniture and fixtures		5.76	5,875	(359)	(2,482)	3,034	6.61	5,295	(1,879)	3,416
			8,762,572	(1,204,486)	(3,762,337)	3,795,749		8,348,403	(3,075,300)	5,273,103
Connection Transmission System										
Construction, civil works and improvements		3.38	2,993		(1,522)	1,471	3.38	2,993	(1,421)	1,572
Machinery and equipment		3.06	202,137		(97,091)	105,046	3.06	201,715	(91,001)	110,714
			205,130	-	(98,613)	106,517		204,708	(92,422)	112,286
Management										
Construction, civil works and improvements		9.72	40,224		(8,569)	31,655	9.93	37,218	(5,746)	31,472
Machinery and equipment		5.86	186,540		(78,571)	107,969	10.37	186,153	(67,594)	118,559
Vehicles		10.37	9,991		(4,935)	5,056	13.54	8,794	(3,095)	5,699
Furniture and fixtures		8.17	12,395		(4,816)	7,579	8.54	11,260	(3,981)	7,279
			249,150	-	(96,891)	152,259		243,425	(80,416)	163,009
Activities not linked to concession										
Land			85			85		85		85
Construction, civil works and improvements		10.00	47,625		(14,374)	33,251	9.95	47,028	(10,442)	36,586
			47,710	-	(14,374)	33,336		47,113	(10,442)	36,671
Activities linked to concession										
Vehicles	23.1.1	14.29	(5,176)		1,566	(3,610)	14.29	(5,716)	953	(4,763)
			(5,176)	-	1,566	(3,610)		(5,716)	953	(4,763)
Total construction in service			9,259,386	(1,204,486)	(3,970,649)	4,084,251		8,837,933	(3,257,627)	5,580,306
Assets related to right to use	23.1.2									
Land		1.19	35,927		(3,638)	32,289	3.84	7,139	(1,007)	6,132
Construction, civil works and improvements		10.89	96,234		(29,528)	66,706	13.90	90,463	(19,648)	70,815
IT equipment		5.50	291		(16)	275				-
Machinery and equipment		26.99	41,158		(24,774)	16,384	26.51	25,618	(17,878)	7,740
Vehicles		27.43	17,909		(8,334)	9,575	30.55	5,894	(4,338)	1,556
Depreciation - Total assets related to right to use			191,519	-	(66,290)	125,229		129,114	(42,871)	86,243
Construction in progress										
Generation			183,292			183,292		160,812		160,812
Management			25,939			25,939		44,879		44,879
Land			871			871		897		897
Construction, civil works and improvements			7			7		4,200		4,200
Machinery and equipment			180,727			180,727		139,656		139,656
Other			56,574			56,574		51,220		51,220
Total construction in progress			447,410	-	-	447,410		401,664	-	401,664
Total property, plant and equipment			9,898,315	(1,204,486)	(4,036,939)	4,656,890		9,368,711	(3,300,498)	6,068,213

23.1.1 Activities linked to concession

It refers to the development of the first Brazilian electric bus entirely powered by solar energy, designed by the automaker BYD in partnership with the Research & Development - R&D area of the subsidiary Porto de Pecém.

23.1.2 Right-of-use assets

They refer to assets arising from the application of CPC 06 (R2) (Note 16.8). The main assets recognized have the following characteristics:

• **Land:** it refers substantially to land intended for power plant construction projects with operating lease agreements.

• **Buildings, civil works and improvements:** They substantially refer to related rent contracts: (i) to the headquarters of the companies belonging to Grupo EDP - Energias do Brasil; and (ii) the consumer service stores located in the municipalities where the distributors have their concessions.

• **IT equipment:** Refers to the lease contract of notebooks and desktops used by employees, including their maintenance.

• **Machinery and equipment:** Refer substantially to the subsidiary Porto do Pecém and correspond to the rental of machinery for handling and stacking of the coal stored in the yard.

• **Vehicles:** Refer substantially to the rental contract for the fleet vehicles used by employees for transportation in the rendering of services, and also for the executive vehicles used by the top management.

23.2 Changes in property, plant and equipment

	Parent Company					
	Net value as of December 31, 2021	Inflows	Transfers to construction in service	Depreciation	Write-offs	Net value as of December 31, 2022
Construction in service						
Construction, civil works and improvements	21,463			(1,922)		19,541
Machinery and equipment	7,164		156	(1,577)		5,743
Vehicles	314			(76)		238
Furniture and fixtures	5,209			(422)		4,787
Total construction in service	34,150	-	156	(3,997)	-	30,309
Assets related to right to use						
Construction, civil works and improvements	7,325	5,818		(1,159)		11,984
Vehicles (Note 23.2.1)	-	6,089		(1,331)		4,758
Depreciation - Total assets related to right to use	7,325	11,907	-	(2,490)	-	16,742
Construction in progress						
Construction, civil works and improvements	650	119				769
Machinery and equipment	25,442	2,895	(156)		(15,491)	12,690
Total construction in progress	26,092	3,014	(156)	-	(15,491)	13,459
Total property, plant and equipment	67,567	14,921	-	(6,487)	(15,491)	60,510

	Consolidated								
	Net value as of December 31, 2021	Inflows	Transfers to construction in service and concession assets	Depreciation	Write-offs	Reclassification	Acquisition of companies (Note 18)	Other (Notes 4.25 and 32)	Net value as of December 31, 2022
Construction in service									
Land	183,695		3,350						187,045
Reservoirs, dams and water mains	1,173,604		112	(9,792)					1,163,924
Construction, civil works and improvements	689,137		8,468	(11,789)	(308)	(790)		(1,278)	683,440
Machinery and equipment	3,521,133		92,228	(341,183)	(5,502)	(23,318)	1,173	(1,207,397)	2,037,134
Vehicles	2,042		827	(858)	(73)	(16)	126	47	2,095
Furniture and fixtures	10,695		1,086	(945)		16	194	(433)	10,613
Total construction in service	5,580,306	-	106,071	(364,567)	(5,883)	(24,108)	1,493	(1,209,061)	4,084,251
Assets related to right to use									
Land	6,132	28,787		(2,630)					32,289
Construction, civil works and improvements	70,815	5,769		(9,878)					66,706
IT equipment	-	291		(16)					275
Machinery and equipment	7,740	15,540		(6,896)					16,384
Vehicles (Note 23.2.1)	1,556	12,015		(3,996)					9,575
Depreciation - Total assets related to right to use	86,243	62,402	-	(23,416)	-	-	-	-	125,229
Construction in progress									
Land	23,183	3	(3,350)						19,836
Reservoirs, dams and water mains	52	2	(54)						-
Construction, civil works and improvements	3,310	119	(894)			(1,683)			852
Machinery and equipment	111,082	40,142	(59,002)		(15,492)	65,008			141,738
Advances to suppliers	2,988					340			3,328
To pay out	2,456		(225)		(10)	(895)			1,326
Other	53,205	45,715	(5,208)		(106)	(56,020)	681	4,810	43,077
Land	897					(26)			871
Construction, civil works and improvements	4,200		(1,555)			(2,645)			-
Machinery and equipment	155,705	90,426	(34,655)		(66,737)	35,995			180,734
Other	22,804	51,929	(532)		(4,642)	(31,919)			37,640
Advances to suppliers	21,782				(18,556)	14,782			18,008
Total construction in progress	401,664	228,336	(105,475)	-	(105,543)	22,937	681	4,810	447,410
Total property, plant and equipment	6,068,213	290,738	596	(387,983)	(111,426)	(1,171)	2,174	(1,204,251)	4,656,890

23.2.1 Vehicles

The amount of inflows in the Parent Company and in the Consolidated refers mainly to the renewal of the Company's vehicle fleet that took place in the year.

24 Intangible assets

Intangible assets are measured by the total cost of purchase and or/construction, less amortization expenses and accumulated losses for impairment, when applicable.

Permanent rights of way are recorded at acquisition cost and are not amortized, except for subsidiary Porto do Pecém, which amortizes its permanent rights of way over authorization period.

The project development expenditures are recognized as intangible assets during the development stage, provided that they comply with the requirements defined in CPC 04 (R1).

Amortization is calculated on the asset amount and is recognized in income at the straight-line method in relation to the estimated useful lives of intangible assets, beginning as of the date in which they are available for use, as this method is the one that best reflects the consumption standard of future economic benefits incorporated to the asset.

24.1 Breakdown of intangible asset

	Parent Company							
	12/31/2022				12/31/2021			
	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value
Intangible asset in service								
Management								
Software	20.00	39,899	(29,112)	10,787	20.00	34,751	(24,999)	9,752
Total intangible asset in service		39,899	(29,112)	10,787		34,751	(24,999)	9,752
Intangible asset under development								
Management		45,268		45,268		28,673		28,673
Total intangible assets under development		45,268	-	45,268		28,673	-	28,673
Total intangible asset		85,167	(29,112)	56,055		63,424	(24,999)	38,425

			Consolidated							
			12/31/2022				12/31/2021			
	Note	Average amortization annual rate %	Historical cost	Impairment (Note 4.25)	Accumulated amortization	Net value	Average amortization annual rate %	Historical cost	Accumulated amortization	Net value
Intangible asset in service										
Distribution										
Concession rights - Infrastructure	24.1.1	4.65	5,011,504		(3,675,520)	1,335,984	4.65	4,776,007	(3,450,189)	1,325,818
Concession right - Other		3.82	38,143		(29,758)	8,385	3.82	38,143	(28,302)	9,841
			5,049,647	-	(3,705,278)	1,344,369		4,814,150	(3,478,491)	1,335,659
Generation and transmission										
Software		26.74	2,465	(336)	(1,307)	822	16.73	2,437	(2,073)	364
Permanent easement		38.23	1,224		(270)	954	38.23	1,224	(604)	620
Concession right - Environmental permits		22.69	75,243		(54,876)	20,367	22.06	71,076	(46,265)	24,811
Concession right - Use of Public Property - UBP	24.1.2	3.27	241,526		(102,773)	138,753	3.27	229,799	(92,757)	137,042
Concession right - Other	24.1.3	4.70	1,654,410	(78,329)	(733,916)	842,165	4.70	1,572,812	(619,016)	953,796
			1,974,868	(78,665)	(893,142)	1,003,061		1,877,348	(760,715)	1,116,633
Connection Transmission System										
Permanent easement		3.22	1,151		(365)	786	3.19	1,132	(328)	804
			1,151	-	(365)	786		1,132	(328)	804
Management										
Software		20.25	71,079		(47,891)	23,188	20.33	57,399	(39,071)	18,328
Other		4.38	33,154		(8,856)	24,298	4.38	33,154	(7,564)	25,590
			104,233	-	(56,747)	47,486		90,553	(46,635)	43,918
Transmission										
Software		20.00	691		(645)	46				-
Concession right - Other	24.1.3	4.33	1,053,863		(45,635)	1,008,228				-
			1,054,554	-	(46,280)	1,008,274		-	-	-
Total intangible asset in service			8,184,453	(78,665)	(4,701,812)	3,403,976		6,783,183	(4,286,169)	2,497,014
Intangible asset under development										
Generation			17,785			17,785		17,785		17,785
Management	24.2.1		102,262			102,262		67,518		67,518
Total intangible assets under development			120,047	-	-	120,047		85,303	-	85,303
Activities not linked to concession										
Goodwill in the merger of parent company	24.1.4	4.23	940,511		(726,091)	214,420	4.23	940,511	(689,023)	251,488
(-) Provision for maintenance of dividends	24.1.4	4.23	(940,511)		726,091	(214,420)	4.23	(940,511)	689,023	(251,488)
			-	-	-	-		-	-	-
Goodwill	24.1.5									
Blue Sol			22,477			22,477		22,477		22,477
EDP Smart Soluções			37,952		(31,804)	6,148		37,952	(31,804)	6,148
			60,429	-	(31,804)	28,625		60,429	(31,804)	28,625
Total intangible asset			8,364,929	(78,665)	(4,733,616)	3,552,648		6,928,915	(4,317,973)	2,610,942

24.1.1 Concession rights - Infrastructure

They refer to the right of distributors EDP São Paulo and EDP Espírito Santo to receive cash from users for services to build the electricity distribution system and the use of infrastructure, derived from bifurcation required by ICPC 01 (R1). They are recorded at their cost plus financial expenses, if applicable.

Amortization is recorded based on estimated useful life of each asset, limited to final concession period. The amortization rates used are those determined by ANEEL, responsible for establishing the useful life of the electric sector's distribution assets, and are provided in the Manual of Asset Control in the Electricity Sector (Manual de Controle Patrimonial do Setor Elétrico - MCPSE).

24.1.2 Concession right - Use of Public Property - UBP

It refers to the right to exploit the hydroelectric plant and transmission system associated with the UHEs and subsidiaries Investco and Enerpeixe. It is recognized at the total value of the consideration of right to Use of Public Property until the end of the concession agreement, recorded in counterparty to liability. Amortization will last until the end of the concession agreement of the subsidiaries.

	Consolidated			
	Balance at 12/31/2021	Addition	Amortization	Balance at 12/31/2022
	(*) Restated			
Investco	7,126	11,728	(2,239)	16,615
Enerpeixe	129,916		(7,778)	122,138
	137,042	11,728	(10,017)	138,753

(*) The amounts as of December 31, 2021, are restated for the proper information of the subsidiary Investco, including the amount of R$ 648 of amortization.

24.1.2.1 Addition

As a result of applying the concession extension provision mentioned in Note 24.1.3.1, the Concession Right related to the "UBP" (Use of Public Property) was recalculated to include the additional Concession period. Accordingly, the amount of R$ 11,728 was added to the balance of the indirect subsidiary Investco.

24.1.3 Concession right - Other

	Note	Consolidated 12/31/2022 Cost	Amortization	Total
Distribution				
EDP São Paulo		38,143	(29,758)	8,385
Transmission				
EDP Transmissão Litoral Sul		63,851	(1,331)	62,520
EDP Goiás	24.2|18.1	1,053,863	(45,635)	1,008,228
Generation				
Lajeado		164,826	(117,270)	47,556
Enerpeixe		3,837	(2,347)	1,490
Porto do Pecém	4.24	106,855	(106,855)	-
Investco		787,263	(394,981)	392,282
Total Generation		1,062,781	(621,453)	441,328
Term extension - GSF				
Enerpeixe		216,842	(40,656)	176,186
Lajeado		229,338	(70,033)	159,305
Investco		3,269	(443)	2,826
Total Term Extension - GSF	24.1.3.1	449,449	(111,132)	338,317
Total		2,668,087	(809,309)	1,858,778

Refer to the difference between total investment acquisition cost and its fair value less amortization expenses. Amortization is straight, in accordance with concession period.

24.1.3.1 Term extension - GSF

Refers to Bill 10.985/18 deals with the reimbursement of non-hydrological risks of the Generation Scaling Factor - GSF by extending the concession subject to the withdrawal of injunctions, and was approved in 2019 in Brazil's Chamber of Deputies (lower house of Congress). The Asset was recognized according to the estimates published by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE) of the effects of the Free Contracting Environment - ACL and Regulated Contracting Environment - ACR and the additions by ANEEL. Amortization began in January 2021 and will take place over the term of the concession agreement. In the year 2022, ANEEL released the following Authorizing Resolutions: number 11.715/22 for the jointly-controlled subsidiary CEJA, 11.998/22 for the subsidiaries Enerpeixe and 12.255/22 The subsidiaries Enerpeixe and Lajeado made the increments, whose amounts and months are presented below:

	Concession right GSF - ACL		Concession right GSF - ACR		Total	
	Increase - R$	Extension - term	Increase - R$	Extension - term	Increase - R$	Extension - term
Enerpeixe	216,841	67.0			216,841	67.0
Lajeado	98,416	13.6	130,923	18.5	229,339	32.1
Investco			3,269	32.1	3,269	32.1
Total	315,257		130,923		449,449	

24.1.4 Goodwill – Merger of Parent Company and Provision for maintenance of dividends

Refers to the spun-off portion of goodwill incorporated in subsidiaries EDP São Paulo, EDP Espírito Santo and Lajeado, deriving from the acquisition of said companies' shares, which was accounted for in accordance with CVM Instruction 319/99 and 349/99 and ICPC 09 and, as determined by ANEEL, is being realized based on the curve of expected future income over the subsidiaries' concession period. Due to said record, a tax credit was recognized (Note 10.2.1.4).

The constitution of the provision for maintenance of dividends is aimed at adjusting the amount of goodwill paid to the expected tax benefit by amortization and, consequently, to adjust the flow of future dividends of the subsidiaries, so that it is not adversely affected by the expense incurred in accounting amortization of the goodwill.

The provision is aimed at reducing the amount of goodwill to its net amount (representing the effective tax benefit), a portion that has an economic substance that allows it to be considered an asset as a counterparty to Goodwill Special Reserve in Shareholders' Equity.

24.1.5 Goodwill

Goodwill is the value exceeding the business combination cost regarding the interest of the acquiring company on the fair value of the acquired company's assets and liabilities, that is, the exceeding amounts is the portion overpaid by the acquiring company due to expected future earnings of the acquired company. In acquisitions in which the Company attributes fair value to non-controlling interests, the determination of goodwill also includes the value of any non-controlling interest in the acquiree, and goodwill is determined considering the Company's and non-controlling interests. The goodwill determined on investment acquired from undefined term should not be amortized, but is subject to impairment test.

24.2 Changes in intangible assets

	Parent Company				
	Net value as of December 31, 2021	Inflows	Transfer to intangible asset in service	Amortization	Net value as of December 31, 2022
Intangible asset in service					
Software	9,752		5,148	(4,113)	10,787
Total intangible asset in service	9,752	-	5,148	(4,113)	10,787
Intangible asset under development					
Other intangible assets under development	28,673	21,743	(5,148)		45,268
Total intangible assets under development	28,673	21,743	(5,148)	-	45,268
Total intangible asset	38,425	21,743	-	(4,113)	56,055

	Consolidated									
	Net value as of December 31, 2021	Inflows (Note 24.2.1)	Transfer to intangible asset in service	Transfers of concession assets	Amortization	Write-offs (Note 24.2.2)	Reclassification	Transfer of investments	Other (Note 4.24)	Net value as of December 31, 2022
Intangible asset in service										
Software	18,692		13,793		(8,115)			77	(391)	24,056
Permanent easement	1,424		18		298					1,740
Concession right - Environmental permits	24,811		4,167		(8,611)					20,367
Concession rights - Infrastructure	1,325,818			354,920	(323,453)	(29,408)	8,107			1,335,984
Concession right - Use of Public Property	137,042	11,728			(10,017)					138,753
Concession right - Other	963,637	1,057,132			(83,662)				(78,329)	1,858,778
Other intangible assets in service	25,590				(1,292)					24,298
Total intangible asset in service	2,497,014	1,068,860	17,978	354,920	(434,852)	(29,408)	8,107	77	(78,720)	3,403,976
Intangible asset under development										
Other intangible assets under development	85,303	49,838	(17,978)				1,171	1,713		120,047
Total intangible assets under development	85,303	49,838	(17,978)	-	-	-	1,171	1,713	-	120,047
Goodwill	28,625									28,625
Total intangible asset	2,610,942	1,118,698	-	354,920	(434,852)	(29,408)	9,278	1,790	(78,720)	3,552,648

24.2.1 Inflows - Consolidated

The total inflow on December 31, 2022 of R$ 1,118,698 mainly refers to: (i) R$ 1,057,132 Surplus from the acquisition of the indirect subsidiary EDP Goiás (Note 18.1); (ii) R$ 11,728 supplement for Use of Public Assets by the indirect subsidiary Investco (Note 4.16); and (iii) R$ 49,838 of expenditures related to software upgrades.

24.2.2 Write-offs - Consolidated

The amount on December 31, 2022 of R$ 29,408 mainly refers to the write-offs of heavy vehicles, meters and distribution transformers in the subsidiaries EDP São Paulo and EDP Espirito Santo.

25 Suppliers

		Parent Company		Consolidated	
		Current		Current	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Electricity supply (i)	25.1			725,436	999,880
Free energy				40,631	38,368
Electricity network utilization charges				171,345	146,461
CCEE Operations	25.2			60,643	194,215
Materials and services	25.3	42,471	50,834	488,058	565,168
Total		42,471	50,834	1,486,113	1,944,092

(i) The total amount of energy purchase guarantees is R$ 260,121 on December 31, 2022 (R$ 285,397 on December 31, 2021) in the Parent Company and R$ 468,907 (R$ 585,696 on December 31, 2021) in the Consolidated.

They are initially recognized at fair value plus any attributable transaction costs. After their initial recognition, are measured at amortized cost using the effective interest rate method, when applicable.

25.1 Electricity supply

The change recorded in the year refers to the reduction in the cost of contracting energy in the distribution subsidiaries due to the shutdown of thermoelectric plants by ONS at the end of 2021, which remains in 2022, due to the increase in rainfall in the aforementioned period, directly resulting in the reduction of the variable portion of power purchase agreement based on availability.

25.2 CCEE Operations

The balance refers to the transactions of sold energy and charges in the in the sphere of Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

The reduction is mainly due to the distribution subsidiaries due to the seasonality operated by the distributors, which were impacted by the decrease in the contracted load of the Surplus and Deficit Compensation Mechanism - MCSD and by the impact of the settlement of the water crisis bonus in the

25.3 Materials and services

The reduction of R$ 77,110 recorded in the item is substantially due to:

(i) a decrease of R$ 8,363 in the Parent Company due to the payment of specialized consultants hired for the new business processes in 2021;

(ii) a decrease of R$ 127,099 in the subsidiary Porto do Pecém occurred due to the settlement of amounts payable to suppliers related to coal imports in the previous year;

(iii) increase of R$ 40,402 in the subsidiary EDP São Paulo, mainly referring to the acquisition of measuring equipment, electrical devices, cables and engineering services; and

(iv) increase of R$ 25,613 in the indirect subsidiary EDP Goiás, consisting mainly of amounts payable for purchases of materials and services related to the maintenance of the transmission line under the subsidiary's concession.

26 Debentures

26,1 Breakdown of balance of debentures

												Parent Company								
												12/31/2022					12/31/2021			
												Charges		Principal			Charges	Principal		
Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Current	Non-current	Total
Domestic currency																				
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP - Energias do Brasil	CVM Instruction 400/03	48,066	1	48,066	3rd series of 4th issue as at September 15, 2015	09/15/2015– 09/15/2024	Intended for investments in Company's projects	IPCA + 8.2608% p.a. up to 03/14/2016 IPCA + 8.7608% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2022 and interest (six-month period)		3,571		18,800	26,013	48,384	1,882	29,266	34,927	66,075
(-) Issue costs	EDP - Energias do Brasil				(16,347)		09/15/2015– 09/15/2024			Monthly amortization				(63)	(28)	(91)			(191)	(191)
Planner Trustee Distribuidora d	EDP - Energias do Brasil	CVM Instruction 476/09	25,000	10	250,000	5th issue as at March 22, 2016	03/22/2016– 04/15/2022	Intended for investments in Company's projects	IPCA + 8.3479% p.a.	Annual amortizations beginning as of April 2021 and interest (six-month period)						-	5,001	165,936		170,937
(-) Issue costs	EDP - Energias do Brasil				(7,097)		03/22/2016– 04/15/2022			Monthly amortization						-		(192)		(192)
Total												3,571	-	18,737	25,985	48,293	6,883	195,010	34,736	236,629

												Consolidated								
												12/31/2022					12/31/2021			
												Charges		Principal			Charges	Principal		
Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Current	Non-current	Total
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	19,000	1	190,000	5th issue as at April 7, 2017	04/07/2017– 04/07/2022	Refinance and extend the average term of the debt and working capital.	108.75% CDI p.a.	Six-month period principal as from April 2020 and interest (six-month period)						-	711	38,000		38,711
(-) Issue costs	EDP Espírito Santo				(1,301)		04/07/2017– 04/07/2022			Monthly amortization						-		(17)		(17)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	190,000	1	190,000	7th issue as at August 15, 2018	08/15/2018– 07/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 5.91%	Annual principal starting August 2023 and interest (six-month period)		6,791		82,239	112,463	201,493	5,683		228,348	234,031
(-) Issue costs	EDP Espírito Santo				(2,941)		08/15/2018– 07/15/2025			Monthly amortization					(807)	(807)			(1,299)	(1,299)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	300,000	1	300,000	8th issue as at March 30, 2019	04/09/2019– 03/30/2024	Refinance and extend the average term of the debt and working capital	106.90% CDI p.a.	Principal in single installment on maturity date and six-month period interest		10,267			300,000	310,267	5,910		300,000	305,910
(-) Issue costs	EDP Espírito Santo				(268)		04/09/2019– 03/30/2024			Monthly amortization					(268)	(268)			(481)	(481)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	500,000	1	500,000	10th issue as at February 12, 2021	02/12/2021– 07/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 3.26%	Principal in single installment on maturity date and six-month period interest		8,586			577,179	585,765	9,646		501,034	510,680
(-) Issue costs	EDP Espírito Santo				(9,559)		02/12/2021– 07/15/2025			Monthly amortization					(4,796)	(4,796)			(6,702)	(6,702)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	400,000	1	400,000	11th issue as at August 4, 2021	08/04/2021– 07/15/2025	Refinance and extend the average term of the debt and working capital	CDI + 1.25% p.a.	Principal at the end of the agreement and six-month period interest		26,575			400,000	426,575	12,779		400,000	412,779
(-) Issue costs	EDP Espírito Santo				(1,399)		08/04/2021– 07/15/2025			Monthly amortization					(904)	(904)			(1,253)	(1,253)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Espírito Santo	CVM Instruction 476/09	270,000	1	270,000	12th issue as at May 25, 2022	05/25/2022– 05/25/2027	Refinance and extend the average term of the debt and working capital	CDI + 1.20% p.a.	Annual principal starting May 2025 and interest (six-month period)		3,760			270,000	273,760				-
(-) Issue costs	EDP Espírito Santo				(1,399)		05/25/2022– 05/25/2027			Monthly amortization					(806)	(806)				-
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	15,000	1	150,000	7th issue as at April 7, 2017	04/07/2017– 04/07/2022	Refinance and extend the average term of the debt and working capital.	108.75% CDI p.a.	Six-month period principal as from April 2020 and interest (six-month period)						-	564	30,293		30,857
(-) Issue costs	EDP São Paulo				(1,052)		04/07/2017– 04/07/2022			Monthly amortization						-		(14)		(14)

												Consolidated								
												12/31/2022					12/31/2021			
												Charges		Principal			Charges	Principal		
Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Current	Non-current	Total
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	260,000	1	260,000	9th issue as at August 15, 2018	08/15/2018–08/15/2025	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 5.91%	Annual principal starting August 2023 and interest (six-month period)		19,513		178,670	140,404	338,587	17,958		302,004	319,962
(-) Issue costs	EDP São Paulo				(3,948)		08/15/2018–08/15/2025			Monthly amortization					(1,138)	(1,138)			(1,745)	(1,745)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	200,000	1	200,000	10th issue as at March 30, 2019	04/09/2019–03/30/2024	Refinance and extend the average term of the debt and working capital	106.60% CDI p.a.	Principal in single installment on maturity date and six-month period interest		6,825			200,000	206,825	3,929		200,000	203,929
(-) Issue costs	EDP São Paulo				(215)		04/09/2019–03/30/2024			Monthly amortization					(215)	(215)			(386)	(386)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	700,000	1	700,000	11th issue as at February 12, 2021	02/12/2021–01/15/2026	Expansion, renewal and improvement of the electric power distribution infrastructure	IPCA + 3.91%	Annual principal starting January 2025 and interest (six-month period)		14,393			750,932	765,325	15,065		711,485	726,550
(-) Issue costs	EDP São Paulo				(4,001)		02/12/2021–01/15/2026			Monthly amortization					(1,615)	(1,615)			(2,240)	(2,240)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	350,000	1	350,000	12th issue as at August 4, 2021	08/04/2021–07/20/2026	Refinance and extend the average term of the debt and working capital	CDI + 1.25% p.a.	Annual amortizations beginning as of July 2024 and interest (six-month period)		22,649			350,000	372,649	11,181		350,000	361,181
(-) Issue costs	EDP São Paulo				(1,234)		08/04/2021–07/20/2026			Monthly amortization					(798)	(798)			(1,106)	(1,106)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	450,000	1	450,000	13th issue as at December 20, 2021	12/20/2021–12/20/2026	Refinance and extend the average term of the debt and working capital	CDI + 1.38% p.a.	Annual amortizations beginning as of December 2024 and interest (six-month period)		2,002			450,000	452,002	1,086		450,000	451,086
(-) Issue costs	EDP São Paulo				(1,944)		12/20/2021–12/20/2026			Monthly amortization					(1,479)	(1,479)			(1,944)	(1,944)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP São Paulo	CVM Instruction 476/09	450,000	1	450,000	14th issue as at May 25, 2022	05/25/2022–05/25/2027	Refinance and extend the average term of the debt and working capital	CDI + 1.20% p.a.	Annual principal starting May 2025 and interest (six-month period)		6,267			450,000	456,267				-
(-) Issue costs	EDP São Paulo				(1,944)		05/25/2022–05/25/2027			Monthly amortization					(1,237)	(1,237)				-
Pentágono S.A. Distribuidora d	EDP - Energias do Brasil	CVM Instruction 400/03	48,066	1	48,066	3rd series of 4th issue as at September 15, 2015	09/15/2015–09/15/2024	Intended for investments in Company's projects	IPCA + 8.2608% p.a. up to 03/14/2016 IPCA + 8.7608% p.a. as from March 15, 2016 (ii)	Annual amortizations beginning as of September 2022 and interest (six-month period)		3,571		18,800	26,013	48,384	1,882	29,266	34,927	66,075
(-) Issue costs	EDP - Energias do Brasil				(16,347)		09/15/2015–09/15/2024			Monthly amortization				(63)	(28)	(91)			(191)	(191)
Planner Trustee Distribuidora d	EDP - Energias do Brasil	CVM Instruction 476/09	25,000	1	250,000	5th issue as at March 22, 2016	03/22/2016–04/15/2022	Intended for investments in Company's projects	IPCA + 8.3479% p.a.	Annual amortizations beginning as of April 2021 and interest (six-month period)						-	5,001	165,936		170,937
(-) Issue costs	EDP - Energias do Brasil				(7,097)		03/22/2016–04/15/2022			Monthly amortization						-		(192)		(192)
Oliveira Trust Distribuidora de Títulos e Valores Mobiliários	Lajeado	CVM Instruction 476/09	200,000	1	200,000	2nd series of 2nd issue as at 12/08/2017	12/08/2017–12/08/2022	Re-adjustment of the capital structure, with capital decrease.	113.70% CDI p.a.	Annual principal starting December 2021 and interest (six-month period)						-	667	100,000		100,667
(-) Issue costs	Lajeado				(1,635)		12/08/2017–12/08/2022			Monthly amortization						-		(78)		(78)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Lajeado	CVM Instruction 476/09	100,000	1	100,000	3rd issue as at November 14, 2018	11/14/2018–10/20/2022	Working Capital for Debt Refinancing	109.25% CDI p.a.	Annual principal starting October/2021 and interest (six-month period)						-	836	50,000		50,836
(-) Issue costs	Lajeado				(351)		11/14/2018–10/20/2022			Monthly amortization						-		(41)		(41)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	Lajeado	CVM Instruction 476/09	150,000	1	150,000	5th issue as at June 21, 2021	06/21/2021–06/17/2024	Working Capital for Debt Refinancing	CDI + 1.05% p.a.	Principal in single installment on maturity date and six-month period interest		901			150,000	150,901	702		150,000	150,702
(-) Issue costs	Lajeado				(608)		06/21/2021–06/17/2024			Monthly amortization					(296)	(296)			(493)	(493)

												Consolidated								
												12/31/2022					12/31/2021			
												Charges		Principal			Charges	Principal		
Fiduciary Agent	Company	Type of issue	Quantity of securities	Unit value	Total amount	Issue date	Agreement term	Purpose	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Current	Non-current	Total
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	Lajeado	CVM Instruction 476/09	200,000	1	200,000	6th issue as at May 5, 2022	05/05/2022–05/05/2025	Working Capital for Debt Refinancing	CDI + 1.45% p.a.	Principal in single installment on maturity date and six-month period interest		4,327			200,000	204,327				-
(-) Issue costs	Lajeado						05/05/2022–05/05/2025			Monthly amortization					(494)	(494)				-
Planner Trustee Distribuidora de Títulos e Valores Mobiliários Ltda.	Enerpeixe	CVM Instruction 476/09	320,000	1	320,000	2nd issue as at November 20, 2017	11/20/2017–12/20/2022	Re-leveraging and capital decrease	116% CDI p.a.	Six-month principal starting June 2020 and interest (six-month period)	Fiduciary assignment of credit receivables from energy agreements					-	388	106,752		107,140
(-) Issue costs	Enerpeixe				(2,048)		11/20/2017–12/20/2022			Monthly amortization						-		(127)		(127)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Enerpeixe	CVM Instruction 476/09	255,000	1	255,000	3rd issue as at November 23, 2018	11/23/2018–11/23/2023	Debt extension.	112.48% CDI p.a.	Principal in single parcel in November/2023 and interest (six-month period)		3,962		255,000		258,962	2,614		255,000	257,614
(-) Issue costs	Enerpeixe				(510)		11/23/2018–11/23/2023			Monthly amortization				(93)		(93)			(197)	(197)
Simplific Pavarini Distribuidora de Títulos e Valores Mobiliários Ltda.	Enerpeixe	CVM Instruction 476/09	275,000	1	275,000	4th issue as at March 30, 2021	03/30/2021–03/20/2026	Working capital	CDI + 1.75% p.a.	Annual principal starting March 2025 and interest (six-month period)		11,307			275,000	286,307	6,939		275,000	281,939
(-) Issue costs	Enerpeixe				(1,084)		03/30/2021–03/20/2026			Monthly amortization					(651)	(651)			(887)	(887)
Simplific Pavarini Distribuidora	EDP Transmissão Aliança	CVM Instruction 476/09	1,200,000	1	1,200,000	1st issue as at October 15, 2018	10/15/2018–10/15/2028	Implementation of the transmission line and substation project of lot 21 of auction 05/2016-ANEEL	IPCA + 6.7200% p.a.	Six-month principal starting April/2023 and interest (six-month period)	a. Corporate Guarantees of EDP - Energias do Brasil and Celesc proportional to their equity interest; b. Blocked deposits.	23,063		92,163	1,425,340	1,540,566	22,720		1,434,857	1,457,577
(-) Issue costs	EDP Transmissão Aliança				(56,660)		10/15/2018–10/15/2028			Monthly amortization				(6,863)	(20,962)	(27,825)			(34,764)	(34,764)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Transmissão SP-MG	CVM Instruction 476/09	800,000	1	800,000	2nd issue as at 07/15/2019	07/15/2019–07/15/2039	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	IPCA + 4.45% p.a.	Six-month principal starting July 2022 and interest (six-month period)	a. Corporate guarantee of EDP - Energias do Brasil	26,019		60,841	1,025,714	1,112,574	107,074	7,030	923,117	1,037,221
(-) Issue costs	EDP Transmissão SP-MG				(56,278)		07/15/2019–07/15/2039			Monthly amortization				(4,247)	(37,138)	(41,385)		(4,381)	(41,395)	(45,776)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	EDP Transmissão SP-MG	CVM Instruction 476/09	525,000	1	525,000	3rd issue as at November 5, 2021	11/05/2021–11/05/2023	Implementation of the transmission line and substation project of lot 18 of auction 05/2016-ANEEL	CDI + 1.10% p.a.	Principal at the end and six-month period interest	a. Corporate guarantee of EDP - Energias do Brasil	11,088		525,000		536,088	5,785		525,000	530,785
(-) Issue costs	EDP Transmissão SP-MG				(1,266)		11/05/2021–11/05/2023			Monthly amortization				(558)		(558)			(1,166)	(1,166)
Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários	Santa Leopoldina	CVM Instruction 476/09	700,000	1	700,000	1st issue as at January 19, 2022	01/19/2022–01/17/2024	(i) purchase of shares issued by CELG Transmissão S/A - CELG T (ii) working capital of the Issuer	CDI + 1.52% p.a.	Principal and interest at the end	a. Corporate guarantee of EDP - Energias do Brasil		93,285		700,000	793,285				-
(-) Issue costs	Santa Leopoldina		(404)				01/19/2022–01/17/2024			Monthly amortization					(210)	(210)				-
Total domestic currency												211,866	93,285	1,200,889	7,729,203	9,235,243	239,120	522,427	6,944,523	7,706,070
Derivatives																				
Safra	EDP São Paulo	CVM Instruction 476/09	500,000	1	700,000	10th issue as at February 12, 2021	02/12/2021–01/15/2026	2019, 2020 and 2021 Investment Plan	IPCA swap + 3.91% p.a. for CDI + 1.50% p.a.	Annual principal starting January 2025 and interest (six-month period)						-	10,260		(3,248)	7,012
Itaú	EDP Espírito Santo	CVM Instruction 476/09	700,000	1	500,000	11th issue as at February 12, 2021	02/12/2021–07/15/2025	2019, 2020 and 2021 Investment Plan	IPCA swap + 3.26% p.a. for CDI + 1.15% p.a.	Principal in single installment on maturity date and six-month period interest						-	7,614		3,687	11,301
Total derivatives												-	-	-	-	-	17,874	-	439	18,313
Grand total												211,866	93,285	1,200,889	7,729,203	9,235,243	256,994	522,427	6,944,962	7,724,383

(i) According to clause 4.2.3.2. of the indenture, which provides for an increase of 0.3% in the annual rate in the event of downgrade by at least two notches in the rating of the issuer before the issuing date. On February 25, 2016 the rating of EDP Espírito Santo was downgraded by Moody's from "Aa1.br" in the local scale and "Baa3" in the global scale to "Aa2.br" in the local scale and "Ba2" in the global scale.
(ii) According to clause 9.1. of the indenture, which provides for an increase of 0.5% in the annual spread in the event of a downgrade by at least two notches in the rating of the issuer before the issuing date. On February 25, 2016 the Company's rating was downgraded by Moody's from "Aa3.br" in the local scale and "Ba2" in the global scale to "A2.br" in the local scale and "Ba3" in the global scale.

Debentures are stated at the net amount of transaction costs incurred and are subsequently measured at amortized cost using the effective interest rate method, with the exception of the 10th and 11th issues of EDP Espírito Santo and EDP São Paulo, respectively, which are measured at fair value considering irrevocable measurement option in the initial recognition resulting from contracting a swap derivative, to avoid measurement mismatches between financial instruments and the 7th and 9th issues of distribution subsidiaries, measured at fair value considering the hedging application of fair value.
Interest payments on debt are being presented as a financing activity in the statement of cash flows.
The total amount referring to the guarantees of the debentures mentioned above as of December 31, 2022, in the Company is R$ 3,828,458 (R$ 2,490,708 as of December 31, 2021) and in the consolidated R$ 3,982,513 (R$ 3,123,723 as of December 31, 2021).

26.2 Changes in debentures

	Parent Company						
	Net value as of December 31, 2021	Payments	Accrued interest	Transfers	Amortization of transaction cost	Inflation adjustment and exchange-rate change	Net value as of December 31, 2022
Current							
Principal	195,202	(194,848)		8,914		9,532	18,800
Interest	6,883	(12,627)	9,315				3,571
Transaction cost	(192)			(163)	292		(63)
	201,893	(207,475)	9,315	8,751	292	9,532	22,308
Non-current							
Principal	34,927			(8,914)			26,013
Transaction cost	(191)			163			(28)
	34,736	-	-	(8,751)	-	-	25,985

	Consolidated										
	Net value as of December 31, 2021	Inflows	Payments	Accrued interest	Interest paid in	Transfers	Amortization of transaction cost	Reclassification (Note 38.1.3)	Inflation adjustment and exchange-rate change	Mark-to-Market	Net value as of December 31, 2022
Current											
Principal	527,277		(527,852)			1,100,233			113,055		1,212,713
Interest	239,120		(655,075)	733,125	(105,304)						211,866
Transaction cost	(4,850)					(25,888)	18,914				(11,824)
Swap	17,874							(17,874)			-
	779,421	-	(1,182,927)	733,125	(105,304)	1,074,345	18,914	(17,874)	113,055	-	1,412,755
Non-current											
Principal	7,040,772	1,620,000			105,304	(1,100,233)			144,648	(7,446)	7,803,045
Interest	-			93,285							93,285
Transaction cost	(96,249)	(3,481)				25,888					(73,842)
Swap	439							(439)			-
	6,944,962	1,616,519	-	93,285	105,304	(1,074,345)	-	(439)	144,648	(7,446)	7,822,488

26.3 Maturity of installments

Maturity	Parent Company	Consolidated
Current		
2023	22,308	1,412,755
	22,308	1,412,755
Non-current		
2024	25,985	1,970,245
2025		2,838,681
2026		1,127,398
2027		344,844
2028		774,544
2029–2040		766,776
	25,985	7,822,488
Total	48,293	9,235,243

Issues made by the Company and its subsidiaries are not convertible into shares.

The main clauses which provide the termination of the contracts are as follows, while all clauses can be consulted in the prospectus or indenture:
As of December 31, 2022, the Company and the subsidiaries EDP São Paulo, EDP Espírito Santo, Lajeado, Enerpeixe, EDP Transmissão Aliança, EDP Transmissão SP-MG, Porto do Pecém and Santa Leopoldina are in full compliance with all the restrictive clauses of the covenants provided in the debenture contracts.

EDP - Energias do Brasil

• For both issuances:

(i) Non-compliance by the Issuer with any monetary obligation in the Indenture, not remedied in the period established by the Indenture;

(ii) Failure to comply with any obligation related to the principal and/or yield not resolved within the stipulated period;

(iii) Voluntary bankruptcy request;

(iv) Request for court-ordered reorganization, out-of-court reorganization, voluntary bankruptcy, settlement or wind-up of the Company or Relevant Subsidiaries - EDP São Paulo, EDP Espírito Santo, Enerpeixe, or whose income represents more than 20% of the Company's consolidated income, as well as bankruptcy request not resolved within legal period;

(v) The Issuer's failure to maintain a Consolidated Net Debt in relation to Consolidated EBITDA financial ratio in relation to Consolidated EBITDA no more than 3.5 on the calculation dates, which shall be December 31 of each year;

(vi) Protest of trade note against the Issuer and/or its Relevant Subsidiaries, whose individual value, or added value, exceeds R$75,000, provided that it has not been proven by the Issuer to the Fiduciary Agent, which was refuted in good faith and/or has not been solved within 30 days counted as of subpoena; and

(vii) Arrest, seizure, pledge or any other restriction to assets and/or rights, or early maturity of any pecuniary obligation of the Issuer and/or its Relevant Subsidiaries, with individual or added value higher than R$75,000, or its equivalent in other currencies.

• Specific for the 4th issue:

(i) Merger, liquidation, wind-up, extinction, spin-off and/or any other form of corporate reorganization (including takeover and/or incorporation of shares) of the Issuer, except if: (a) disclosed by the Issuer through relevant fact or communication to the market up to Issuance Indenture date; (b) due to legal or regulatory determination; (c) previous consent of debentureholders that represent at least 2/3 of outstanding debentures, gathered in an General Debentureholders' Meeting especially convened for that purpose; or (d) not cause change in Issuer's rating to a score lower than: (aa) "AA-" (double A minus) by Standard & Poor's Ratings do Brasil Ltda.; (bb) "Aa3.br" by Moody's; or (cc) "AA-" (double A minus) by Fitch Ratings Brasil Ltda.;

(ii) Notification of payment deriving from final court decision or final arbitration decision against the Issuer and/or its Relevant Subsidiaries, with individual or added value higher than R$75,000, or its equivalent in other currencies; and

(iii) Sale, assignment, rent or any other form of disposal or promised disposal of total or relevant portion of the Issuer's assets and/or of its Relevant Subsidiaries, whose individual or added value is higher than R$ 75,000, without previous approval of Debenture holders that represent at least 2/3 of Outstanding Debentures, gathered in an General Debentureholders' Meeting (AGD) especially convened for that purpose, except for disposal of assets or projects, individually considered, provided that the Issuer did not disclose them through relevant fact or communication to the market and that they have current or future individual installed capacity of up to 70MW, in such a way that substantially and adversely affects economic and/or financial condition of the Issuer.

• Specific for the 5th issue:

(i) Merger, liquidation, wind-up, extinction, spin-off and/or any other form of corporate reorganization (including takeover and/or incorporation of shares) of the Issuer, except if: (a) by legal or regulatory determination (except, in this case, the possibility of extinction); (b) prior consent granted from the Debentureholders that represent at least 75% (seventy-five per cent) of Debenture holders attending the General Debentureholders' Meeting (AGD), specially convened for such purpose; or (c) do not provoke the downgrade of the Issue rating by 2 (two) or more notches; and

(ii) Fail by the Issuer of Relevant Subsidiaries to abide by the final and unappealable decision, or any unappealable administrative or arbitrage decision or outcome against the Issuer, which individual or aggregate amount is equal to or in excess of R$75,000 (seventy-five thousand reais), or its equivalent in other currencies, and provided that, cumulatively, at the discretion of the Debentureholders, it could put at risk the fulfillment of the obligations assumed by the Issuer.

Subsidiaries

EDP São Paulo

(i) EDP São Paulo (7th, 8th, 9th, 10th issues): the Issuer's failure to maintain a Net Debt/Adjusted EBITDA financial ratio[1] of no more than 3.5 on the calculation date, which is on December 31 of each year;

(ii) EDP São Paulo (11th issue): the Issuer's failure to maintain a Net Debt/Adjusted EBITDA financial ratio(*) of no more than 3.5 on the calculation date, which is on December 31 of each year for 2021, 2022, 2023 and 2024; and not higher than 4.0 on the calculation date, from 2025 to maturity;

(iii) EDP São Paulo (12th, 13th, 14th issues): The Issuer's failure to maintain an Adjusted Net Debt[2]/Adjusted EBITDA financial ratio of no more than 4.0 on the calculation date, which is on December 31 of each year; and

(iv) EDP São Paulo (11th issue) entering into loan contracts in the capacity of lender without previous and express consent of Debentureholders of at least ⅔ of outstanding debentures with any companies at individual or added value higher than R$200,000.

EDP Espírito Santo

(i) EDP Espírito Santo (5th, 6th, 7th, 8th, 9th issues): the Issuer's failure to maintain a Net Debt/EBITDA financial ratio adjusted(*) no more than 3.5 on the calculation date, which shall be December 31 of each year;

(ii) EDP Espírito Santo (5th, 6th issues): early maturity of any pecuniary obligation of the Issuer in local or international market at amount higher than R$ 75,000;

(iii) EDP Espírito Santo (10th, 11th, 12th issues): the Issuer's failure to maintain a Adjusted Net Debt[2]/Adjusted EBITDA financial ratio[1] of no more than 4.0 on the calculation date, which is on December 31 of each year;

(iv) EDP Espírito Santo (10th issue): issuer entering into loan contracts in the capacity of lender without previous and express consent of Debenture holders of at least 2/3 of outstanding debentures with any companies at individual or added value higher than R$200,000; and

(v) EDP Espírito Santo (12th issue): The Company must carry out the mandatory early redemption of all Debentures, with their consequent cancellation ("Mandatory Early Redemption"), if the Concession Grantor has not formally expressed its opinion on the extension of the Issuer's Concession Agreement by October 17, 2024 (inclusive) ("Non-Renewal of Concession"), provided that the maximum period for carrying out the Mandatory Early Redemption will be until January 17, 2025.

EDP São Paulo

(i) EDP São Paulo (8th, 12th and 13th issues) and EDP Espírito Santo (6th, 11th issues): issuer entering into loan contracts in the capacity of lender without previous and express consent of Debenture holders of at least 2/3 of outstanding debentures with any companies at individual or added value higher than R$100,000;

(ii) EDP São Paulo (14th issue) and EDP Espírito Santo (12th issue): issuer entering into loan contracts in the capacity of lender without previous and express consent of Debentureholders of at least 2/3 of outstanding debentures with any companies at individual or added value higher than (a) up to December 31, 2025 (inclusive), R$100,000 and (b) after December 31, 2025 (exclusive), R$200,000 (two hundred million reais); and

(iii) EDP São Paulo (14th issue) and EDP Espírito Santo (12th issue): failure by the Issuer, at any time during the term of the Debentures, to comply with the Net Debt / Adjusted EBITDA financial ratio lower than or equal to 4.0, to be monitored on December 31 of each year.

Enerpeixe

(i) Enerpeixe (2nd, 3rd, 4th issues): not fulfillment by the Issuer, of the Debt Service Coverage Ratio greater than or equal to 3.5 times, to be annually determined, on December 31 of each year;

(ii) Enerpeixe (4th issue): reduction of the subsidiary's capital to an amount less than R$ 50,000 by 2022, to an amount less than R$ 30,000 from 2023 and to an amount less than R$ 10,000 from 2025, except if for absorption of losses or in case of approval by Debentureholders; and

(iii) Enerpeixe (4th issue): early maturity of any pecuniary obligation of the Issuer in local or international market at amount higher than R$ 85,000.

Lajeado

(i) Lajeado (2nd, 3rd, 5th, 6th issues): the Issuer's failure to maintain a Net Debt in relation to EBITDA financial ratio or EBITDA no more than 3.5 times on the calculation dates, which shall be December 31 of each year;

(ii) Lajeado (2nd & 3rd issues): non-compliance with a final (res judicata) conviction in a lawsuit whose individual or aggregate value is greater than R$ 75,000, without any action having been taken by the subsidiary, in good faith, for court orders to suspend or reverse the effects;

(iii) Lajeado (5th issue): non-compliance with a court decision, or administrative decision, and/or arbitration decision against the subsidiary whose value, individually or in aggregate, is equal to or greater than R$ 75,000, considering the 12-month period prior to the respective non-compliance, without any lawsuit in progress regarding judicial measures aimed at suspending or reversing the effects of said judicial decision or administrative decision, or arbitration decision; and

(iv) Lajeado (6th issue): non-compliance with a court decision, or administrative decision, and/or arbitration decision against the Company whose value, individually or in aggregate, is equal to or greater than R$ 100,000, considering the 12-month period prior to the respective non-compliance, without any lawsuit in progress regarding judicial measures aimed at suspending or reversing the effects of said judicial decision or administrative decision, or arbitration decision.

EDP Transmissão Aliança

(i) EDP Transmissão Aliança (1st issue): maintenance of Net Debt to EBITDA ratio below or equal to 3.5 times that of EDP - Energias do Brasil, determined biannually in June and December.

EDP Transmissão SP-MG

(i) EDP Transmissão SP-MG (2nd, 3rd issues): maintenance of Net Debt to EBITDA ratio below or equal to 3.5 times that of EDP - Energias do Brasil, determined annually in December.

EDP Transmissão Aliança and EDP Transmissão SP-MG

(i) EDP Transmissão Aliança (1st issue) and EDP Transmissão SP-MG (2nd issue): early maturity of any pecuniary liability of the issuer or of the intervening guarantor, where the individual or aggregate amount exceeds R$75,000, if not remedied within 10 days, or if a protest was filed for error or bad faith, or if it has been cancelled, or had its enforceability suspended by a legal process.

Santa Leopoldina

(i) Santa Leopoldina (1st issue): failure by the Issuer, at any time during the term of the Debentures, to comply with the Net Debt / Adjusted EBITDA financial ratio lower than or equal to 4.0, to be monitored on December 31 of each year.

[1] Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges".

[2] The adjusted Net Debt does not consider loan operations with related parties in its calculation.

27 Loans, financing and debt charges
27.1 Breakdown of balance of Loans, financing and debt charges

											Parent Company									
											12/31/2022					12/31/2021				
											Charges		Principal			Charges		Principal		
Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Domestic currency																				
Energest	EDP - Energias do Brasil S.A.	400,000	03/07/2020	100,000	07/03/2020–07/02/2022	Loan agreements		100.3% CDI	Principal and interest with single installment at the end of contract						-	5,305		100,000		105,305
											-	-	-	-	-	5,305	-	100,000	-	105,305

											Consolidated									
											12/31/2022					12/31/2021				
											Charges		Principal			Charges		Principal		
Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
Domestic currency																				
BNDES - FINEM / 14.2.1238.1	EDP São Paulo	296,785	28/12/2014	253,733	12/28/2014–12/16/2024	Investment program for the period 2013–2015	Net debt in relation to Adjusted EBITDA ratio (ii) equal or below 3.5, annually calculated in December.	TJLP to TJLP + 3.05% p.a., Amplified Consumer Price Index (IPCA) TR (iii) + 3.05% p.a..	Monthly principal with interest in the quarterly grace period, after that, monthly. Annual principal and interest (iv)	a. Blocked deposits; b. Corporate guarantee of EDP Energias do Brasil.	59		12,332	10,433	22,824	1,910		47,297	28,776	77,983
(-) Transaction cost	EDP São Paulo		28/12/2014	(1,134)	12/28/2014–12/16/2024				Monthly amortization of transaction cost				(8)	(3)	(11)			(70)	(10)	(80)
Promissory Notes (5th issue)	EDP São Paulo	300,000	19/07/2019	300,000	07/19/2019–07/17/2024	Refinance and extend the average term of the debt and working capital.	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	106.58% CDI	Principal and interest with single installment at the end of contract			75,637		300,000	375,637		31,721		300,000	331,721
(-) Transaction cost	EDP São Paulo		19/07/2019	(507)	07/19/2019–07/17/2024				Monthly amortization of transaction cost					(158)	(158)				(258)	(258)
BNDES - FINEM / 17.2.0295.1	EDP São Paulo	399,733	05/09/2017	158,600	09/05/2017–06/15/2025	Investment program for the period 2016–2018	Net debt in relation to Adjusted EBITDA ratio (ii) equal or below 3.5, annually calculated in December.	TJLP + 2.96% p.a. IPCA + 3.23% p.a.	a)Monthly principal with interest in the quarterly grace period, after that, monthly; b) Annual principal and interest.	a. Fiduciary assignment of at least 130% of the amount of the debt balance; b. Corporate guarantee of EDP Energias do Brasil.	2,969		40,909	67,292	111,170	3,773		32,870	108,983	145,626
(-) Transaction cost	EDP São Paulo		05/09/2017	(3,498)	09/05/2017–06/15/2025				Monthly amortization of transaction cost				(265)	(177)	(442)			(385)	(442)	(827)
BNDES - FINEM / 14.2.1237.1	EDP Espírito Santo	270,924	28/12/2014	249,593	12/28/2014–]12/16/2024	Investment program for the period 2013–2015	Net debt in relation to Adjusted EBITDA ratio (ii) equal or below 3.5, annually calculated in December.	TJLP to TJLP + 3.05% p.a., Amplified Consumer Price Index (IPCA) TR (iii) + 3.05% p.a., and Pre of 6.00% p.a.	Monthly principal with interest in the quarterly grace period, after that, monthly. Annual principal and interest (iv)	a. Blocked deposits; b. Corporate guarantee of EDP Energias do Brasil	58		10,019	12,746	22,823	1,727		44,629	28,346	74,702
(-) Transaction cost	EDP Espírito Santo		28/12/2014	(1,390)	12/28/2014–12/16/2024				Monthly amortization of transaction cost						-			(67)	(8)	(75)
BNDES - FINEM / 17.2.0296.1	EDP Espírito Santo	354,078	05/09/2017	174,093	09/05/2017–06/15/2025	Investment program for the period 2016–2018	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	TJLP + 2.96% p.a. IPCA + 3.23% p.a.	a)Monthly principal with interest in the quarterly grace period, after that, monthly; b) Annual principal and interest.	a. Fiduciary assignment of at least 130% of the amount of the installment due in the subsequent month; b. Corporate guarantee of EDP Energias do Brasil.	3,832		41,523	75,378	120,733	4,049		46,909	107,374	158,332
(-) Transaction cost	EDP Espírito Santo		05/09/2017	(2,676)	09/05/2017–06/15/2025				Monthly amortization of transaction cost				(211)	(114)	(325)			(296)	(347)	(643)
MFUG - Bill of Exchange	EDP Espírito Santo	300,000	15/01/2021	300,000	01/15/2021–01/17/2023	Working capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.5, annually calculated in December.	CDI + 1.13% p.a.	Principal in single installment at the end and interest in semi-annual installments	Promissory Note	19,904		300,000		319,904	10,155			300,000	310,155
Promissory Notes (2nd issue)	EDP Espírito Santo	350,000	30/11/2021	350,000	11/30/2021–11/30/2023	Working capital	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 4.0, annually calculated in December.	CDI + 1.20% p.a.	Principal and interest with single installment at the end of contract		51,463		350,000		401,463		3,057		350,000	353,057
(-) Transaction cost	EDP Espírito Santo		30/11/2021	(734)	11/30/2021–11/30/2023				Monthly amortization of transaction cost				(310)		(310)				(648)	(648)
BNDES	Porto do Pecém	1,410,000	10/06/2009	1,402,000	07/09/2009–06/15/2026	Implementation of thermoelectric power plant Pecém I.	Debt Service Coverage Ratio higher than or equal to 1.20, determined on annual basis in December.	2.77% p.a. above TJLP	Monthly principal and interest	a. Lien on shares; b. Bank guarantee; c. Assignment of rights and contracts; d. Promissory notes; e. Mortgage; and f. Disposal of assets.					-	1,935		123,102	430,966	556,003

											Consolidated									
											12/31/2022					12/31/2021				
											Charges		Principal			Charges		Principal		
Institution	Company	Contracted amount	Contracting date	Amount released	Agreement term	Purpose	Covenants	Debt cost	Payment method	Guarantees	Current	Non-current	Current	Non-current	Total	Current	Non-current	Current	Non-current	Total
(-) Transaction cost	Porto do Pecém	(11,286)	10/06/2009	(11,286)	07/09/2009–06/15/2026	-	-		Monthly amortization of transaction cost						-			(464)	(722)	(1,186)
Commercial Notes (1st issue)	Porto do Pecém	1,500,000	20/09/2022	1,500,000	09/20/2022–07/11/2027	Refinance and extend the average term of the debt and general corporate purposes	Net debt in relation to Adjusted EBITDA ratio (i) equal or below 3.0, calculated on a semi-annual basis	CDI + 2.40% p.a.	Monthly principal and interest	a. Lien of receivables and linked account b. Minimum cash is equal to or greater than the total amount of R$ 75,000,000.00 calculated semiannually c. Maintain 1 PMT Reserve Account	12,360		309,882	1,112,070	1,434,312					-
(-) Transaction cost	Porto do Pecém	(10,714)	20/09/2022	(10,714)	09/20/2022–07/11/2027				Monthly amortization of transaction cost				(3,953)	(6,134)	(10,087)					-
Cumulative receivable shares (v)	Investco					Redeemable preferred shares A, B and C			Annual dividends and payment of the principal at the end of the concession		7,550	20,396		43,678	71,624	2,584	21,650		40,182	64,416
MFUG - Bill of Exchange	EDP Smart Soluções	82,000	20/08/2018	82,000	08/20/2018–08/22/2023	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined on quarterly basis in March, June, September and December.	CDI + 0.45% p.a.	Six-month principal starting August 2020 and interest (six-month period)	a. Promissory note and b. EDP - Energias do Brasil co-signature	1,134		23,428		24,562	1,185		23,429	23,429	48,043
MFUG - Bill of Exchange	EDP Trading	200,000	05/04/2021	200,000	04/05/2021–03/08/2024	Implementation of the transmission project for Subsidiary EDP Transmissão Litoral Sul	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 0.65% p.a.	Principal and interest with single installment at the end of contract	a. Promissory note and b. EDP - Energias do Brasil co-signature	21,211			200,000	221,211	8,648		200,000		208,648
MFUG - Bill of Exchange	EDP Trading	100,000	09/09/2021	100,000	09/09/2021–03/09/2023	Implementation of the transmission project for Subsidiary EDP Transmissão Litoral Sul	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 0.99% p.a.	Principal from 09/09/2022 in semiannual installments and interest in semiannual installments	Corporate guarantee of EDP Energias do Brasil.	2,175		50,000		52,175	2,433		50,000	50,000	102,433
MFUG - Bill of Exchange	EDP Trading	250,000	12/11/2021	250,000	11/12/2021–11/13/2023	Implementation of the transmission project for Subsidiary EDP Transmissão Litoral Sul	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 1.165% p.a.	Principal at the end and interest (annual installments)	Corporate guarantee of EDP Energias do Brasil.	4,728		250,000		254,728	3,088			250,000	253,088
MFUG - Bill of Exchange	EDP Trading	50,000	08/03/2022	50,000	03/08/2022–03/08/2024	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	CDI + 1.24% p.a.	Principal at the end and interest (annual installments)	Corporate guarantee of EDP Energias do Brasil.	5,825			50,000	55,825					-
CCB BRASIL -511600554	EDP Goiás	53,581	26/09/2018	53,387	09/26/2018–10/01/2030	Implementation of the transmission line project		TLP-IPCA + 4.225%	Quarterly interest up to Oct/2019, principal and monthly interest from Nov/2019	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	379		4,853	33,037	38,269					-
(-) Transaction cost	EDP Goiás	(547)	26/09/2018	(547)	09/26/2018–10/01/2030				Monthly amortization of transaction cost				(45)	(323)	(368)					-
CCB BRASIL - 511600555	EDP Goiás	9,132	26/09/2018	7,414	09/28/2018–10/01/2030	Implementation of the transmission line project		TLP-IPCA + 5.163%	Quarterly interest up to Oct/2019, principal and monthly interest from Nov/2019	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	32		411	2,808	3,251					-
(-) Transaction cost	EDP Goiás	(125)	26/09/2018	(125)	09/28/2018–10/01/2030				Monthly amortization of transaction cost				(7)	(50)	(57)					-
CCB BRASIL - 511600556	EDP Goiás	6,260	26/11/2020	4,521	09/28/2018–10/01/2030	Implementation of the transmission line project		TLP-IPCA + 5.163%	Semi-annual principal as of May 2021 and semi-annual interest	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	53		674	4,607	5,334					-
(-) Transaction cost	EDP Goiás	(85)	26/09/2018	(85)	09/28/2018–10/01/2030				Monthly amortization of transaction cost				(10)	(73)	(83)					-
CCB BRASIL - 511600557	EDP Goiás	8,309	26/09/2018	7,923	09/28/2018–10/01/2030	Implementation of the transmission line project		TLP-IPCA + 4.225%	Quarterly interest up to Oct/2019, principal and monthly interest from Nov/2019	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	56		720	4,922	5,698					-

											12/31/2022					12/31/2021				
											Charges		Principal			Charges		Principal		
Institution	**Company**	**Contracted amount**	**Contracting date**	**Amount released**	**Agreement term**	**Purpose**	**Covenants**	**Debt cost**	**Payment method**	**Guarantees**	**Current**	**Non-current**	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Current**	**Non-current**	**Total**
(-) Transaction cost	EDP Goiás	(113)	26/09/2018	(113)	09/28/2018–10/01/2030				Monthly amortization of transaction cost				(9)	(68)	(77)					-
CCB BRASIL - 511600561	EDP Goiás	8,508	28/09/2018	8,038	09/28/2018–10/01/2030	Implementation of the transmission line project		TLP-IPCA + 5.163%	Quarterly interest up to Oct/2019, principal and monthly interest from Nov/2019	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	57		731	4,993	5,781					-
(-) Transaction cost	EDP Goiás	(116)	28/09/2018	(116)	09/28/2018–10/01/2030				Monthly amortization of transaction cost				(10)	(69)	(79)					-
CCB BRASIL - 511600669	EDP Goiás	13,383	28/03/2019	13,207	03/28/2019–04/01/2031	Implementation of the transmission line project		TLP-IPCA + 4.694%	Quarterly interest up to April/2020, principal and monthly interest from May/2020	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	48		571	4,190	4,809					-
(-) Transaction cost	EDP Goiás	(183)	28/03/2019	(183)	03/28/2019–04/01/2031				Monthly amortization of transaction cost				(7)	(55)	(62)					-
CCB BRASIL - 511600670	EDP Goiás	6,406	28/03/2019	6,284	03/28/2019–04/01/2031	Implementation of the transmission line project		TLP-IPCA + 4.694%	Quarterly interest up to April/2020, principal and monthly interest from May/2020	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	100		1,201	8,805	10,106					-
(-) Transaction cost	EDP Goiás	(87)	28/03/2019	(87)	03/28/2019–04/01//2031				Monthly amortization of transaction cost				(15)	(115)	(130)					-
CCB BRASIL - 511600682	EDP Goiás	7,004	09/04/2019	6,968	04/09/2019–05/01/2031	Implementation of the transmission line project		TLP-IPCA + 4.454%	Quarterly interest up to May/2020, principal and monthly interest from June/2020	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	53		633	4,636	5,322					-
(-) Transaction cost	EDP Goiás	(96)	09/04/2019	(96)	04/09/2019–05/01/2031				Monthly amortization of transaction cost				(8)	(60)	(68)					-
CCB BRASIL - 511600785	EDP Goiás	11,992	27/06/2019	10,282	06/27/2019–07/01/2031	Implementation of the transmission line project		TLP-IPCA + 4.356%	Quarterly interest up to Sep/2020, principal and monthly interest from Oct/2020	EDP - Energias do Brasil Suretyship, Fiduciary Assignment of Credit Rights and Emerging Concession Rights and Reserve Account	82		993	7,227	8,302					-
(-) Transaction cost	EDP Goiás	(164)	27/06/2019	(164)	06/27/2019–07/01/2031				Monthly amortization of transaction cost				(14)	(109)	(123)					-
Total domestic currency											134,128	96,033	1,394,008	1,939,314	3,563,483	41,487	56,428	566,954	2,015,621	2,680,490
Foreign currency																				
4131 Scotiabank - SWAP	EDP Smart Serviços	USD 17,985	12/04/2021	USD 17,985	04/12/2021–04/12/2022	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 0.62% p.a.	Principal and interest in single statement in the end						-	463		100,303		100,766
4131 Itaú - SWAP	EDP Smart Serviços	USD 25,565	08/04/2022	USD 25,565	04/08/2022–03/25/2023	Working capital	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 3.733% p.a.	Principal and interest in single statement in the end		3,679		133,989		137,668					-
4131 Scotiabank - SWAP	Mata Grande Transmissora	USD 16,283	16/08/2021	USD 16,283	08/16/2021–08/16/2022	Investment in Project	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 0.66% p.a.	Principal and interest in single statement in the end						-	228		90,728		90,956
4131 Scotiabank - SWAP	Santa Leopoldina	USD 150,000	14/01/2022	USD 150,000	01/14/2022–01/16/2024	(i) purchase of shares issued by CELG Transmissão S/A - CELG T (ii) working capital of the Issuer	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 1.6175% p.a.	Principal at the end and annual interest		12,308			732,050	744,358					-
4131 Itaú - SWAP	Santa Leopoldina	USD 64,941	01/02/2022	USD 64,941	02/01/2022–01/16/2024	(i) purchase of shares issued by CELG Transmissão S/A - CELG T (ii) working capital of the Issuer	Net debt in relation to consolidated EBITDA of EDP - Energias do Brasil is lower than or equal to 3.5X, determined annually in December.	USD + 2.933% p.a.	Principal and interest in single statement in the end			8,593		351,091	359,684					-
Total foreign currency											15,987	8,593	133,989	1,083,141	1,241,710	691	-	191,031	-	191,722

											12/31/2022					12/31/2021				
											Charges		Principal			Charges		Principal		
Institution	**Company**	**Contracted amount**	**Contracting date**	**Amount released**	**Agreement term**	**Purpose**	**Covenants**	**Debt cost**	**Payment method**	**Guarantees**	**Current**	**Non-current**	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Current**	**Non-current**	**Total**
Derivatives																				
4131 Scotiabank - SWAP	EDP Smart Serviços	USD 17,985	12/04/2021	USD 17,985	04/12/2021– 04/12/2022	Hedge against Banco Scotiabank financing		FX swap + 0.62% p.a. for CDI + 0.79% p.a.	In a single installment at the end of contract.						-			3,957		3,957
4131 Scotiabank - SWAP	Mata Grande Transmissora	USD 16,283	16/08/2021	USD 16,283	08/16/2021– 08/16/2022	Hedge against Banco Scotiabank financing		FX swap + 0.66% p.a. for CDI + 0.86% p.a.	Principal and interest in single statement in the end						-	2,223		(5,261)		(3,038)
Total derivatives											-	-	-	-	-	2,223	-	(1,304)	-	919
Grand total											150,115	104,626	1,527,997	3,022,455	4,805,193	44,401	56,428	756,681	2,015,621	2,873,131

For better presentation, the balances of derivatives are presented in Note 36.1.3.

(i) Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges".

(ii) Adjusted EBITDA means "income before financial expenses, taxes, depreciation and amortization adjusted with assets and liabilities of the Account for Compensation of Variation of Values of Parcel "A" Items (CVA), over contracting and neutrality of sectorial charges" and with non-operating captions that impact the cash.

(iii) It will be equivalent to result from straight-line interpolation of internal return rates seen in secondary market of National Treasury Bills B Series (NTN-B), applicable to the medium term for amortization of each installment of Sub-credits B and D.

(iv) Subcredits A, C, and F bear interest and monthly amortizations, and subcredits B and D bear interest and annual amortizations.

(v) Refer to Redeemable preferred shares of "A", "B", and "C" shares, issued by the indirect subsidiary Investco in the original amount of R$157,335, where, according to the article eight of by-laws, such shareholders are entitled to the right of receiving a cumulative fixed annual dividend of 3% on their respective interest in capital. In addition, according to Article 9 of Investco bylaws, redeemable preferred shares of "A" and "C" classes will be entitled to equalization upon distribution of dividends in case dividends are paid to other classes of shares higher than unit value of fixed annual dividends. Balance on December 31, 2021 of R$ 100,741 (R$ 98,591 as of December 31, 2020) contemplates the original amount and interest up to 2033 (end of concession), both of them discounted at present value at the rate of 8.70% p.a., which is equivalent to average funding cost of Investco on the date shares are evaluated. Due to its characteristics, these shares were classified as debt financial instruments as they meet the definition of financial liabilities, since Investco does not have the right to avoid the remittance of cash or other financial asset to another entity, as determined in item 19 of CPC 39.

Loans and financing are stated at incurred net transaction costs and are subsequently measured at amortized cost under the effective interest rate or fair value method, except for the subsidiaries Mata Grande Transmissora and EDP Smart Serviços, whose debts in foreign currency are stated at fair value as of December 31, 2022, being classified as such due to the fact that, upon initial recognition, they were measured at fair value through profit or loss, and net income, including interest, recognized in profit or loss.

The Company's Management monitors all covenants and, for the year ended December 31, 2022, they follow the respective loans and financing agreements.

Loans in foreign currency were recognized at fair value through profit or loss and mark to market realization.

Interest payments on debt are being presented as a financing activity in the statement of cash flows.

The total amount related to the guarantees of loans, financing and debt charges mentioned above is R$ 3,648,650 as of December 31, 2022 (R$ 2,068,637 as of December 31, 2021), and R$ 3,948,651 (R$ 2,116,580 as of December 31, 2021) in the Consolidated.

27.2 Changes in loans and financing

	Parent Company			
	Net value as of December 31, 2021	Payments	Interest accrued	Net value as of December 31, 2022
Current				
Principal	100,000	(100,000)		-
Interest	5,305	(9,399)	4,094	-
	105,305	(109,399)	4,094	-

	Consolidated											
Current	Net value as of December 31, 2021	Inflows	Payments	Interest accrued	Transfers	Adjustment to present value	Mark-to-Market	Acquisition of companies	Reclassification	Amortization of transaction cost	Inflation adjustment and	Net value as of December 31, 2022
Principal	759,267	205,000	(1,160,595)		1,719,360		662	10,794	137		(1,756)	1,532,869
Interest	42,178		(227,357)	285,666	50,010		(382)					150,115
Transaction cost	(1,282)	(10,714)			4,097			(126)		3,153		(4,872)
Swap	919								(919)			-
	801,082	194,286	(1,387,952)	285,666	1,773,467	-	280	10,668	(782)	3,153	(1,756)	1,678,112
Non-current												
Principal	2,018,056	2,749,870			(1,719,360)	3,496	(38,358)	85,266			(69,007)	3,029,963
Interest	56,428			96,061	(50,010)	1,765	382					104,626
Transaction cost	(2,435)	30			(4,097)			(1,006)				(7,508)
	2,072,049	2,749,900	-	96,061	(1,773,467)	5,261	(37,976)	84,260	-	-	(69,007)	3,127,081

For better presentation, the balances of derivatives are presented in Note 38.1.3.

27.3 Maturity of installments

	Consolidated		
Maturity	**National**	**Foreign**	**Total**
Current			
2023	1,503,574	174,538	1,678,112
	1,503,574	174,538	1,678,112
Non-current			
2024	923,913	1,146,869	2,070,782
2025	459,495		459,495
2026	323,439		323,439
2027	187,565		187,565
2028–2032	85,800		85,800
	1,980,212	1,146,869	3,127,081
Total	3,483,786	1,321,407	4,805,193

28 Post-employment benefits

Subsidiaries maintain retirement and pension supplementation plans to employees and former employees and other post-employment benefits, such as medical care, life insurance, Retirement Incentive Aid and other benefits to retirees.

Pursuant to CVM Resolution 695/12, post employment benefit liabilities should be accounted for based on standards contained in CPC 33 (R1). To comply with this requirement of the subsidiaries EDP São Paulo, EDP Espírito Santo, Investco and EDP Goiás (18.1) contracted independent actuaries to conduct an actuarial appraisal of these benefits using the Projected Unit Credit Method and the last was on December 31, 2022.

Subsidiaries recognize that the defined benefit plan liabilities are recognized if the present value in the financial statement date is higher than the fair value of plan assets. Actuarial gains and losses generated by adjustments and changes to actuarial assumptions of defined benefit plans are directly recognized in Shareholders' equity under Other comprehensive income in the year. Past service costs are fully recognized in the year they occur in income (loss) in the Personnel account and financial result of the benefit is calculated based on the actuarial deficit/surplus based on the current discount rate.

For cases where the plan becomes a surplus and there is a need for recognition of an asset, such recognition is limited to the present value of economic benefits available in the form of future refunds or reductions in the contributions to the plan, pursuant to law and regulation of the plan.

The subsidiary EDP Goiás, through Fundação CELG de Seguros e Previdências (ELETRA), offers its employees the Mixed-Benefit Plan, established in September 2000, as a CD, during the accrual and defined benefit period in payment phase. Said subsidiary is responsible in the original defined benefit plan for the costs of the respective actuarial changes, both in the accumulation phase and in the benefit payment phase. In the mixed plan, liability during the accumulation phase varies depending on the membership fees paid by members, however, limited to a maximum of 20% of monthly remuneration. In the payment phase, after the transfer of the reserve accumulated in a joint account to the beneficiary of the annuity, the subsidiary assumes responsibility only for the negative variation in the chances of survival.

The liabilities of the defined contribution plans are recognized as personnel expenses in the statement of income for the year in which the services are rendered.

	Consolidated			
	Current		Non-current	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
PSAP Bandeirante	36,839	12,687	172,698	254,025
Retirement Incentive Aid - AIA	202	167		
Healthcare and life insurance	42,378	38,649	526,339	544,609
Defined contribution	147	112	413	
	79,566	51,615	699,450	798,634

28.1 Retirement plans

They are administered by Enerprev, private pension entity sponsored by companies of Grupo EDP - Energias do Brasil and recorded in the National Register of Benefit Plans (Cadastro Nacional dos Planos de Benefícios - CNPB) in the National Superintendency of Private Pension Plans (Superintendência Nacional de Previdência Complementar - PREVIC). It has purpose of managing a set of pension plans in favor of the employees and former employees of the Company and its subsidiaries, and the rights and duties of participants, as provided for in regulation.

28.1.1 Defined benefit plans and variable contribution plans

EDP São Paulo

The plans are structured in the form "Settled, Defined Benefit and Variable Contribution", are not available for new adhesions and have the following characteristics:

(i) PSAP Bandeirante Plan – BSPS Cost Group: This corresponds to the employees' proportional benefits calculated on the basis of time of service up to March 1998, when was in force. Is a defined benefit type which grants Paid-In Benefit, in the form of lifetime income convertible into a pension for plan members registered as at March 31, 1998 in a defined amount proportional to the accumulated years of service up to the said date conditional upon compliance with the regulations. EDP São Paulo bears total responsibility for covering any actuarial shortfalls determined by actuarial of Enerprev; and

(ii) PSAP Bandeirante Plan – BD and CV Cost Groups:

• BD Cost Group – in force after March 31, 1998: Defined Benefit Plan that grants a lifetime income convertible into a pension proportional to time of service accumulated to March 31, 1998 based on 70% of the monthly average wage over the past 36 months in active employment. In the event of death while the employee is in active service, or disability, the benefits include all of the years of past service (including the accumulated period up to March 31, 1998) and therefore do not include the accumulated period of service after March 31, 1998 alone. The subsidiary and the plan members bear equal responsibility for covering any actuarial shortfalls determined by the actuary of Enerprev.

• CV Cost Group: Implemented in conjunction with the DB Plan, effective after March 31, 1998, until the time of granting the lifetime income, convertible (or not) into a pension, is a variable contribution plan, not generating any actuarial responsibility on the part of the subsidiary. Only after the act of granting the lifetime income, convertible (or not) into a pension, does the pension plan become a defined benefit one, subjecting the subsidiary to actuarial responsibilities. A member may also choose the financial income option, not generating actuarial responsibility for EDP São Paulo.

EDP São Paulo contributed to these cost groups with the amount of R$ 1,160 (R$ 1,135 in 2021) in the year.

	12/31/2021	Operating Expenses recognized in the year	Financial Expenses recognized in the year	Contributions paid by the Company	Actuarial (gain)/loss	12/31/2022
PSAP	266,712	(922)	22,648	(36,025)	(42,876)	209,537
	266,712	(922)	22,648	(36,025)	(42,876)	209,537

EDP Espírito Santo

• Escelsos I Plan structured as a defined benefit (in force for adhesions up to May 31, 1998): Cost plan is supported by contributions from the sponsor, which correspond to double of members' contributions and limited to 7% of payroll. Grants lifelong income reversible into pension, of up to 100% of actual monthly average salary referring to the last 36 months of activity.

• Escelsos II Plan structured as variable contribution (in force for adhesions up to November 1, 2006): The Funding Plan is sustained paritarially by contributions of the sponsor and of the participant, pursuant to the plan regulation. It is a pension plan that until the time of granting the lifetime income, convertible (or not) into a pension, is a variable contribution plan, not generating any actuarial responsibility on the part of the subsidiaries. Only after the act of granting the lifetime income, convertible (or not) into a pension, if that is the participant's choice, the pension plan may become a Defined Benefit one, subjecting subsidiaries to actuarial responsibilities. A member may also choose financial income option, not generating actuarial responsibility to the subsidiary.

28.1.1.1 Actuarial evaluation

A series of assumptions may be realized differently from as calculated in actuarial valuation due to factors such as changes in economic or demographic assumptions and changes in the provisions of the plan or in the legislation applicable to pension plans.

The plan liabilities are calculated using a discount rate that is established with a basis on the yield of NTN-B government bonds. Accordingly, if the yield of the plan assets is different from the yield of IPCA - Consumer Price-Index Note (former NTN-B) with a duration similar to benefit's duration, there will be an actuarial gain or loss, increasing or decreasing the actuarial deficit/surplus of these benefits.

The investment practices of the plans are governed by the search for and maintenance of net assets with the necessary yields to honor these liabilities in the short, medium and long term, maintaining a balance between the assets and the commitments of liabilities so as to generate liquidity compatible with the growth and the protection of capital, aiming to ensure the long-term balance between the assets and the needs dictated by future actuarial flows.

PREVIC Resolution 24, which provides on recognition of sub-bases in benefit plans, was published on February 21, 2017. According to said resolution, a sub-base is characterized as a group of participants or assisted people linked to a benefit plan whose rights and obligations are homogeneous with each other but heterogeneous in relation to other participants and assisted people of the same plan.

For EDP Espírito Santo, the actuarial appraisal shows, as of December 31, 2022 that in the case of the defined benefits plans, the present value of the actuarial liabilities net of the fair value of the assets and of unrecognized actuarial losses, shows a surplus. The surplus has a restriction on its recognition due to assumptions established in CPC 33 (R1).

28.1.1.2 Reconciliation of actuarial assets and liabilities

EDP São Paulo

	Present value of the plan liabilities	Fair value of the plan assets	Asset recognition restrictions	Liabilities
Balances at December 31, 2021	(1,274,624)	1,075,563	(67,651)	(266,712)
Current service cost	922			922
Interest cost	(93,779)	77,043	(5,912)	(22,648)
Actuarial gains/(losses) recognized in shareholders' equity	39,186	27,434	(23,744)	42,876
Contribution paid by the subsidiary		36,025		36,025
Contributions paid by the employees	(1,261)	1,261		-
Benefits paid by the plan	79,583	(79,583)		-
Balances at December 31, 2022	(1,249,973)	1,137,743	(97,307)	(209,537)

The actuarial gain in the present value of the obligations, in the amount of R$ 42,876 calculated in the actuarial valuation carried out as of December 31, 2022, arising from the effects of the increase in the discount rate considering the current market situation and the effects of realized inflation having been higher than the inflation projected in the 2021 actuarial study.

EDP São Paulo's expected contributions in this plan is R$ 36,839 for the next 12 months.

The balance as at December 31, 2022, net of income and social contribution tax is R$ 207,506 (R$ 235,804 as at December 31, 2021).

EDP Espírito Santo

	Present value of the plan liabilities	Fair value of the plan assets	Asset recognition restrictions	Recognized assets
Balances at December 31, 2021	(175,696)	304,975	(130,938)	
Current service cost	(53)			(53)
Interest cost	(5,476)	11,216	(5,823)	(83)
Actuarial gains/(losses)	(85)	4,242	(4,021)	136
Balances at December 31, 2022	(181,310)	320,433	(140,782)	-

Due to the surplus situation of these plans, there are no contributions expected from EDP Espírito Santo for the next 12 months.
Regarding such plans, the balance at December 31, 2022, of actuarial loss, net of income tax and social contribution is R$ 136 (actuarial loss of R$ 117 as of December 31, 2021).

28.1.1.3 Maturity of benefit plans

The maturities of benefit plans, calculated on the actuarial valuations, estimate the following future flow of benefit payments for the next 10 years:

	EDP São Paulo	EDP Espírito Santo	
Maturity	**PSAP**	**Plan I**	**Plan II**
Current			
2023	85,656	14,224	6,314
	85,656	14,224	6,314
Non-current			
2024	88,796	14,254	6,449
2025	92,074	14,241	6,576
2026	95,149	14,180	6,693
2027	98,745	14,071	6,799
2028–2032	542,210	66,904	35,030
	916,974	123,650	61,547
Total	1,002,630	137,874	67,861

28.1.1.4 Net expenses

Effects of review of actuarial appraisals recognized in income and other comprehensive income, both as counterparty to caption Post-employment benefits are as follows:

	EDP São Paulo		EDP Espírito Santo	
	01/01/2022–12/31/2022	01/01/2021–12/31/2021	01/01/2022–12/31/2022	01/01/2021–12/31/2021
Service cost				
Current service cost	(922)	(2,323)	53	101
Interest cost	22,648	17,364	83	76
Benefits / contribution paid by the Company	(36,025)	(12,355)		
Components of defined benefit costs recognized in net income/loss	(14,299)	2,686	136	177
Remuneration of net value of past defined benefit				
Return on plan assets (excluding amounts included in net financial expenses)	(27,434)	33,282	(4,242)	27,073
Actuarial (gains) losses arising from experience adjustments	68,218	125,621	4,928	6,148
Actuarial (gains) losses arising from changes in financial assumptions	(107,404)	(141,748)	(4,843)	(29,912)
Adjustments to restrictions on the defined benefit assets	23,744	12,865	4,021	(3,486)
Components of defined benefit costs recognized in other comprehensive income	(42,876)	30,020	(136)	(177)
Total	(57,175)	32,706	-	-

28.1.1.5 Asset class

The main classes of plan assets are divided as follows:

		EDP São Paulo		EDP Espírito Santo	
	Active Market	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Class of assets		Allocation %		Allocation %	
Debt securities	Quoted	96.16%	90.89%	83.36%	85.71%
Shares	Quoted	3.30%	5.38%	16.26%	11.55%
Properties	Quoted	0.16%	0.36%	0.17%	0.29%
Other	Unquoted	0.38%	3.37%	0.21%	2.45%
Total		100.00%	100.00%	100.00%	100.00%

Investments made in lawsuits include lawsuits involving the Company in the following amounts:

	12/31/2022			12/31/2021			
	PSAP	Plan II		PSAP	PSAP	Plan II	
	EDP São Paulo	EDP Espírito Santo	Total	EDP São Paulo	EDP Espírito Santo	Energest (Note 17.1)	Total
Shares - EDP - Energias do Brasil	115	223	338	144	83	2	229

Participants

These plans have the following composition of participants:

	EDP São Paulo		EDP Espírito Santo			
	12/31/2022	12/31/2021	12/31/2022		12/31/2021	
	PSAP		Plan I	Plan II	Plan I	Plan II
Active participants	205	226		177		205
Assisted participants						
With deferred benefits	82	92		14		14
Retirees and pensioners	868	845	627	160	638	160
	950	937	627	174	638	174
Total	1,155	1,163	627	351	638	379

Sensitivity analysis

The sensitivity analysis resulting from risk of change in the discount rate and in the mortality table is expressed below, considering only the change in the hypotheses mentioned on each line:

	EDP São Paulo	EDP Espírito Santo	
Sensitivity analysis	**PSAP**	**Plan I**	**Plan II**
Core premises	1,098,483	129,967	66,051
Discount rate			
0.5% increase	1,041,477	124,909	63,148
05% decrease	1,146,200	132,714	68,065
Mortality			
If the plan members were a year younger than their real age	1,107,772	132,277	66,939

Assumptions

Main assumptions used in actuarial evaluations were as follows:

	EDP São Paulo		EDP Espírito Santo			
	PSAP		Plan I		Plan II	
Economic	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Discount rate - nominal	9.93% p.a.	8.70% p.a.	9.95% p.a.	8.69% p.a.	9.93% p.a.	8.69% p.a.
Future salary growth	4.3% p.a.	4.05% p.a.	n/a	n/a	4.30% p.a.	4.05% p.a.
Growth in benefit plans	3.5% p.a.	3.25% p.a.	3.5% p.a.	3.25% p.a.	3.5% p.a.	3.25% p.a.
Inflation	3.5% p.a.	3.25% p.a.	3.5% p.a.	3.25% p.a.	3.5% p.a.	3.25% p.a.
Demographic						
Mortality table	AT-2000	AT-2000	AT-2000	AT-2000	AT-2000	AT-2000
Disability mortality table	M2006	RP 2000 Disabled	M2006	RP 2000 Disabled	M2006	RP 2000 Disabled
Disability table	TASA 1927	Muller	n/a	n/a	TASA 1927	TASA 1927

28.1.1.6 Debt confession - Enerprev and EDP São Paulo

EDP São Paulo has the aim of resolving the actuarial deficit of its BSPS sub-base and reducing the risk of future deficits, has formalized the legal instrument with Enerprev, from the actuarial deficit calculated according to guidelines of Resolution CGPC 26/2008 and its amendments. The original contract was being settled over 240 months based on a percentage of the payroll, counted from September 1997. On August 22, 2016, EDP São Paulo and Enerprev signed the second addendum to the instrument of commitment between the companies, highlighting the change in the settlement period (which was expected to end in September 2017) to 143 installments, the first one in September 2016. From December 2016, the debt balance and the monthly installment amount will be determined once a year at the time of Enerprev actuarial evaluation, positioned in December, considering the debt amount and remaining period. The actuarial assumptions used by EDP São Paulo meet the provisions of CPC 33 (R1) while the actuarial assumptions used by Enerprev meet CGPC Resolution 18/2006 and Previc Instruction 7/2013.
The reconciliation between two actuarial valuation methods is shown below:

	12/31/2022	12/31/2021
Present value of the plan liabilities	(1,091,652)	(1,116,303)
Fair value of the plan assets	978,852	917,376
Surplus	(112,800)	(198,927)
Unrecoverable surplus	(97,607)	(67,785)
Total recorded - BSPS sub-base - CPC 33 (Note 28.1.1.1)	(210,407)	(266,712)
Contract for Debt confession and Mathematical reserve Adjustment - CGPC Resolution 26/2008	(255,734)	(64,932)
Difference between assumptions (*)	(45,327)	201,780

(*) The amount of R$ 45,327 (R$ 201,780 as of December 31, 2021) is due to the difference in assumptions and methodologies used by EDP São Paulo for purposes of compliance with CVM Resolution 695/12 and those used by Enerprev (benefit plan administrator) for the purpose of compliance with Resolution 26/08 and its amendments of the National Council of Private Pension and tends to be adjusted over time to plan development.

28.1.2 Defined contribution plans

The Company and other companies of Grupo EDP - Energias do Brasil are sponsors of the Plan Energias do Brasil, administered by EnerPrev, which is available for the adhesion of new participants. In this plan, the participant may contribute the fixed percentage from 1% to 7% of the contribution salary, in which the percentage of the contribution of the sponsors in their favor in the plan will also occur at the same rate, not generating any actuarial liability for the sponsors. Members may also take part with voluntary monthly contributions that are equivalent to a percentage that he/she may freely choose applied to their contribution salaries, or annual contributions in a single value to be chosen by the participant. This type of contribution is made in addition to basic contribution, with no proportional contribution by sponsors.
In the capacity of sponsors of this plan, the Company contributed R$ 865 in the year (R$ 1,376 in 2021) while the subsidiaries contributed in the year with the amount of R$ 6,197 (R$ 6,869 in 2021).
As of December 31, 2022, this plan receives adhesion from 138 employees (142 as of December 31, 2021) of the Company and 1,759 (1,721 as of December 31, 2021) from employees of its subsidiaries.

28.2 Retirement incentive aid (AIA), medical care, life insurance and other benefits to retirees: Defined benefit

• Retirement Incentive Aid - AIA (EDP Espírito Santo): Benefit to employees hired up to December 31, 1981, payable on termination of the labor contract, irrespective of the reasons for such severance. The AIA guarantees the payment of a benefit, the amount of which was calculated considering, for each employee, the proportion of the period of contribution to the INSS (Brazilian Social Security Service) up to October 31, 1996, the employee's salary and the INSS benefit as at October 31, 1996;
• Medical care, life insurance and other benefits to retirees (EDP Espírito Santo and Energest (Note 17.1) - in force to employees hired up to December 31, 1990 and retired in the subsidiaries): Lifetime coverage for medical and dental care, medications, life insurance, and in proven cases, existence of dependents with special needs, corresponding to 50% of the minimum salary of the subsidiaries; and
• Medical care (Investco): Pursuant to Law 9656/98, employees who pay a pre-determined monthly contribution for the medical care plan are entitled to continue as part of a similar plan, in the event of dismissal or retirement, for a determined period of time, in accordance with legislation relating to Medical care plans. Investco's medical care model from April 2005 until December 2011 met this condition.

28.2.1 Actuarial evaluation

A series of assumptions may have their realization different from that calculated in the actuarial valuation due to factors such as changes in the economic or demographic assumptions and changes in the provisions of the plan or of the legislation applicable to these.

Most of the liabilities of the benefits consist of the concession of lifetime benefits to the participants. For this reason, increases in the life expectancy will result in an increase in the plan liabilities. These benefits are sensitive to inflation, and inflation that is higher than foreseen in this valuation will lead to a higher level of liabilities.

The actuarial evaluation carried out as of December 31, 2022 determined a present obligation for Defined benefit plans.

28.2.2 Changes in actuarial liabilities

	Present value of the plan liabilities	
	EDP Espírito Santo	Investco
Balances at December 31, 2021	(582,091)	(1,334)
Current service cost	(1,660)	(59)
Interest cost	(49,278)	(119)
Actuarial gains/(losses) recognized in shareholders' equity	20,572	347
Contribution paid by the subsidiaries	44,703	
Balances at December 31, 2022	(567,754)	(1,165)

The actuarial gain of R$ 20,572 in EDP Espírito Santo and of R$ 347 at Investco, calculated in the actuarial valuation carried out on December 31, 2022, was mainly due to the increase in the market discount rate used in the present value of the benefit payment flow provided for in the actuarial study.

For these plans, accumulated since the beginning of obligation, the balance on December 31, 2022, of actuarial loss, net of income tax and social contribution in EDP Espírito Santo is R$ 267,336 (R$ 402,597 on December 31, 2021) and in Investco is R$ 136 (R$ 415 on December 31, 2021).

Due to the surplus situation of these plans, there are no contributions expected from EDP Espírito Santo for the next 12 months and no payment to Investco.

28.2.3 Maturity of benefit plans

The maturities of benefit plans, calculated on the actuarial valuations, estimate the following future flow of benefit payments for the next 10 years:

	EDP Espírito Santo		Investco
Maturity	Medical care and Life Insurance	AIA	Medical care
Current			
2023	34,645	202	43
	34,645	202	43
Non-current			
2024	36,521		51
2025	38,676		75
2026	40,754		87
2027	42,927		117
2028–2032	244,235		649
	403,113	-	979
Total	437,758	202	1,022

28.2.4 Net expenses

Effects of review of actuarial appraisals recognized in income and other comprehensive income, both as counterparty to caption Post-employment benefits are as follows:

	EDP Espírito Santo		Investco	
	2022	2021	2022	2021
Service cost				
Current service cost	1,660	2,388	59	75
Interest cost	49,278	47,153	119	120
Benefits / contribution paid by the Company	(44,703)	(41,350)		
Components of defined benefit costs recognized in net income/loss	6,235	8,191	178	195
Remeasurement of the net value of the defined benefit liability				
Actuarial (gains) losses arising from experience adjustments	20,103	288	(271)	(256)
Actuarial (gains) losses arising from changes in financial assumptions	(40,675)	(74,195)	(76)	(156)
Components of defined benefit costs recognized in other comprehensive income	(20,572)	(73,907)	(347)	(412)
Total	(14,337)	(65,716)	(169)	(217)

28.2.5 Participants

These plans have the following composition of participants:

	EDP Espírito Santo								Investco	
	AIA		Medical care		Life insurance		Other benefits to retirees		Medical care	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Active participants	4	6	81	109	76	98	883	885	27	29
Assisted participants										
Retirees and pensioners			2,711	2,758	1,337	1,329	33	43		
	-	-	2,711	2,758	1,337	1,329	33	43	-	-
Total	4	6	2,792	2,867	1,413	1,427	916	928	27	29

28.2.6 Sensitivity analysis

The sensitivity analysis resulting from risk of change in the discount rate and in the mortality table is expressed below, considering only the change in the hypotheses mentioned on each line:

	EDP Espírito Santo			Investco
Sensitivity analysis	**Medical care**	**Other benefits to retirees**	**Life insurance**	**Medical care**
Core premises	504,417	163	1,410	1,337
Discount rate				
0.5% increase	472,552	142	1,367	1,268
05% decrease	522,765	184	1,553	1,406
Mortality				
If the plan members were a year younger than their real age	517,934	164	1,311	1,337

28.2.7 Assumptions

Main assumptions used in actuarial evaluations were as follows:

	EDP Espírito Santo 2022			
Economic	**AIA**	**Medical care**	**Life insurance**	**Other benefits to retirees**
Discount rate - nominal	9.57% p.a.	9.86% p.a.	9.86% p.a.	9.92% p.a.
Future salary growth	4.3% p.a.	n/a	n/a	n/a
Growth in benefit plans	3.5% p.a.	n/a	3.5% p.a.	3.5% p.a.
Long-term medical inflation	n/a	9.71% p.a. in 2022, decreased linearly to 5.57% p.a. up to 2031; Pharmacy and dental costs: 3.5% p.a.	n/a	n/a
Inflation	3.5% p.a.	3.5% p.a.	3.5% p.a.	3.5% p.a.
Aging factor	n/a	Medical costs: 3.5% p.a. Pharmacy and dental costs: n/a.	n/a	n/a
Demographic				
Mortality table	RP-2000 Generational	RP-2000 Generational	RP-2000 Generational	RP-2000 Generational
Disability mortality table	RP-2000 Disabled	RP-2000 Disabled	RP-2000 Disabled	RP-2000 Disabled
Disability table	Wyatt 85 Class 1	Wyatt 85 Class 1	Wyatt 85 Class 1	Wyatt 85 Class 1

	EDP Espírito Santo 2021			
Economic	**AIA**	**Medical care**	**Life insurance**	**Other benefits to retirees**
Discount rate - nominal	7.57% p.a.	8.70% p.a.	8.70% p.a.	8.77% p.a.
Future salary growth	4.05% p.a.	n/a	n/a	n/a
Growth in benefit plans	3.25% p.a.	n/a	3.25% p.a.	3.25% p.a.
Long-term medical inflation	n/a	Medical costs: 9.45% p.a. in 2021, decreased linearly to 5.32% p.a. up to 2030; Pharmacy and dental costs:	n/a	n/a
Inflation	3.25% p.a.	3.25% p.a.	3.25% p.a.	3.25% p.a.
Aging factor	n/a	Medical costs: 3.5% p.a. Pharmacy and dental costs: n/a.	n/a	n/a
Demographic				
Mortality table	RP 2000 Generational	RP 2000 Generational	RP 2000 Generational	RP 2000 Generational
Disability mortality table	RP 2000 Disabled	RP 2000 Disabled	RP 2000 Disabled	RP 2000 Disabled
Disability table	Wyatt 85 Class 1	Wyatt 85 Class 1	Wyatt 85 Class 1	Wyatt 85 Class 1

	Investco	
Economic	**2022**	**2021**
Discount rate - nominal	9.86% p.a.	8.70% p.a.
Long-term medical inflation	9.71% p.a. in 2022, decreased linearly to 5.57% p.a. up to 2031	9.45% p.a. in 2021, decreased linearly to 5.32% p.a. up to 2030
Inflation	3.5% p.a.	3.25% p.a.
Demographic		
Mortality table	RP 2000 Generational	RP 2000 Generational
Disability mortality table	RP 2000 Disabled	RP 2000 Disabled
Disability table	Wyatt 85 Class 1	Wyatt 85 Class 1

28.3 Retirement plans

They are managed by Eletra - Fundação Celg de Seguros e Previdência, a non-profit legal entity whose main purpose is to complement the benefits granted by the official social security system to its employees.

28.3.1 Defined benefit plans

• Mixed Benefit Plan structured in the defined benefit modality (created in September 2000): The Company is responsible in the original defined benefit plan for the costs of the respective actuarial changes, both in the accumulation phase and in the benefit payment phase. In the mixed plan, the Company's liability in the accumulation phase varies depending on the membership fees paid by members, however, limited to a maximum of 20% of monthly remuneration. In the payment phase, after the transfer of the reserve accumulated in a joint account to the beneficiary of the annuity, the Company assumes responsibility only for the negative variation in the chances of survival. The Company's plans have the following

(i) CelgPrev - CV Cost Group: It is a mixed plan: a part of the Defined Contribution type, also known as DC, for supplemental retirement by length of service or contribution, by age or special, which is nothing more than individual savings, where two types of contributions will be invested: those carried out by the sponsor and those that you do. The benefit you can receive upon retirement will depend on the volume of contributions, the time of payment and the results of the investments.

The other part is of the defined benefit type for disability and death benefits, where the calculation of the benefit is guaranteed by a formula, previously established in the CelgPrev Regulation.

(ii) Eletra01 - DB Costing Group: In this set of benefits, we have seven (07) types of supplements, six (06) for retirement, one (01) for pension, one (01) for sickness benefit.

The Foundation offers retirees and pensioners the annual bonus, which is a 13th salary, paid in December, with proportionality provided for in cases where the benefit started during the year.

Eletra's benefits from the DB plan are readjusted in May, according to the change of the INPC accumulated in the previous period, receiving the benefits started after May of the previous year, proportional readjustments according to the date of beginning of the benefit.

28.3.2 Actuarial evaluation

A series of assumptions may be realized differently from as calculated in actuarial valuation due to factors such as changes in economic or demographic assumptions and changes in the provisions of the plan or in the legislation applicable to pension plans.

The plan liabilities are calculated using a discount rate that is established with a basis on the yield of NTN-B government bonds. Accordingly, if the yield of the plan assets is different from the yield of IPCA - Consumer Price-Index Note (former NTN-B) with a duration similar to benefit's duration, there will be an actuarial gain or loss, increasing or decreasing the actuarial deficit/surplus of these benefits.

The investment practices of the plans are governed by the search for and maintenance of net assets with the necessary yields to honor these liabilities in the short, medium and long term, maintaining a balance between the assets and the commitments of liabilities so as to generate liquidity compatible with the growth and the protection of capital, aiming to ensure the long-term balance between the assets and the needs dictated by future actuarial flows.

The actuarial appraisal shows, as of December 31, 2022 that in the case of the defined benefits plans, the present value of the actuarial liabilities net of the fair value of the assets and of unrecognized actuarial losses, shows a deficit.

28.3.3 Reconciliation of actuarial assets and liabilities

	Present value of the plan	Fair value of the plan assets	Recognized assets
Current service cost	(9)		(9)
Interest cost	(788)	660	(128)
Actuarial gains/(losses)	(2,229)	3,402	1,173
Balances at December 31, 2022	(3,026)	4,062	1,036

The contributions expected to be paid by the subsidiary EDP Goiás into this plan in 2023 amount to R$ 19.

The balance of actuarial loss as of December 31, 2022, net of income tax and social contribution is R$ 126.

28.3.4 Maturity of benefit plans

The maturities of benefit plan, calculated on the actuarial valuations, estimate the following future flow of benefit payments for the next 10 years:

Maturity	CELGPREV	ELETRA 01
Current		
2023	747	123
	747	123
Non-current		
2024	769	127
2025	796	131
2026	823	135
2027	851	139
2028–2032	4,662	751
	7,901	1,283
Total	8,648	1,406

28.3.5 Net expenses

Effects of review of actuarial appraisals recognized in income and other comprehensive income, both as counterparty to caption Post-employment benefits are as follows:

	2022
Service cost	
Current service cost	9
Interest cost	128
Components of defined benefit costs recognized in net income/loss	137
Remeasurement of the net value of the defined benefit liability	
Return on plan assets (excluding amounts included in net financial expenses)	(3,403)
Actuarial (gains) losses arising from experience adjustments	2,427
Actuarial (gains) losses arising from changes in financial assumptions	(197)
Components of defined benefit costs recognized in other comprehensive income	(1,173)
Total	(1,036)

28.3.6 Participants

These plans have the following composition of participants:

	2022
Active participants	31
Retirees and pensioners	13
Total	44

28.3.7 Sensitivity analysis

The sensitivity analysis resulting from risk of change in the discount rate and in the mortality table is expressed below, considering only the change in the hypotheses mentioned on each line:

	Obligations of the plans	
	2022	
Sensitivity analysis	**CELGPREV**	**ELETRA 01**
Core premises	9,627	1,636
Discount rate		
0.5% increase	9,127	1,551
05% decrease	10,025	1,698
Mortality		
If the plan members were a year younger than their real age	9,730	1,658

28.3.8 Assumptions

Main assumptions used in actuarial evaluations were as follows:

	2022	
Economic	**CELPREV**	**ELETRA 01**
Discount rate - nominal	9.86%	8.89%
Future salary growth	4.87% p.a.	4.87% p.a.
Growth in benefit plans	3.5% p.a.	3.5% p.a.
Long-term medical inflation	n/a	n/a
Inflation	3.5% p.a.	3.5% p.a.
Demographic		
Mortality table	AT-2000	AT-2000 M, decreased by 10%
Disability mortality table	MI 85	MI 85
Disability table	TASA 1927 D50%	TASA 1927, decreased by 50%

28.3.9 Defined contribution

The plan provides for the accumulation of individualized reserves, through monthly collection of quotas for the assets by the sponsor, with a compulsory base of 2% on salaries, plus optional contributions defined by the participants in which the sponsor monitors up to a limit of 20% of salaries. There are also extraordinary contributions from the participant without a contra entry from the sponsor. The balance of quotas accumulated on the date the benefit is granted is transformed into lifetime income. Employer contributions are held in a collective account until the grant date, when they become nominative to the beneficiaries. The benefits of the plan are as follows:

- Supplementary retirement;
- Supplementary disability retirement;
- Pension supplement; and
- Supplementation of annual allowance.

As the sponsor of these types of plans, the subsidiary EDP Goiás contributed R$ 829 in the year.

On December 31, 2022, this plan has the adhesion of 45 contributors.

29 Sectorial charges

Obligations payable refer to charges established by the electric sector law, as follows:

		Consolidated						
	Note	**Balance at 12/31/2021**	**Additions**	**Inflation adjustment**	**Payments**	**Transfers**	**Acquisition of companies (Note 18.1)**	**Balance at 12/31/2022**
Research and Development ("R&D") and Energy Efficiency Program ("PEE")	29.1	73,757	108,888	5,660	(136,613)		2,093	53,785
Energy Development Account (Conta de	29.2	19,110	1,939,144		(1,939,375)		2,550	21,429
Financial Compensation for the Use of Water Resources - CFURH		6,544	29,121		(29,335)			6,330
Tariff charges (ECE/ EAEEE)		31,451	3					31,454
Tariff flags (CCRBT)		21			(3,152)			(3,131)
Other charges		1,680	27,674		(26,233)	(520)	69	2,670
Total		132,563	2,104,830	5,660	(2,134,708)	(520)	4,712	112,537
Current		132,454						110,439
Non-current		109						2,098

29.1 Research and Development ("R&D") and Energy Efficiency Program ("PEE")

The amounts of the liabilities to be applied in the R&D and EEP programs recorded by the Company are determined under the terms of the sectorial legislation of electricity concession contracts. The Company must apply 1% of the net operating income adjusted in accordance with the criteria defined by ANEEL, recording monthly, on an accrual basis, the liability amount. This liability is updated monthly at SELIC rate change for Company's investment obligations and at IGP-M for amounts allocated to PROCEL up to the month in which expenditures are realized and written off as they are realized. The R&D programs are regulated through ANEEL Normative Resolution 897/20, and the EEP programs are regulated through Normative Resolution 920/21.

On September 1, 2020, the Provisional Measure 998 was published in the Federal Official Gazette and deals with allocation of funds available for investment in research and development (R&D) and energy efficiency (EE) in the period from September 1, 2020 to December 31, 2025, and to the sectorial fund of the Energy Development Account (CDE). In view of this, through Technical Note 0496/2020-SPE/ANEEL, a Public Consultation 78/2020 was established from December 23, 2020 to January 21, 2021, to obtain inputs for the improvement of the prepared proposal provided for by PM 998/20.

Through the contributions received in the scope of Public Consultation 78/20, it is concluded by the regulation of Article 1 of Law 14120 of March 01, 2021 (resulting from the conversion of Provisional Measure 998/20), which under the terms of the Technical Notes 7/2021-SPE-SFF/ANEEL and 9/2021-SPE-SFF/ANEEL, establishes, among others: (i) the assumptions necessary for the definition of projects that should be classified as contracted or started and will be deducted from the balance existing on August 31, 2020; (ii) the definition of the amounts to be collected; (iii) the collection of funds to the CDE; (v) the inspection of the information declared by the companies; and (vi) the amendment of the regulations.

Through Order 904 of March 31, 2021, ANEEL regulated Article 1 of Law 14.120/21, which allocates unused R&D and PEE resources, managed by ANEEL to the CDE.

The net balance at December 31, 2022 in the amount of R$ 53,785(R$ 73,757 as of December 31, 2021), includes the deduction of expenditures incurred with services in progress referring to these programs.

29.2 Energy Development Account (Conta de Desenvolvimento Energético - CDE)

The CDE is designed to promote energy development in the national territory, in compliance with the schedule determined by the Ministry of Mines and Energy - MME, and managed by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). The amounts refer to the amounts transferred to said Account, approved by ANEEL. In 2021, ANEEL determined, via RNE°885/21 the allocation of part of the CDE funds to the COVID Account. The amounts and payment terms to CCEE were defined by DSP 939/21.

30 Use of Public Property - UBP

The Use of Public Property (UBP) corresponds to the amounts established in the concession agreements as consideration for the right to operate the hydroelectric power plants and associated transmission systems of the subsidiaries Enerpeixe and Investco calculated through the expiry of the concession agreements or other pre-established period and recognized at present value.

The UBP will be paid throughout the concession period as from the start of commercial operations or delivery of the energy provided for in the Electricity Sale Contract in the Regulated Environment (CCEAR), whichever occurs first, as established in the Concession Agreements or, other term as indicated in the concession agreement for projects in operation that had their mode changed to onerous concession.

	Consolidated						
Subsidiaries	Balance at 12/31/2022	Balance at 12/31/2021	Power Plant	Annual value of the parcel	Interest rate	Discount rate	Amortization period
Investco	76,802	66,097	UHE Luiz Eduardo Magalhães	1,045	IGP-M	6.00%	2032
Enerpeixe	453,650	440,037	UHE Peixe Angical	6,800	IGP-M	6.00%	2036
	530,452	506,134					
Current	46,082	43,269					
Non-current	484,370	462,865					

The total fair value of UBP-related obligations related was recorded against Intangible assets (Note 24.1.2) on initial recognition. The provision of UBP payment was recognized in accordance with CPC 25 and is adjusted at present value.

Changes in the year are as follow:

	Consolidated						
	Balance at 12/31/2021	Inflows (Note 24.1.2.1)	Adjustment to present value	Charges and inflation adjustments	Payments	Transfer	Balance at 12/31/2022
Current							
Use of public property	43,269		(125)	(427)	(44,474)	47,839	46,082
	43,269	-	(125)	(427)	(44,474)	47,839	46,082
Non-current							
Use of public property	462,865	11,728	10,961	46,655		(47,839)	484,370
	462,865	11,728	10,961	46,655	-	(47,839)	484,370

31 Provisions

		Parent Company		Consolidated			
		Non-current		Current		Non-current	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Civil, tax, labor and regulatory provisions	31.1	27,941	8,099	33,380	14,367	638,068	550,306
Environmental permits	31.2			54,566	51,136	19,516	26,052
Dismantling	31.3					11,483	10,671
Total		27,941	8,099	87,946	65,503	669,067	587,029

Provisions are recognized in the balance sheets date as a result of a past event, and it is probable that an economic resource will be required to settle the obligation and that can be reliably estimated. Provisions are recorded based on the best estimates of the risks specific to the liability.

31.1 Civil, tax and labor provisions and restricted deposits

The Company and its subsidiaries are parties to lawsuits and administrative proceedings in several courts and with government bodies arising from the normal course of its operations, involving tax, labor, civil and other issues.

The liabilities are measured at management's best estimate for the disbursement that would be required to settle them on the date of the financial statements. They are monetarily restated monthly, using various indices according to the nature of the provision, and are periodically reviewed with the assistance of legal advisors.

31.1.1 Risk of probable loss

The Company's Management, based on information from its legal advisors and the analysis of pending lawsuits, the Administration of the Company and its subsidiaries have constituted provisions considered sufficient to cover losses estimated as probable for ongoing lawsuits, as follows:

	Parent Company							
	Liabilities						Assets	
							Judicial deposit	
	Balance at 12/31/2021	Formation	Payments	Reversals	Inflation adjustment	Balance at 12/31/2022	12/31/2022	12/31/2021
Labor	1,619	8,619	(1,203)	(21)	2,458	11,472	2,536	
Civil	6,157	9,689	(1,026)	(638)	1,780	15,962	8,729	2,279
Other	323	198	(9)	(8)	3	507		
Total non-current	8,099	18,506	(2,238)	(667)	4,241	27,941	11,265	2,279

		Consolidated								
		Liabilities							Assets	
									Judicial deposit	
	Note	Balance at 12/31/2021	Formation	Payments	Reversals	Inflation adjustment	Acquisition of companies	Balance at 12/31/2022	12/31/2022	12/31/2021
Labor	31.1.1.1	137,027	39,284	(30,565)	(19,524)	20,539	2,937	149,698	42,261	59,014
Civil	31.1.1.2	310,605	59,495	(38,962)	(14,911)	65,766	102	382,095	125,611	129,810
Tax	31.1.1.3	52,545	398	(932)	(489)	2,794	829	55,145	29,649	628
Regulatory	31.1.1.4	12,051	18,112	(211)	(4,674)	2,223	3,232	30,733		
Other	31.1.1.5	52,445	3,867	(3,096)	(1,875)	2,436		53,777		
Total		564,673	121,156	(73,766)	(41,473)	93,758	7,100	671,448	197,521	189,452
Current		14,367						33,380		
Non-current		550,306						638,068	197,521	189,452

The total amount related to the guarantees of probable provisions in the Company and consolidated is R$ 82,108 as of December 31, 2022 (R$ 91,564 as od December 31, 2021).

31.1.1.1 Labor

EDP - Energias do Brasil, EDP São Paulo, EDP Espírito Santo, Porto do Pecém, EDP Smart Serviços and EDP Smart Soluções

Refer to several lawsuits disputing, among other issues, overtime payments and hazardous work and salary equalization.

On August 4, 2015, with decision on unconstitutionality claim 479-60.2011.5.04.0231, Full Court of the Superior Labor Court (TST) decided that labor debits should be adjusted for inflation based on Special Extended Consumer Price Index (IPCA-E) of the Brazilian Institute of Geography and Statistics (IBGE). This index would be used by the Labor Court Superior Council (CSJT) for the inflation adjustment table of the Labor Court (Single Table). Thus, correction index of these debts, which was Reference Rate - TR, would become IPCA-E.

This new index should be applied to all labor lawsuits involving public and private entities that discuss debts after June 30, 2009 that were not executed or that received final decision. However, on October 14, 2015, the Minister of the Federal Supreme Court (STF) issued an injunction to suspend effects of decision issued by Superior Labor Court - TST.

Subsequently, as of December 5, 2017, the 2nd Panel of Brazil's Supreme court (STF), by majority vote, dismissed the lawsuit filed by the National Federation of Banks (FENABAN) against the decision of the Superior Labor Court (TST) in the proceedings of case ArgInc-479-60.2011.5.04.0231, which determined the application of the IPCA-E as an index of correction for inflation with regard to labor-related debts. In the decision challenged by FENABAN, the TST declared that the use of the "TR" as a correction index in the Labor Court was unconstitutional, and consequently, the previously deferred injunction was revoked, and determined the adoption of the IPCA-E determined by the IBGE to calculate such debts.

In March 2018, the Motions for Clarification were judged by the TST, and the Company and its subsidiaries presently understood that the STF's decision should be applied after their modulatory effects and not to the whole process, thus, the application of IPCA-E should occur as of March 25, 2015. The theme is subject to appeal.

Thus, since December 2017, the Company and its subsidiaries began to adjust all of their labor claims based on IPCA-E.

In December 2020, the plenary session of the Federal Supreme Court decided that the monetary adjustment of labor debts should be made using the IPCA-E and the SELIC rate, which are more favorable to workers. The understanding signed by the Court also covers appeal deposits made in a judicial account.

Processes that are still in the knowledge phase, regardless of the sentence being issued, should observe, retroactively, the application of the two indexes as follows: the application of the Special Extended Consumer Price Index (IPCA-E) in the pre-judicial phase and, based on the service of process, the SELIC rate. The decision of the Federal Supreme Court ends the discussions held in the TRTs and TST on the restatement index applicable in the Labor Court, and these indexes should be applied until a bill is approved by the National Congress on the subject.

Accordingly, the Company and its subsidiaries will apply the referred restatement indexes on January 1, 2021 as follows: (i) lawsuits in progress with update of the new form of calculations at phase of settlement of lawsuits; and (ii) new lawsuits with application of the indexes since the registration in the EDP Legal system, which should already be included with the correct value updated by the IPCA-E index so that the system performs the monthly updates after service of process at the SELIC rate.

31.1.1.2 Civil

EDP São Paulo and EDP Espírito Santo

Refer mainly to claims for reimbursement of amounts paid in the form of tariff increases by industrial consumers due to the application of DNAEE Ordinances 38/86 and 45/86 (the Cruzado Plan), in force from February to November of that year. Original values are restated based on the system used by the Judiciary. On December 31, 2022, the balance for EDP São Paulo totals R$ 90,036 (R$ 71,426 on December 31, 2021) and for EDP Espírito Santo, R$ 6,839 (R$ 6,339 on December 31, 2021), of which the following process is highlighted for EDP São Paulo:

• Case 2000.001.127615-0, pending at the 10th Civil Court of the Central Jurisdiction of the Rio de Janeiro Judicial District, filed by White Martins, which discusses the existence of consequences arising from the term of validity of Ordinances 38/86 and 45/86 of the now-defunct DNAEE, in electricity consumption tariffs (rates), for the period from September 2000 onward. In April 2010, EDP São Paulo complied with a court order to replace the existing procedural guarantee, letter of guarantee by bank deposit, in the amount of R$ 60,951 and, in June 2011, the judicial deposit was increased by the amount of R$ 10,627. EDP São Paulo presented several manifestations and appeals aiming at suspending the enforcement of the amount, as well as to revert the determination of discount of 16.66% in the monthly invoices of White Martins, until, on June 8, 2011, it was authorized the withdrawal, as payment, of the amount of R$ 60,951 deposited initially, without providing a guarantee. On June 10, 2011, White Martins obtained this deposit, monetarily restated to R$66,806. Notwithstanding the raising of the aforesaid deposit, the amount of R$10,627 remains on deposit with the court, and there are also appeals pending before the Court of Appeals of Rio de Janeiro and the Superior Court of Justice (STJ) discussing the matter. Currently, a new expert examination was conducted, in compliance with the judgment. The accounting record was presented in order to reduce the judicial deposit in return for a decrease in the provision made for this contingency. The remaining balance as of December 31, 2022 is R$ 64.640 (R$ 57.960 as of December 31, 2021).

EDP São Paulo

Collection Lawsuit 0002000-33.2001.8.26.0100, filed by Fundação CESP against the Eletropaulo's companies spun off, to receive the total amount of R$ 1,642 as of October 30, 2000, referring to the part that would fall to them in view of the plan of supplementary retirement and pension for Funcesp's employees - the amount refers to the annual actuarial revaluation of the said plan in the year ended December 31, 1997. The estimated amount as of December 31, 2022 is R$ 34,342 (R$ 28,426 as of December 31, 2021). Currently, EDP São Paulo awaits the judgment of the appeal.

• Originating proceeding 0121427-48.2006.8.26.0100, which was filled before the 28th Civil Court of São Paulo Central Jurisdiction. Once this proceeding was finalized, the Compliance with decision 0041606-43.2016.8.26.0100 pending before the 28th Civil Court will start. This refers to the decision enforcement that aims to make the Company pay R$ 1,894 (historical value for 2012). The Company filed an appeal to discuss the amount of the conviction through the Interlocutory Appeal and, on May 3, 2022, the decision was published determining the insurer to deposit judicially the amount covered by the policy in the total of R$ 8,381. Avoiding the execution of the insurance policy, EDP São Paulo opted to deposit the amount discussed in the lawsuit as a guarantee, changing the case from possible to probable due to the disbursement of the amounts. As of December 31, 2022, the amount is R$ 10,495 (R$ 28,426 as of December 31, 2021). Currently, EDP São Paulo awaits the judgment of the appeal.

EDP Espírito Santo

The subsidiary is a party to lawsuits referring to civil liability claims for death occurred due to electrical discharge, where accidents caused by accidental exposure to the electric charge occurred. The estimated amount as of December 31, 2022 is R$ 5,980 (R$ 14,863 as of December 31, 2021). The lawsuits are pending judgment.

Lawsuits related to expropriation and establishment of administrative easements for the construction of projects in the State. In the vast majority of cases, only the indemnity amount resulting from the expropriation is discussed and they remain awaiting judgment or final decision. The estimated amount as of December 31, 2022 is R$ 28,172 (R$ 18,771 as of December 31, 2021).

Indemnity Lawsuit 0000526-91.2003.8.08.0024, currently being processed before the 6th Civil Court of the District of Vitória/ES, in which Transalfa claimed the Company to pay (i) the amounts contained in the contracts for each trip contracted and not provided by the concessionaire and, (ii) loss of profits, due as a result of the unilateral termination without cause of the contract, in an amount to be arbitrated by the Court. Transalfa filed the decision settlement procedure on February 10, 2014, which is in the expert stage. In August 2022 there was an update after a new judgment of the case where the estimated value was updated and totals R$ 15,898 as of December 31, 2022 (R$ 17,107 as of December 31, 2021).

Investco

As of December 31, 2022, Investco recorded a provision of R$ 15,832 (R$ 15,281 as of December 31, 2021) referring to:

(i) Indemnities

Indemnities claimed by people that consider themselves impacted by fulfillment of UHE Lajeado reservoir or that intend to increase indemnities received from Investco, for which a provision of R$ 2,989 as of December 31, 2022 (R$ 2,474 as of December 31, 2021) was recorded.

(ii) Expropriations

Refer to indemnities as expropriation proposed by Investco to fill reservoir of UHE Lajeado, in which the difference between amount deposited by Investco and the amount estimated by the expropriated and on December 31, 2022, the amount formed is R$ 12,843 (R$ 12,807 on December 31, 2021). The balance of judicial deposits on December 31, 2022 and December 31, 2021 is R$ 13,138 and are recorded at the item Constructions in progress - Other (Note 23).

EDP Transmissão Aliança

They refer, in their entirety, to lawsuits related to indemnities for expropriations proposed by the subsidiary for the construction of the transmission line. The estimated amount as of December 31, 2022 is R$ 27,349 (R$ 25,500 as of December 31, 2021).

Definition of the Federal Supreme Court on the limits of res judicata

They refer, in their entirety, to lawsuits related to indemnities for expropriations proposed by the subsidiary for the construction of the transmission line. The estimated amount as of December 31, 2022 is R$ 47,074 (R$ 41,533 as of December 31, 2021).

31.1.1.3 Tax

Enerpeixe

Administrative Proceeding according to the Brazilian Federal Revenue Service, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) calculated in the periods from 2014 to 2016 for supposed lack of payment. On December 31, 2022, the restated amount on is R$ 2,305 (R$ 2,140 as of December 31, 2021). The Company has presented administrative defense and is awaiting judgment.

EDP São Paulo

As of December 31, 2022, the amount of contingency is R$ 11,398 (R$ 10,730 as of December 31, 2021) due to revaluation of evidences of legal process that discusses the right to ICMS credits utilized by the Company in the period from July to December 2003, referring to "Annulment/Return of Sale of electrical Energy". A partial provision was established for the total amount of the contingency, as well as segregation of the risk classification. The Company has presented defense and is awaiting judgment. The risk value has substantially increased due to the new adjustment criteria of the State Law 13.918/09 and fees required by State Attorney's Office in the judicial phase.

Writ of Mandamus against the Brazilian Federal Revenue Service, aiming at the removal of the COFINS calculation basis provided for by Law 9718/98. In 2009, the Company joined REFIS for partial settlement of debts (1999), maintaining the discussion of other topics related to the periods of 2000 and 2001. However, the Company obtained a partially favorable decision, leaving the amount related to discussion of the rate increase in the amount of R$ 6,748 as of December 31, 2022 (R$ 6,486 as of December 31, 2021). The lawsuit is awaiting a decision on the partial conversion of the deposit in favor of the Federal Government to settle the debts.

EDP Espírito Santo

• Refers to the lawsuit filed by the Brazilian Federal Revenue Service aiming at collection of PIS and COFINS for 2002 and 2005 due to lack of processing of tax returns rectifications resulting from the extraordinary tariff recomposition, according to guidelines of Opinion COSIT 26/02. As expert assessment was not accepted in records, the Superior Court rendered an unfavorable decision and a contingency of R$ 28,640, already updated, was recognized as of December 31, 2022 (R$ 27,560 as of December 31, 2021). The Company has presented an appeal and is awaiting

• Lawsuit between the Company and the Federal Revenue Service, which discusses, among other matters, the fine imposed for the late submission of the Federal Tax Credits and Debits Statement - DCTF related to the first quarter of 2003. On December 31, 2022, the amount is R$ 3,039 (R$ 2,905 on December 31, 2021). Currently, the lawsuit awaits the judgment of the appeals in the Higher Courts.

31.1.1.4 Regulatory

EDP São Paulo and EDP Espírito Santo

They refer to the tax assessment notices issued by ANEEL or other regulatory agencies that are in the phase of appeal by the distribution subsidiaries.

EDP São Paulo

Within the context of Responsive Inspection, Regulatory Agencies establish agreements with concessionaires for the development of specific action plans, aimed at improving and complying with the service provided by the companies. The Regulatory Agency of the State of São Paulo (ARSESP) and the subsidiary EDP São Paulo defined a Results Plan to improve EDP São Paulo's electric power supply quality indicators, which was monitored throughout 2021, based on the ANEELE inspection proceeding 48500.004490/2022-22. The inspection process resulted in the Assessment Notice 0015/2022-SFE, recording the Non-Conformity as a result of EDP São Paulo having exceeded in 2021 the regulatory limits established in 14 sets of consumer units in the DEC indicator - Equivalent Interruption Duration per Consumer Unit and in 6 sets of consumer units in the FEC indicator - Equivalent Interruption Frequency per Consumer Unit, and the global regulatory indicators of DEC and FEC in the subsidiary EDP São Paulo were recorded below the limit established for the same year. The estimated penalty amount on December 31, 2022, the amount is R$ 13,438, accounting for a decrease of 25.81%. The subsidiary EDP São Paulo filed an administrative appeal, and is awaiting an evaluation of the merits by ANEEL.

31.1.1.5 Other

Porto do Pecém

As a result of business combination related to purchase of Porto do Pecém, the amount of R$ 21,745 is considered as of December 31, 2022 (R$ 21,745 as of December 31, 2021) resulting from lawsuit in which Porto do Pecém is co-plaintiff, promoted by a service provider of the plant construction that challenges alleged contract breach. It is currently awaiting the beginning of the test phase of production.

EDP São Paulo

As of December 31, 2022 the total amount is R$ 2,714. The provision was recorded in accordance with the Term of Restitution, in which it attributed responsibility to the Company in favor of EnerPrev in the event of disbursement related to the lawsuit 0021584-06.2001.4.03.6100 on behalf of Fundação CESP before the Federal Government, in which it discusses the rules of immunity and exemption regarding the payment of social contributions for the period from 1995 to 1999, the same was partially classified as a probable loss by the lawsuit's attorneys. The reversal of part of the amount was due to the release of the guarantee in the records of the lawsuit.

31.1.2 Risk of possible loss

There are ongoing labor, civil and tax proceedings, the loss of which has been deemed as possible. These items are periodically reassessed, not requiring formation of provisions as follows:

		Parent Company				Consolidated			
				Assets				Assets	
		Balance at		Judicial deposit		Balance at		Judicial deposit	
	Note	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Labor	31.1.2.1	3,300	1,540	278	54	121,889	111,988	9,888	6,104
Civil	31.1.2.2	166,507	107,153	1,097	307	1,620,426	1,341,280	16,464	14,991
Tax	31.1.2.3	49,218	46,885	1,085	995	2,321,753	2,132,095	108,228	131,504
Regulatory	31.1.2.4					12,298	12,298	552	552
Total		219,025	155,578	2,460	1,356	4,076,366	3,597,661	135,132	153,151

The total amount related to the guarantees of possible provision in the Company is R$ 729,410 on December 31, 2022 (R$ 725,666 on December 31, 2021) and in consolidated R$ 740,364 on December 31, 2022 (R$ 736,225 on December 31, 2021).

Among the main claims where losses are deemed as possible, the highlights are as follow:

31.1.2.1 Labor

EDP - Energias do Brasil, EDP Espírito Santo, EDP São Paulo, Porto do Pecém and EDP Smart Soluções

Refers to several lawsuits that, in general, relate to overtime payment, salary equalization, joint responsibility involving service providing companies, indemnity for pain and suffering/ property damage derived from occupational diseases/accidents, among others.

31.1.2.2 Civil

EDP - Energias do Brasil

• Lawsuit 1109675-81.2014.8.26.0100, in progress in the 20th Civil Court of São Paulo Central Court, filed by Montcalm Montagens Industriais S.A. against companies MABE Construção e Administração de Projetos LTDA, Pecém II Geração de Energia S.A, Eneva S.A. and EDP - Energias do Brasil, discusses an alleged contract unbalance in subcontracting carried out by MABE for provision of equipment assembling services related to implementation of UTE Pecém II, company of the Eneva S.A. economic group. Montcalm alleges that companies are jointly responsible for non-compliance with contract non-compliances, due to alleged contract succession and corporate succession. Currently, lawsuit is in the expert investigation stage. The estimated amount on December 31, 2022 is R$ 73,248 (R$ 60,630 on December 31, 2021).

Investco

• They refer mostly to lawsuits described in Note 31.1.1.2 – Indemnities and Expropriations, in the amount of R$ 131,748 as of December 31, 2022 (R$ 109,146 as of December 31, 2021).

EDP Espírito Santo and EDP São Paulo

• Public civil action 26725-92.2009.4.01.3800, being processed by the 3rd Federal Civil Court of Belo Horizonte, filed by the Collective Interest Defense Association (ADIC), and claiming indemnity for material damages arising from the tariff adjustment (Parcel A). A decision was handed down in this litigation that determined the exclusion of the concessionaires from the list of defendants of the lawsuit, maintaining only ANEEL. The proceeding was suspended until the Superior Court of Justice (STJ) as at November 27, 2013, considered the 3rd Federal Circuit Court of Belo Horizonte competent to judge all the collective claims addressing the issue of Parcel "A". On April 5, 2017, a decision was issued extinguishing the case, also regarding ANEEL. After decision that extinguished the lawsuit without solution of the merit, presently the Company is awaiting decision of the appeal by the plaintiff. The lawsuit is conducted only in relation to ANEEL. As of December 31, 2022, the estimated amount for EDP Espírito Santo is R$ 129,197 (R$ 106,941 as of December 31, 2021) and that for EDP São Paulo is R$ 290,324 (R$ 240,310 as of December 31, 2021).

• Injunction 0002173-26.2014.4.01.3400, being processed at the 22nd Federal District of the Federal Regional Court of the 1st Region, which had been filed by Santo Antônio Energia S.A. (SAESA) against an act of the ANEEL Executive Board, and aiming at suspending liabilities for recomposing guarantees and capacity and avoiding payment of charges for transmission system use and possible penalties for failures to adhere to the timing plan. On February 26, 2014, the request for court authorization prior to judgment was partly granted, and impacted power distributors. Upon that decision, the subsidiaries, through the Brazilian Association of Energy Distributors (ABRADEE) filed a request before the Superior Court of Justice for suspending the granting, and the request was accepted. Currently, decision on appeal is being awaited. As of December 31, 2022, the estimated amount for EDP Espírito Santo is R$ 24,114 (R$ 19,960 as of December 31, 2021) and that for EDP São Paulo is R$ 26,738 (R$ 22,132 as of December 31, 2021).

EDP Espírito Santo, EDP São Paulo, Lajeado, Investco and Enerpeixe

• Ordinary Action 0028271-48.2014.4.01.3400, in process in the 13th Federal District of the 1st Region Federal Regional Court, also filed by SAESA against ANEEL with a request for a preliminary injunction to prevent application of the Mechanism for Assured Energy Reduction (MRA), in the Santo Antônio Hydroelectric Power Plant, during the turbine installation period. In the trial court the preliminary injunction was denied. In the appeal court, the Federal Regional Court accepted SAESA's request for action before court ruling and approved the retroactive effect, so that it became effective since early March 2012. The subsidiaries and ANEEL together filed requests for the Superior Court of Justice and they were accepted. On March 18, 2015, appeal proposed by SAESA was denied by STJ's special court. The decision considering SAESA's requests invalid was published on September 26, 2018. Currently, decision on appeal is being awaited. On December 31, 2022, the estimated consolidated amount is R$ 35,268 (R$ 29,192 on December 31, 2021).

EDP Espírito Santo

• Lawsuit for Recovery of Undue Payments 0031324-59.2008.8.08.0024 proposed by Vale do Rio Doce – CVRD claiming EDP Espírito Santo and Empresa de Luz e Força Santa Maria S/A to return the amount corresponding to the tariff increase instituted by DNAEE Ordinances 38/86 and 45/86 during the freeze period; that is, from February to November 1986, as well as the supposed effects of such increase in later tariffs. After conducting an expert examination, a decision was handed down on June 12, 2014, dismissing the claim in relation to Empresa Luz e Força Santa Maria S/A and ordering EDP Espírito Santo to refund the amounts paid by Companhia Vale do Rio Doce during the price freeze period. In view of the aforementioned decision, appeals were filed by the parties to the Espírito Santo Court of Justice. The appeals of EDP Espírito Santo and Empresa Luz e Força Santa Maria S.A. were accepted, and the appeal of Companhia Vale do Rio Doce was rejected. Companhia Vale do Rio Doce then filed a Special Appeal with the Superior Court of Justice, with a subsequent appeal, which is awaiting admission and judgment. The estimated amount on December 31, 2022 is R$ 28,290 (R$ 23,416 on December 31, 2021).

EDP São Paulo

• Collection Lawsuit 0187728-40.2007.8.26.0100, filed by EDP São Paulo in 2007 claiming: (i) RTR's conviction to refund R$ 11,260 collected and not transferred; (ii) the disregard of the legal personality of RTR to sentence its partners and managers, jointly with RTR, to pay the aforementioned amount; (iii) the inclusion of Lemon Bank as the defendant in the lawsuit; and (iv) consequently, Lemon Bank's declaration of joint liability for the unlawful acts committed, ordering it to jointly return the aforementioned amount. The amount plus interest and monetary restatement exceeds R$ 12,500. In 2014, EDP São Paulo signed an agreement with Lemon Bank, currently Banco Bracce, in which the parties agreed to (i) authorize the raising of the amount of R$ 9.5 million in favor of the distributor; (ii) authorize the withdrawal of the outstanding balance of the judicial deposit in favor of Lemon Bank; and (iii) dismiss the suit in relation to Lemon Bank and proceed with the claim only against RTR Serviços Financeiros and its partners. On October 13, 2020, a judgment was handed down dismissing the lawsuit. The appeal filed is pending judgment, in view of the forecast of reversal of the merits judgment in favor of the subsidiary. The estimated amount on December 31, 2022 is R$ 117,909 (R$ 97,598 on December 31, 2021).

• Lawsuit for Annulment of administrative act 1031550-21.2017.8.26.0577, pending before the 10th Chamber of Private Law of the Court of Justice of the State of São Paulo, in which EDP São Paulo claimed the annulment of the assessment notices originating from the administrative proceedings 119354/2014 and 119464/2014, as well as declaring the unconstitutionality of municipal Laws 7451/2007 and 8766/2012, if the previous claims are not upheld, the reduction of fines to R$ 10. On October 29, 2018, a decision was handed down upholding the demand to incidentally declare the unconstitutionality of article 1, §2, §3 and §4 of Municipal Law 7451/2007, with the related subsequent amendments by Law 8766/2012 and Law 9559/2017, as well as declaring the nullity of the assessment notices mentioned in the complaint and the judgment of the appeals presented in administrative proceedings 119354/2014 and 119364/2014. The Municipality of São José dos Campos questioned the merits of the lawsuit and EDP São Paulo questioned the value of the fixed fees, and both filed appeals, which were timely dismissed. Subsequently, the lawsuit was sent and the appeals were accepted by unanimous vote, reducing only the amount of the fine and increasing the amount of attorney's fees.

EDP São Paulo filed the competent Special and Extraordinary Appeals, which were rejected, so it filed the competent Dispatch of Special and Extraordinary Appeal, which after being sent to the STJ, are under analysis of the Rapporteur Minister for judgment. The estimated amount on December 31, 2022 is R$ 106,610 (R$ 88,245 on December 31, 2021).

Porto do Pecém

As a result of the situation of water shortage in the state of Ceará, the state government, by means of Decree 32044 of September 16, 2016, established the collection of the Emergency Hydric Charge (EHE) to be levied on thermoelectric industries in the state, monthly charging based on the verified consumption in the amount of R$7,210.00 every 1,000 cubic meters.

On October 13, 2016, the Porto do Pecém submitted to ANEEL an administrative request for obtaining, provisionally, the application of the new value of the Variable Cost per Unit (CVU) of the energy generated by the UTE Pecém I, in view of the collection of the new charge, once the same would affect the economic and financial equation of the Electricity Sale Contracts in the Regulated Environment (CCEAR). ANEEL, through Order 3293 as of December 16, 2016, dismissed the action of application.

Lawsuit promoted against ANEEL at December 19, 2016 is in progress, in order to have guaranteed the economic and financial balance of CCEARs, with transfer of the EHE to CVU. At January 31, 2017, preliminary injunction was dismissed. On May 3, 2017, Porto do Pecém filed a new appeal requiring new appreciation of the decision that granted temporary relief in favor of Porto do Pecém. The proceeding is currently awaiting the decision. In view of the facts, Porto do Pecém has recognized and transferred full EHE costs to CVU impacting net income as a counterparty to accounts receivable. On August 11, 2017, Decree 32.305/17 was promulgated by the Ceará state government, which extended the charge for an indefinite period.

The estimated amount of the share on December 31, 2022 is R$ 176,003 (R$ 145,684 on December 31, 2021). Throughout 2020, a review of assumptions involving the calculation of the contingency was carried out, which previously took into account the estimate of the amount of EHE to be paid, according to the historical average, and now considers the effective risk of the action considering the transfer of the unit variable cost.

31.1.2.3 Tax

EDP - Energias do Brasil (Parent company and Consolidated)

• The Company is a party to administrative and judicial discussion related to the Brazilian Federal Revenue Service not recognizing a corporate income tax (IRPJ) negative balance, determined for the years 1999/2001, originating from a merged company (Magistra Participações S.A.), and that totals R$ 23,989 as of December 31, 2022 (R$ 23,007 as of December 31, 2021). Lawsuit is waiting for judgment in the administrative sphere.

EDP São Paulo and EDP Espírito Santo

• Lawsuit aiming to ensure the right to include PIS and COFINS debits for the periods of 2015 and 2017 to EDP São Paulo and to include PIS, COFINS debits, IRPJ (Corporate Income Tax) and CSLL (social contribution on net income) debits for the periods of 2015 and 2016 to EDP Espírito Santo, in the Special Tax Regularization Program (PERT), established by the Brazilian Federal Revenue Service, which are being regularly paid. However, they were not in the system at the time of consolidation carried out in December 2018, involving the amount as of December 31, 2022 of R$ 37,912 (R$ 35,464 as of December 31, 2021) for EDP São Paulo and R$ 153,527 for EDP Espírito Santo (R$ 143,55 as of December 31, 2021). Currently, awaiting the court's decision.

EDP São Paulo

• Tax assessment notices assessed by the Federal Revenue Service, aiming at collecting the PIS, COFINS, IRPJ and CSLL for 2017, levied on non-technical losses of electric power. The amount restated up to December 31, 2022, is R$ 129,066 (R$ 116,957 as of December 31, 2021). The Company presented its defense and is awaiting judgment.

• Discussion at the judicial level regarding ICMS credits utilized by the Company in the period from July to December 2003, referring to "Annulment/Return of Sale of electrical Energy" amounting to R$ 132,741 restated up to December 31, 2022 (R$ 125,000 as of December 31, 2021). The Company has presented defense and is awaiting judgment. The risk value has substantially increased due to the new adjustment criteria of the State Law 13.918/09 and fees required by State Attorney's Office in the judicial phase.

• Administrative and legal proceedings relating to the use of ICMS credit, originating from the reversal of debt of canceled invoices (2007, 2012 and 2015) and crediting of property, plant and equipment (from 2014 to 2019). In December 2022 and 2021, there were new additions to the tax assessment regarding new fines, aiming at the collection of ICMS related to the use of ICMS credit for the acquisition of assets integrated into property, plant and equipment, based on the credit coefficient and form of bookkeeping of the invoices (2016 to 2020), totaling R$ 222,585 as of December 31, 2022 (R$ 160,730 as of December 31, 2021). The Subsidiary has presented its defense and is awaiting judgment.

• Administrative discussions related to the alleged undue exemption of ICMS on the invoices of clients classified as rural (2013, 2014). On December 31, 2022, the amount is R$ 10,646. The Company has presented defenses and is awaiting judgment.

• Judicial discussion before the Brazilian Revenue Service, aiming at canceling the debts arising from administrative proceeding 19515.720336/2014-24, which maintained the collection of debts offset with credit arising from the negative balance of CSLL of the spun-off company (Eletropaulo) for the year 2011, involving the amount of R$ 36,512 as of December 31, 2022 (R$ 28,867 as of December 31, 2021). The Company awaits the judgment of the lawsuit.

• Court discussion deriving from Tax Foreclosure filed by Federal Government claiming charge of CSLL (social contribution on net income) referring to calendar year 2009, which was offset against prior years' CSLL negative basis balance accumulated by spun-off company AES Eletropaulo that involves the amount of R$ 41,480 adjusted as of December 31, 2022 (R$ 39,957 as of December 31, 2021). The Company presented its defense and is awaiting judgment.

• Administrative proceedings involve the restated amount up to December 31, 2022 in the amount of R$ 111,285 (R$ 107,314 as of December 31, 2021) referring to the non-homologated offsets of credits arising from IRPJ, CSLL, PIS and COFINS overpayments in 2001, as a result of the application of COSIT Opinion 26/02 (taxes on RTE). The amount decrease was due to the favorable decision obtained in one of the administrative lawsuits, canceling the debt collection. The Company presented the defenses, and was successful in some of the lawsuits, which resulted in the reduction of the contingency. Remaining lawsuits are awaiting judgment.

• Lawsuit relating to Cofins of the period of 1993 to 1995, in a joinder with Eletropaulo. The dispute refers to the right to the future use of the amnesty brought by Provisional Measures nos. 1858-6 and 1858-8, granted to taxpayers that failed to pay taxes as they considered them inappropriate. In the second instance judgment, the right to amnesty was partially confirmed, excluding the portion concerning the charges of Decree Law 1025/69. On December 31, 2022, the restated amount is R$ 79,266 (R$ 77,408 as at December 31, 2021). The proceeding is currently awaiting the judgment of an Appeal to the Higher Courts.

• Assessments of the Municipal Authorities that require the payment of fine for alleged breach of ancillary liabilities related to the installation of electricity poles as well as inspection fees for works and public places and public price. On December 31, 2022, the restated amount is R$ 134,301 (R$ 102,378 as at December 31, 2021). In the first quarter of 2022, there was a significant increase in the contingency amount, due to the change in risk to possible of certain lawsuits, which discuss the rate of inspection of works. The Company presented defenses, and are awaiting judgment.

• Administrative discussions related to non-approval, by the Brazilian Federal Revenue Service, of the credits arising from the negative balance of IRPJ (income tax) and CSLL (social contribution) relating to calendar year 2016 and 2017, involving the amount of R$ 14,631 as of December 31, 2022 (R$ 13,415 as of December 31, 2021). The Company presented its defense and is awaiting judgment.

• Administrative discussions related to non-approval by the Brazilian Federal Revenue Service of PIS and COFINS credits overpaid in 2015 and 2016, involving the amount of R$ 18,334 on December 31, 2022 (R$ 16,550 on December 31, 2021). The Company has presented defense and is awaiting judgment.

• Lawsuit aiming to ensure the right to include PIS and COFINS debts from the periods of 2015 and 2017, in the Special Tax Regularization Program (PERT) established by the Brazilian Federal Revenue Service, which are being regularly paid. However, they were not included in the system upon consolidation carried out in December 2018, involving the amount of R$ 37,912 as of December 31, 2022 (R$ 35,464 as of December 31, 2021). The Company awaits the judgment.

EDP Espírito Santo

• Administrative dispute related to the tax deficiency notice assessed by the Brazilian Federal Revenue Service, aiming at collecting the PIS, COFINS, IRPJ and CSLL for the periods of 2014 and 2015, levied on non-technical losses of electric power. The amount of the restated lawsuit up to December 31, 2022 is R$ 200,269 (R$ 184,042 on December 31, 2021). The Company has presented defense and is awaiting judgment.

• INSS tax authorities issued social security contribution on: (i) exclusion self-employed and or other corporate entities, with the argument that there exists an employment relationship between service providers and Company; and (ii) the levy of INSS tax on profit sharing and scholarship payments made to employees that are pension plan members. These notifications restated up to December 31, 2022 amount to R$ 8,955 (R$ 8,685 on December 31, 2021) and are currently awaiting administrative adjudication.

• Sundry municipal authorities: The Company is discussing in court and administratively, the collection of ISSQN allegedly levied on services related to the supply of electric power. Also includes payment demand on land occupied by posts for the electricity network and public lighting. These proceedings restated up to December 31, 2022 total the amount of R$ 124,041 (R$ 116,642 on December 31, 2021). Of this amount, special emphasis on the amount of R$ 99,898 (R$ 94,843 as of December 31, 2021) due to the issuance of 122 tax assessment notices by the municipality of Vitória, aiming at collecting the ISSQN the period from March 2011 to February 2016. The Company presented administrative and judicial defenses, and are awaiting judgment.

• Administrative and court proceedings with regard to tax offsetting issues not ratified by the federal tax authorities, based on credits recognized in court, as well as negative IRPJ and CSLL balances resulting from IRPJ, CSLL, PIS, and COFINS overpayments made in 2001, as a result of applying Opinion COSIT 26/02 (taxes on RTE) totaling R$ 85,798 as of December 31, 2022 (R$ 111,235 as of December 31, 2021). The Company presented the defenses, and was successful in some of the lawsuits, which resulted in the reduction of the contingency. Remaining lawsuits are awaiting judgment.

• Lawsuit aiming to ensure the right to include PIS, COFINS, IRPJ and CSLL debts from the periods of 2015 and 2016, in the Special Tax Regularization Program (PERT) established by the Brazilian Federal Revenue Service, which are being regularly paid. However, they were not included in the system upon consolidation carried out in December 2018, involving the amount of R$ 153,527 as of December 31, 2022 (R$ 143,550 as of December 31, 2021). The Company awaits the judgment.

• Tax assessment notice issued by the Brazilian Federal Revenue Service, aiming at the collection of PIS and COFINS due to the credits used as inputs in the period 2017 and 2018. The updated amount as of December 31, 2022, is R$ 4,417 (R$ 4,171 as of December 31, 2021). The Company presented its defense and is awaiting judgment.

Additionally, the balance shown in the Judicial Deposit as of December 31, 2022 is mainly due to case No. 2009.50.01.010131-6 in the amount of R$ 63,246 (R$ 57,291 as of December 31, 2021), on the tax enforcement aimed at collecting COFINS debts for the months of March to October 2001, which were offset with credit arising from the improper payment of FINSOCIAL. After the decision in the case records of an interlocutory appeal against the National Treasury, the settlement of the Bank Guarantee Letter presented in the case execution documents was determined, resulting in the judicial deposit.

EDP Trading

• Administrative discussion about the collection of IRPJ, CSLL, PIS and COFINS debts referring to 2004/2006, arising from the non accreditation of the offsetting of these tax credits. The restated amount of these proceedings on December 31, 2022 is R$ 13,327 (R$ 14,494 on December 31, 2021). The Company obtained favorable decisions resulting in the reduction of the amount. Currently, other lawsuits are waiting for judgment.

• Administrative dispute arising from the Notice of Tax Violation issued by Brazilian Federal Revenue Service, aiming to collect a fine for allegedly incorrect information in the ancillary obligations (EFD ICMS/IPI and EFD Contributions) for the period of 2016, involving the amount of R$ 26,862 as of December 31, 2022 (R$ 24,294 as of December 31, 2021). The proceeding is currently awaiting the judgment.

Lajeado

• The administrative and legal spheres discuss proceedings of the Brazilian Federal Revenue Service in 2014, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) due to the disallowance of expenditure on goodwill on the acquisition of ownership interest. On December 31, 2022, the restated amount is R$ 154,431 (R$ 145,323 as at December 31, 2021). Currently, it is awaiting the collection judgment of the adjusted fine in the administrative sphere and in the judicial sphere of the other amounts under collection (principal restated with increase in charges of Attorney General's Office).

• Discussion at the administrative level regarding the non-approval by the Federal Revenue Service of the Corporate Income Tax - IRPJ negative balance credits for the 2014 calendar year, involving the amount, as of December 31, 2022, of R$ 8,568 (R$ 7,894 as of December 31, 2021). The Company presented its defense and is awaiting judgment.

Enerpeixe

• Administrative disputes related to the offsets of PIS and COFINS not ratified by the Brazilian Federal Revenue Service in the periods from 2012 to 2015, due to the supposed shortage of credit as the ratifying DCTFs have not been analyzed by the Federal Revenue Service as of December 31, 2022, totaling the amount of R$ 178,497(R$ 151,173 as of December 31, 2021). The increase in value is due to entry of new lawsuits. The Company has presented defenses and is awaiting judgment.

• The administrative sphere discusses proceedings of the Federal Revenue Service, aimed at the collection of income tax (IRPJ) and social contribution (CSLL) calculated in the periods from 2014 to 2016 for supposed lack of payment. On December 31, 2022, the restated amount is R$ 66,642 (R$ 60,886 as at December 31, 2021). The Company has presented administrative defense and is awaiting judgment.

• Tax foreclosure filed by the State Treasury of Tocantins, targeting the collection of a fine due to supposed discrepancies of information contained in the records for the 2014 period. On December 31, 2022, the restated amount is R$ 5,504 (R$ 5,003 as at December 31, 2021). The Company has presented defense and is awaiting judgment.

Porto do Pecém

It refers to the legal discussion of the tax foreclosure nº 000.153777.2015.405.8100 totaling R$ 99,652 as of December 31, 2022 (R$ 93,708 as of December 31, 2021) filed by Federal Government, aiming at the collection of IRPJ (Corporate Income Tax) and CSLL (Social contribution on net income) debits resulting from the exclusions of certain financial income and foreign exchange income earned in the months of January, February and December 2009. The Company has presented defense and is awaiting judgment in Higher Courts.

31.1.2.4 Regulatory

EDP Espírito Santo

Refers to the penalty for exceeding the Transmission System Use Amounts (MUST) for the years 2011 and 2013. The contracting of the MUST was carried out as recommended by the National Electric System Operator (ONS). However, due to systemic restrictions, owing to the absence of a basic network to flow generation through the SIN, in 2011 the flow increased the use of the Mascarenhas connection point and, in 2013, there was a reversal of flow at the Mascarenhas point, resulting in an overrun at the Campos connection point. Currently, the lawsuit is under analysis with an injunction suspending the charges until the assessment of the merits.

31.1.3 Risk of remote loss

Additionally, there are ongoing labor, civil and tax proceedings, the loss of which has been deemed as remote. For these lawsuits, the balance of judicial deposits as of December 31, 2022, in the Parent Company is R$ 2,736 (R$ 1,215 as of December 31, 2021) and in the subsidiaries EDP São Paulo, EDP Espírito Santo, EDP Trading, Enerpeixe, Porto do Pecém, Lajeado, Mata Grande Transmissora, EDP Transmissão Aliança, EDP Transmissão SP-MG, EDP Transmissão Litoral Sul, EDP Transmissão Norte, EDP Smart Serviços, EDP Smart Soluções, Investco and e EDP Goiás is R$ 132,378(R$ 60,032 as of December 31, 2021).

31.2 Environmental permits

The amount of R$ 74,082 - Current and non-current - as of December 31, 2022 (R$ 77,188 as of December 31, 2021) refers to provisions for the costs of providing previous permits, installing and operating UHEs, UTEs and LTs, related to requirements of governmental agencies.

Environmental permit costs are either associated with the Basic Environmental Project - PBA or are in addition to it, and their main objectives are reforestation, acquisition and regularization of rural and urban areas, recovery and improvement of roads, electrical and sanitary infrastructures, and the implementation of conservation units. The balance of this provision is recognized based on the best available estimate, and monetarily restated based on the general market price index (IPCA).

Previous permits and installation permits obtained during planning and installation of the projects, and consequently, are recognized as plant costs, more specifically as dam costs (hydroelectric power plants) or machinery and equipment (thermal plants), according to according to the Electricity Sector Accounting Manual (MCSE) published by ANEEL, and depreciated over the useful life of such property, plant and equipment. The operating permits, obtained for the commercial go-live of the plants, are recognized as intangible assets and will be amortized over a period which represents the duration of the permits.

Power generation, distribution and transmission subsidiaries are subject to extensive Brazilian environmental legislation in the federal, state and municipal spheres. Compliance with this legislation is verified by government agencies and authorities that have the power to impose administrative sanctions for any breach of the legislation.

The costs associated with the maintenance of these permits allow to prevent the occurrence of social and environmental impacts, contributing to the management of operating and regulatory risks, and also allow social and environmental actions focused on sustainable development.

The Company maintains a commitment to and processes of continuous improvement regarding environmental issues, seeking excellence and a sound basis for the planning of its actions, in line with the Sustainable Development Goals – SDGs. EDP also maintains goals for the 2022 and 2025 directly related to 9 of the 17 SDGs, including goals directly linked to environmental issues, such as SDG 13 on climate change and SDG 15 on protection of terrestrial life. To manage the topic, we have a Policy on Management and Sustainability Systems and Environmental Management Systems (EMS), in line with the ISO 14001 Standard, with activities conducted by the local Environment areas of the business units.

The Company and its subsidiaries develop projects that also confirm their commitment with efforts to restore and preserve biodiversity, namely:

(i) Water and affluents: With focus on water resources' conservation and efficient use, the Company and its subsidiaries have in place a rainwater collection system on the roof of Porto do Pecém subsidiary's administrative building, in Centros de Serviços da Distribuição Poá (CSD), Carapina (ES), São Mateus (ES), Linhares (ES), Cachoeiro (ES) and at the EDP São Paulo's headquarters in São José dos Campos. In addition, UTE Pecém also relies on the reuse of part of the effluents in the energy production process.

(ii) Waste: In addition to seeking reduction of materials' consumption, the Company and its subsidiaries segregate, store, treat and dispose of their waste in an environmentally appropriate manner, complying with applicable legal requirements. In subsidiary Porto do Pecém, ashes produced in power generation are reused, sent for processing in cement industry, thus reducing the quantity of non-hazardous waste sent to landfill. Distributors use vegetable oil in distribution transformers which are purchased, renovated and have a contract for recovery of transformers that help reduce natural resources' consumption to manufacture new equipment, encouraging circular economy.

(iii) Biodiversity: In their environmental policy, the Company and its subsidiaries establish commitments related to biodiversity and ecosystem services and to management of impacts of their activities along their value chain. Main continuous actions involve aerial and fluvial monitoring of the plant's dams, monitoring of fauna and flora in plant's areas and rights of way (lines and networks) in distribution and transmission rural areas. In the Distribution area, analyses are carried out during project planning, based on geoprocessing and field visits, so that the presence of conservation units, legal reserves, permanent preservation areas and native vegetation in the processes of implementation of lines can be evaluated. The analyzes aim to find alternatives with the least possible impact or solutions to mitigate them.

(iv) Currently, the Company maintains the 2021-2025 Strategic Climate Plan (PEC 21-25). This plan aims to provide greater clarity on the mitigation actions that will be taken to meet the Group's climate goals, a deepening of the climate and strategic scenarios for managing climate risks and opportunities and action plans to improve performance in sustainability indices related to the topic. The Company has emission reduction targets approved by science (SBTi targets).

Expenses incurred with environmental licensing in the year came to R$ 16,090 (R$ 160,069 in 2021).

31.3 Dismantling

The amount of R$ 11,483 on December 31, 2022 (R$ 10,671 on December 31, 2021) refers to subsidiary Porto do Pecém. The Dismantling was constituted in order to address the responsibility relating to the expenses on replacement of the sites used by the power plant in its original state. This provision was calculated based on the current value of corresponding future responsibilities and is recorded as a counterparty to Property, plant and equipment (Note 23). Provisions are subject to an annual review, in accordance with estimated future responsibilities.

The calculation of the allowance was made from the costs obtained from reputable external entities, designed by the end of plant's operation authorization, restated at IGP-M, and then calculated the present value of this liability at the discount rate of 9.0% p.a. representing the financing rate at the time of recognition.

32 Shareholders' equity

32.1 Capital

As of December 31, 2022 and December 31, 2021, the Company's capital is R$ 5,502,716, fully subscribed and paid-up, represented by 581,165,268 common shares, all registered, book-entry and with no par value, with the following main characteristics:

• Capital is exclusively represented by common shares. Each common share will grant the holder the right to one vote on the resolutions of the Company's General Meetings;

• The shares are indivisible in relation to the Company. When the share belongs to more than one person, the rights vested thereupon will be exercised by the joint ownership representative;

• The issue of Founders' shares by the Company is prohibited;

• The Company is authorized to increase the capital up to the limit of 1,000,000,000 new common shares regardless of statutory reforms, by decision of the Board of Directors, which will also be responsible for establishing the terms of the issue, including the price, term and form of its payment;

• The Company may issue shares, debentures convertible into common shares and subscription bonuses within the limit of the authorized capital; and

• At the sole discretion of the Board of Directors, it is possible to exclude or reduce the right of preference in the issues of shares, debentures convertible into shares and subscription bonuses, whose placement is performed through sale at a stock exchange or public subscription, under legal terms, and within the limit of the authorized capital.

The common shares are classified as capital, and any costs attributable to the share issue are deducted, when applicable.

The capital is composed as follows:

Shareholder	12/31/2022 Number of shares	12/31/2022 % interest	12/31/2021 Number of shares	12/31/2021 % interest	Controlling shareholder
EDP International Investments and Services, S.L. (1)	183,141,323	31.51	180,209,523	31.01	Yes
EDP IS - Investimentos e Serviços, Sociedade Unipessoal, Lda (1)	142,584,671	24.53	142,584,671	24.53	Yes
Board members and Directors	261,954	0.05	165,005	0.03	
Treasury shares (2)	15,186,053	2.62	4,435,100	0.76	
Free-float shares	239,991,267	41.29	253,770,969	43.67	
Total	581,165,268	100.00	581,165,268	100.00	

(1) Foreign-owned company.

(2) Treasury shares do not have equity rights.

32.2 Profit distribution

The net income for each year shall be deducted, before any allocation of accumulated losses and for successively in the following order:

(i) 5% (five percent) will be invested in the formation of legal reserve which shall not exceed 20% (twenty percent) of capital;

(ii) 25% will be destined to payment of dividends; and

(iii) the remaining balance shall have its destination determined by the Shareholders General Meeting, pursuant to the previous provisions.

As described in item (ii) above, the shares are entitled to minimum dividends of 25% of the adjusted net profits, as provided for by law, and the amount of Interest on own capital (JSCP) paid or credited individually to the shareholders as remuneration on capital may be included as part of the total dividend payments of the Company, for all legal purposes and pursuant to the terms of Law No. 9.249/95, and subsequent regulations.

The Company's policy, pursuant to the 120th meeting of the Board of Directors held on March 5, 2008, proposed the payment of a minimum amount equivalent to fifty percent (50%) of the adjusted net profit, calculated in conformity with Article 189 and subsequent articles of the Corporation Law, which can be reduced when required by a legal or regulatory provision or when advisable in view of the financial situation and/or future prospects of the Company.

The Company, according to the Material Fact disclosed to the market on August 28, 2020, started, as a policy, to propose the distribution, as a dividend and/or interest on own capital, based on the Annual General Meeting that approved the accounts for the year ended December 31, 2020, the greater of the following amounts: (a) 25% of net income, calculated on the balance obtained with the deductions and additions provided for in Article 202 of the Brazilian Corporation Law, pursuant to Article 31 of the Company's Bylaws; (b) 50% of Adjusted Net Income calculated on the balance obtained with the deductions and additions provided for in Article 202 of the Brazilian Corporation Law and by results with Long-Term Cash; or (c) R$ 1.00 (one real) per share, calculated in conformity with Article 189 and subsequent articles of the Corporation Law, which can be reduced when required by a legal or regulatory provision or when advisable in view of the financial situation and/or future prospects of the Company.

	Note	12/31/2022	12/31/2021
Income to be allocated			
Net profits for the year		1,021,437	2,159,838
Formation of legal reserve - 5%	32.3	(51,072)	(107,992)
		970,365	2,051,846
Profit distribution			
Interim dividends - JCP (Interest on own capital)	14	651,239	454,811
Supplementary mandatory dividends			126,372
Profit reserve	32.3	166,669	
Proposed additional dividend	32.3	152,457	
Income for the year to be deliberated	32.3		1,470,663
		970,365	2,051,846
Dividends per share - R$ - Interest on own capital		1.15064	0.27125
Dividends per share - R$ - Supplementary dividends			0.21912

32.3 Reserves

	Note	12/31/2022	12/31/2021
Capital reserves			
Income (loss) from disposal of treasury shares	32.3.1	58,540	60,490
Stock options granted	32.3.2	3,764	5,681
Goodwill in the merger of parent company		35,351	35,351
Other capital reserves		29,720	31,312
		127,375	132,834
Profit reserves			
Legal		724,931	673,859
Profit retention	14	5,076,558	4,116,043
Proposed additional dividend	32.3.|14	152,457	1,470,663
		5,953,946	6,260,565

32.3.1 Result of the disposal of treasury shares

The change in the year of R$ 1,950 is due to the calculation of gains and losses on the granting of shares.

32.3.2 Stock options granted

The Company provides to its managers and certain employees appointed by Board of Directors, stock option plans for purchasing shares of the company. Options are priced at fair value on grant date, adjusted at present value and are recognized on a straight-line basis in income over option grant period as a contra-entry to shareholders' equity. At the end of each year, the Company reviews its estimates of the number of options and shares whose rights must be acquired based on these conditions and recognizes impact of initial estimates review, if any, in the statement of income as a contra-entry to shareholders' equity.

The change in the year, in the amount of R$ 1,917, is due to the provisions for shares granted referring to plans III, V and VI, as well as the transfer of the grant to employees covered by the ILP II and IV plan.

32.3.2.1 Share-based remuneration plan characteristics

The Shareholders' Meeting of the Company held on April 10, 2015 established the implementation and structuring of the Policy on Share-based Payment. On May 2, 2016, the Board of Directors approved the Regulation related to such policy.

The remuneration policy aims at recognizing the organizational and individual performance of beneficiaries, by handing over the shares issued by it. The Beneficiaries of the Remuneration Policy shall be elected by the Board of Directors, based on the recommendations by the Remuneration Committee, taking into consideration, among other reasons, the importance and essentiality of the role performed, their engagement in strategic projects, achievement of goals related to their individual performance and/or the global performance of the Company within the corresponding assessment period, approved by the relevant body, as well as the added value that such Beneficiary offers to the Company. The policy establishes two types of programs, as described below:

(i) Incentive program – the program beneficiary is entitled to receive, in the future, up to two shares per each share issued by the Company acquired using 30% of the net value of the annual performance bonus; and

(ii) Retention program - the program beneficiary is entitled to receive shares issued by the Company as complementary annual bonus payment occasionally granted by the Company.

The shares issued by the Company subject to the remuneration policy may not represent, at any time, more than 1% of the Company's capital.

The price of the shares acquired by beneficiaries shall be equivalent to the weighted average price of shares issued by the Company traded at B3 in the 60-day period prior to such acquisition date.

The incentive or retention program shares shall only be granted to the beneficiaries who remain continuously employed as managers and/or employees of the Company and/or Subsidiaries during the grace period. Additionally, in relation to the incentive program beneficiaries, they shall keep their respective original shares, abstaining from encumbering and/or transferring them.

In cases termination was the initiative of the program's beneficiary and/or the initiative of the Company and/or Subsidiaries with cause during the grace period, the right to receive granted shares not fully acquired will be full-fledged and automatically extinct, regardless of previous notice, and with no right to indemnity.

In cases Termination was the initiative of the Company and/or its Subsidiaries without cause or due to retirement of Beneficiaries during program period, will be entitled to a number of retention shares, as adequate, proportional to the number of months of the grace period elapsed up to Termination date, and the right to receive other granted shares not fully acquired is full-fledged and automatically extinct, regardless of previous notice, and with no right to indemnity.

The handover of incentive shares shall occur after the grace period, that is, three years, in case the market profitability is achieved (accumulated return equal to or above 15% on the average computation of the Electrical Energy Index (IEE) and Bovespa Index - IBOVESPA), or after five years, in case the market profitability established in the rules is not achieved.

In relation to the incentive program, during the period of one year after the acquisition of the Company's shares, these cannot be traded, however, if after this period the beneficiary trade them, he/she shall automatically lose the right to receive incentive shares.

Find below a summary and changes in remuneration plans in force:

Plans	Acquisition date	Qty. of shares acquired by employees	Unit price (R$)	Total value of acquired shares	Number of shares to be granted	
					Incentive plan	Retention plan
Remuneration plan II	June 2017	44,113	13.37	590		
Remuneration plan II	August 2017	27,747	14.26	396		
Remuneration plan III	June 2018	83,240	13.75	1,144	66,743	139,138
Remuneration plan IV	June 2019	57,892	18.68	1,081	3,445	10,176
Remuneration plan V	June 2020	71,256	16.71	1,191	68,631	59,467
Remuneration plan V	July 2020	12,000	16.71	201	24,000	73,607
Remuneration plan VI	August 2021	71,645	18.69	1,339	107,004	159,295
Total		367,893			269,823	441,683

Plans	Incentive plan				Retention plan			
	Number of shares at 12/31/2021	Grant/ Decrease	Exercised	Number of shares at December 31, 2022	Number of shares at 12/31/2021	Grant/ Decrease	Exercised	Number of shares at December 31, 2022
Remuneration plan II	71,704	(7,807)	(63,897)	-	58,646	(199)	(58,447)	-
Remuneration plan III	83,404	(13,134)	(3,527)	66,743	167,410	(28,272)		139,138
Remuneration plan IV	64,859	(8,810)	(52,604)	3,445	135,900	(17,274)	(108,450)	10,176
Remuneration plan V	130,622	(30,386)	(7,605)	92,631	170,176	(31,515)	(5,587)	133,074
Remuneration plan VI	130,167	(21,933)	(1,230)	107,004	172,887	(13,592)		159,295
	480,756	(82,070)	(128,863)	269,823	705,019	(90,852)	(172,484)	441,683

32.3.2.2 Remuneration plan II

Under the Remuneration Plan II, 122,344 shares were granted to beneficiaries at the exercise price of R$ 20.75. The shares whose grant period has expired were exercised between the periods ended June 30, 2022 and July 31, 2022.

32.3.2.3 Remuneration plan IV

Under the Remuneration Plan IV, 161,054 shares were granted to beneficiaries at the exercise price of R$ 20.75. The shares whose grant period has expired due to compliance with rules set forth, they were exercised between the periods ended June 30, 2022 and July 31, 2022.

32.3.3 Profit retention reserve

The profit retention reserve has been constituted pursuant to Article 196 of Law 6404/76 in support of the Company's Capital Expenditure Program as set forth in the capital budgets submitted to the Ordinary General Shareholders' Meetings.

The change for the year in the amount of R$ 960,515 is due to the allocation to the profit retention reserve for the years to increase the Company's capital and the distribution of dividends, as resolved in the Annual and Special Shareholders' Meeting (Note 14). Moreover, the Board of Directors approved in January 2023 the allocation of R$ 500,000 from these reserves to increase the Capital, in accordance with Article 199 of Law 6404/76, which will be carried out at the Company's next Annual Shareholders' Meeting.

32.3.4 Additional dividends proposed

This reserve refers to the parcel of net income for the year in excess of the minimum mandatory dividend to be deliberated at a general meeting or by other competent body. It is established as per ICPC 08 (R1) and may be allocated to the payment of dividends, retained earnings or capital increase.

The amount on December 31, 2022 of R$ 152,457 will be resolved at the AGM for payment in the year 2023.

32.4 Other comprehensive income

The changes in Other comprehensive income in the year is as follows:

	Balance at 12/31/2021	Equity in net income of	Balance at 12/31/2022
Equity accounting on other comprehensive income of subsidiaries			
Gains and (losses) with subsidiaries and associated companies	(654,184)	107,964	(546,220)
	(654,184)	107,964	(546,220)

32.5 Treasury shares

The repurchase of own shares is classified in the line item Treasury Shares and recognized at cost of acquisition charged to shareholders' equity. When these shares are sold, their gain or loss on the transaction will be transferred to Capital reserves.

As of August 28, 2020, the Company released a Material Fact stating that, on that date, the Board of Directors approved the program for the repurchase of common shares issued by it. The purpose of the repurchase was to acquire shares issued by the Company to be held in treasury, with the objective of investing available resources to maximize the generation of value for shareholders.

In a Board of Directors' Meeting held on October 25, 2021, the Company's Board of Directors approved the cancellation of shares currently held in treasury and the launch of a new buyback program for common shares issued by it.

The Company canceled a total of 25,685,126 common shares of its issue held in treasury, without reducing the value of the capital. As a result of the Cancellation of Shares, the Company's capital stock, of R$ 5,502,716, was divided into 581,165,268 common shares, all nominative, book-entry and without par value, keeping the amount of 200,000 common shares in treasury.

Aiming to maximize the generation of value for the Company's shareholders, and capture the appreciation potential of the Company's shares, the Board of Directors approved the implementation of a new Buyback Program. In total, up to 23,558,500 common shares issued by the Company will be acquired within the scope of the Buyback Program, in view of the limit for holding treasury shares provided for in article 8 of ICVM 567/15; that is, 10% of the shares of each type or class of free-float shares on the market.

Management believes that this resolution is part of the Company's ongoing process of maximizing value for its shareholders and that its current financial situation is compatible with the possible execution of the Buyback Program under the approved conditions, with no impact on the fulfillment of the obligations assumed to the clients, creditors and other commitments. The characteristics of the Share Repurchase Program are as follows:

Deadline for carrying out operations	Maximum shares that can be repurchased	Quantity repurchased of shares	Average price for acquisition	Funds available	Interim financial institutions
18 months after RCA	23,558,500	15,186,053	20.66	Profit or capital reserves of the Company, except for the reserves described in the first paragraph of article 7, CVM Instruction No. 567/15.	BTG Pactual CTVM S.A.; Itaú; Santander CCVM S.A.; Safra Corretora de Valores e Câmbio Ltda.; nd XP Investimentos CCTVM S/A

32.6 Non-controlling interest

The balance of R$ 1,169,848, as of December 31, 2022, (R$ 1,142,615 as of December 31, 2021) refers to interest that other shareholders hold on subsidiaries (Note 18.2).

The total non-controlling interest on the balance sheet on December 31, 2022 is comprised of: (i) R$ 462,221 corresponding to Lajeado; (ii) R$ 388,127 corresponding to Investco; (iii) R$ 261,797 corresponding to Enerpeixe; (iv) R$ 57,680 corresponding to EDP Transmissão Aliança; and (v) R$ 23 corresponding to EDP Goiás.

The summarized information on the cash flows of the subsidiaries that hold non-controlling interests is presented below:

	Investco	Enerpeixe	Lajeado	EDP Transmissão Aliança	EDP Goiás	Total
Net cash from operating activities	161,592	174,843	324,003	147,471	170,364	978,273
Net cash invested in investment activities	(6,238)	(6,225)	15,884	(26,952)	(98,503)	(122,034)
Net cash invested in financing activities	(30,040)	(184,458)	(283,436)	(91,990)	(50,317)	(640,241)
Increase (Decrease) in cash and cash equivalents	125,314	(15,840)	56,451	28,529	21,544	215,998

The balance at December 31, 2022 and 2021, includes the amount of R$ 451,376 related to founders' shares issued by Lajeado and belonging to Centrais Elétricas Brasileiras S.A. – Eletrobras as detailed below:

32.7 Founders' shares

Lajeado, in an Special Shareholders' Meeting, held on February 15, 2006, approved an amendment in its by-laws, and created: (i) 53,210,337 registered preferred nonconvertible and nonvoting shares, entitled to earn dividends 10% higher than those paid to a common share; and (ii) 10,000 founders' shares, without par value, negotiable and unrelated to the Company's capital, granting their holders the right to a possible credit against Lajeado, in an amount equivalent to 10% of the annual profit earned by Lajeado, observing the provisions of Law 6404/76.

These shares, as well as the founders' shares, were fully subscribed and acquired on that date by Eletrobrás.

The duration of the founders' shares is until October 31, 2032, when they will they will be automatically converted into Class A preferred shares (Article 14 of the Bylaws) corresponding to 5.084% of the total shares issued by Lajeado (Article 14, Paragraphs 1 and 2 of the Bylaws), if they have not been redeemed. The redemption can occur at any time at the decision of Lajeado until the end of the duration of the founders' shares.

The instrument called Founders' shares complies with items 16C and 16D of CPC 39, and as such, is classified as an equity instrument. In addition, the item AG26 of CPC 39 establishes that, when payments to holders of cumulative or non-cumulative preferred shares are made in accordance with the issuer's criteria, the shares are equity instruments.

Therefore, we consider that common shares, preferred shares and founders' shares must all be classified as the same type of instruments, i.e., equity instruments, since basically they have the same features.

During the analysis of CPC 48, in item 35, Lajeado Management understood that the distribution of this equity instrument should be recorded directly in Shareholders' Equity.

33 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized on monthly basis when there is convincing evidence that: (i) identification of rights and obligations in contract with client; (ii) identification of performance obligation in the contract; (iii) determination of price for each type of transaction; (iv) allocation of transaction price to performance liabilities stipulated in contract; and (v) compliance with contract's performance liabilities. Revenue is not recognized if there are significant uncertainties as to its realization.

The services provided to the clients have mainly the following characteristics: (i) are routine and recurrent; (ii) have the same transfer pattern; and (iii) are provided to the client over a specific period of time. Therefore, in relation to meeting the performance obligation of the Company and its subsidiaries, they are substantially met over time.

The Company and its subsidiaries recognize their Revenue net of any discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items.

The Revenue of the Company and its subsidiaries is measured according to the performance obligations identified in agreements with clients. The main recognition and measurement criteria per segment are presented below:

Distribution

• Billed supply: They are recognized by power supply occurring in a given period. This measurement takes place in accordance with the reading schedule set by the distributor. Revenue from electricity distribution services is therefore made according to this schedule, and the Revenue from

• **Distribution system use tariff - Billed:** Recognized by the availability of the infrastructure of the electric network of distribution to its customers (free and captive), where the fair value of the payment is calculated according to the system use tariff, which is defined by the regulatory agency.

• Not billed: Refers to the energy supplied and/or use of the distribution system which was not billed yet, corresponding to the period lapsed between the date of the last reading and the closing of financial statements. It is estimated and recognized as unbilled Revenue, based on the actual amount of energy distributed during the month and the annual loss rate and current tariff.

• Sectorial financial assets Revenue: It is recognized monthly as the difference between the costs belonging to Parcel "A" actually incurred in the result and those recognized in Revenue from operations with electricity estimated at the current tariff by ANEEL.

• **Supply - Billed:** Refers to electric power supplied to other concessionaire, under contractual conditions. The amount of the payment is determined by the volume of energy delivered multiplied by the current tariff defined by the regulatory agency.

• Short-term energy: Revenue is recognized at fair value of consideration receivable at the time in which the excess of energy is traded in the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). Consideration corresponds to multiplication of sold energy volume by Difference Settlement Price - PLD.

• Revenue from construction: (iii) The recognition of construction Revenue is directly associated with additions to Concession assets, without incorporating a profit margin into this construction activity in accordance with Technical Interpretation ICPC 01 (R1) - Concession Agreements. The establishment of the construction Revenue results from the allocation of hours worked by the technical teams, the materials used, the measurement of the provision of third-party services and other directly allocated costs by means of input method in compliance with CPC 47. This Revenue is recorded as counterparty to the cost of infrastructure construction for the same amount (Note 34).

• **Grants linked to granted service:** It is recognized when actually granting discounts on tariffs in the consumer units benefiting from government grants (Note 16.2) through the difference between the reference tariff for the respective consumer class and that actually applied to consumers benefiting from these grants.

• Leases and rentals: The lease Revenue is measured at the fair value of the payment receivable and is recognized on monthly bases pursuant to the lease contracts.

Generation

• Electricity supply: Revenue is recognized based on the assured power and the tariffs specified in the supply agreements. The subsidiary may sell energy produced in two environments: (i) in Free Trade Market (ACL), where trading of electric power occurs through free negotiation of prices and conditions between the parties, with bilateral contracts; and (ii) in ACR, where there is trading of electric power to distribution agents, with energy price established by the Regulatory Agency through energy auctions.

• Short-term energy: Revenue is recognized at fair value of consideration receivable at the time in which excess of produced energy, after allocation of energy in MRE, is traded in the CCEE. Consideration corresponds to multiplication of sold energy volume by PLD.

Transmission

• **Revenue from construction of construction infrastructure**

Construction Revenue is recognized as a performance obligation that is met by the construction of the transmission line and its associated assets. The recognition of Revenue from construction is directly associated with the additions to the contractual asset, according to the expenditures incurred (input method). The establishment of the construction Revenue results from the allocation of hours worked by the technical teams, the materials used, the measurement of the provision of third-party services and other directly allocated costs. This Revenue is recorded as counterparty to the Concession Assets, plus the construction margin and PIS and COFINS.

Margins of performance obligation for construction and improvement to form this Revenue are an accounting estimate and, on December 31, 2022, it is from -23.72% to 44.71% on real construction cost in Revenue (loss).

This margin is estimated by transmission companies considering projected construction cost budget and possible efficiencies, considering regulatory deadline for construction work delivery. Possible Revenue resulting from early end of Transmission Line is recognized in Revenue for the year of effective early commercial operation authorized by ANEEL.

According to concept used by transmission companies, construction margin is a value creation component, represents present value of concession infrastructure construction service and, together with O&M margin and contract remuneration rate (implicit rate), contributes to zeroing present value of projected cash flow from investments and RAP receipts over the entire concession term.

• **Revenue from operation and maintenance (O&M)**

O&M Revenue is recognized monthly, as of the date that the Company is authorized to operate, as a performance obligation which is met by the operation and maintenance of the transmission line. This Revenue is calculated based on the sums of costs anticipated to comply with the concession agreement, plus a margin.

O&M performance obligation margins for the formation of this Revenue is an accounting estimate and as of December 31, 2022 they are equivalent to 5.00% and 218.00%.

According to business model practiced by transmission companies, which work with markup range for pricing that should vary according to project profitability achieved in concession auction. This range is based on internal regulatory pricing studies, sectorial references for operation and maintenance, and previous experience with transmission projects. O&M Revenue is adjusted monthly with RAP result actually allowed to be charged by the National System Operator (ONS).

• **Remuneration of concession assets**

The concession agreements have a significant financing component, since the period of receipt for the infrastructure construction is long term (30 years). Therefore, as required by CPC 47, the return on concession assets is calculated based on the average funding rate of the project from the formalization of the concession agreement with the Concession Grantor on the balance of Concession Assets.

The SEP Circular Letter 01/2020 states that contractual remuneration should be made at the asset's remaining implicit rate after definition of concession's construction and O&M margins. However, still according to guidelines, rate should be close to financing market standard.

Remuneration rates for Transmission companies' Concession Assets represents 5.00% to 13.65% p.a. for the entire Concession period and is based on internal studies and own business model. In this sense, according to transmission companies' judgment, residual rate must be between weighted average cost of capital and debt contracting rate, both nominal values and before taxes.

Any changes in weighted average cost of capital promoted by ANEEL in Tariff Readjustment or Review processes with corresponding impact on RAP will have their effects recognized in Revenue for the year in which Tariff Modification is approved by regulatory body.

Trading

Revenue is recognized based on bilateral agreements with market agents and duly registered with the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE). Future commitment contracts are classified as Financial Instruments, recognized at fair value through profit or loss, pursuant to CPC 48 - Financial Instruments (Note 15).

Clients

• Cash sales and financed sales

Revenue is recognized upon completion of the project, in the case of cash and financed sales. In the case of installment sales, the adjustment to present value is deferred over the term of the agreement.

• Sales recognized by phased transfer of control

Sales recognized by phased transfer of control have their Revenue recognition directly associated with the measurement of the provision of services and other directly allocated costs, through the input method, in accordance with CPC 47. Certain agreements have a significant financing component. These are recognized proportionately over the duration of the agreement using the funding rate that would be reflected in a separate transaction between the parties.

• Finance and operating leases

For finance leases, Revenue related to the financing component of the agreements is recognized in the statement of Revenue for the year during the contractual year, being initially recognized at the beginning of the lease. For operating leases, the agreement payments are recognized as Revenue in the statement of Revenue on a straight-line basis and in line with the depreciation of the respective leased assets, during the lease year.

		Parent Company		Consolidated					
		R$		No. of consumers		MWh		R$	
	Note	2022	2021	2022	2021	2022	2021	2022	2021
Supply	7.2|33.1								
Residential				3,248,863	3,154,794	6,892,500	6,653,309	2,734,590	2,513,536
Industrial				16,721	22,084	1,201,536	1,366,615	536,550	541,642
Commercial				281,829	273,241	2,990,786	2,868,271	1,207,699	1,108,924
Rural				193,075	199,470	1,001,858	1,008,018	279,911	288,329
Government				22,297	21,583	549,112	487,064	248,347	198,067
Public lighting				6,380	3,921	627,070	695,210	192,149	162,719
Public service				3,379	3,297	432,632	445,672	157,696	167,323
Own consumption				457	397	14,249	13,386		
			-	3,773,001	3,678,787	13,709,743	13,537,545	5,356,942	4,980,540
Distribution system use tariff - Billed									
Captive consumers									
Residential								2,813,158	2,823,102
Industrial								393,480	419,675
Commercial								1,222,550	1,151,717
Rural								349,998	315,694
Government								200,727	166,031
Public lighting								134,438	167,870
Public service								144,031	117,104
Free consumers				1,881	1,651	12,737,009	12,428,874	2,006,532	2,234,790
			-	1,881	1,651	12,737,009	12,428,874	7,264,914	7,395,983
Not billed	33.2								
Supply								(81,510)	143,737
Distribution system use tariff								(59,106)	111,984
			-	-	-	-	-	(140,616)	255,721
Sectorial financial assets income	8								
CVA								(1,046,945)	929,773
Financial items - Extraordinary Tariff Review (RT	33.3							(104,158)	(68,753)
Financial items - Other								665,188	25,869
PIS/COFINS								518,644	267,304
			-	-	-	-	-	32,729	1,154,193
Supply - Billed	33.4					12,126,985	13,610,060	2,608,115	3,651,610
Short-term energy	33.5					2,148,301	2,790,964	164,509	1,056,339
Sales	33.6							3,184,387	2,300,621
Revenue from construction	21							2,036,378	2,321,931
Remuneration of concession assets	21							730,566	565,036
Restatement of indemnifiable financial assets	20							384,236	351,166
Revenue from operation and maintenance (O&M)	33.7							215,572	25,476
Chargeable Services								23,055	16,326
Grants linked to granted service	33.8							642,697	696,268
Leases and rentals								206,281	148,249
Future commitments	15							54,172	175,172
Variable portion – IPCA	4.17							253,292	53,636
Other operating revenue	4.10|12	4,642	3,021					526,481	124,531
Gross operating revenue		4,642	3,021	3,774,882	3,680,438	40,722,038	42,367,443	23,543,710	25,272,798
(-) Operating revenue deductions									
Taxes on revenue									
ICMS								(2,290,582)	(3,002,296)
PIS/COFINS		(178)	(25)					(1,711,364)	(2,049,828)
ISS		(64)	(15)					(2,409)	(2,375)
		(242)	(40)	-	-	-	-	(4,004,355)	(5,054,499)
Consumer charges									
R&D								(110,952)	(139,642)
CDE								(1,939,144)	(1,073,268)
RGR								(3,330)	(3,817)
PROINFA – Free Consumers								(136,343)	(79,198)
Financial Compensation for the Use of Water Resources - CFURH								(33,435)	(29,339)
Other charges								(28,496)	(18,881)
			-	-	-	-	-	(2,251,700)	(1,344,145)
		(242)	(40)	-	-	-	-	(6,256,055)	(6,398,644)
Revenue		4,400	2,981	3,774,882	3,680,438	40,722,038	42,367,443	17,287,655	18,874,154

33.1 Billed supply

The change in the accumulated for the year refers mainly to the subsidiary EDP São Paulo due to the tariff adjustment with an increase in Parcel B compared to 2021, in addition to a higher volume of energy sold due to the entry of new consumers. Furthermore, in October 2022, EDP São Paulo went through the Tariff Readjustment process, raising the value of energy tariffs by an average of 8.05%.

33.2 Unbilled supply

The change mainly refers to the distribution subsidiaries due to the reduction in own load compared to 2021.

33.3 Financial items - Extraordinary Tariff Review (RTE)

The change refers to the tariff flags in distribution subsidiaries that were applied to the water Shortage in 2022 and the green flag, while in the period of 2021 they were mainly yellow and red (Note 4.6). In addition to the impact of the tariff flags, due to the tariff revision of the subsidiary EDP Espírito Santo (Note 4.19), there was an advance in the Overpass and Demand balance that is being recognized monthly by said subsidiary, generating an increase in the balance of financial items - RTE.

33.4 Supply - Billed

The variation in billed supply is mainly due to: (i) a decrease of R$ 1,205,111 in the subsidiary Porto do Pecém, which, due to the improvement in the water scenario in the country (Note 4.5), has not been dispatched by the ONS since December 2021; (ii) R$ 137,910 in the subsidiary EDP São Paulo due to the increase in energy volume in 2022, totaling 985,094 MWh (538,411 MWh in 2021), in addition to the price adjustment due to the tariff readjustment (Note 4.21); and (ii) in the subsidiary EDP Espírito Santo of R$ 162,200, due to the increase in the load of electric power sold in the MVE, in line with the subsidiary's strategy to reduce overcontracting levels.

33.5 Short-term energy

The decrease of R$ 891,830 recorded in the item of short-term energy is mainly due to:

(i) R$ 486,419 in the subsidiary EDP São Paulo and the reduction of R$ 223,341 in the subsidiary EDP Espírito Santo whose changes occurred due to energy transactions and charges traded within the scope of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), due to seasonality operated in the subsidiaries, which were impacted by the reduction in the contracted MCSD, MCSD, in addition to the improvement in hydro scenario; and

(ii) R$ 159,486 in the subsidiary Porto do Pecém, with the improvement of the energy scenario (Note 4.5) in 2022; operations were not carried out in the spot market, contrary to what happened in the previous year, when guarantee recomposition operations to supply the domestic market were performed.

33.6 Sales

The increase in the subsidiaries EDP Trading and EDP Smart Energia reflects the improvement in the hydrological scenario in 2022 when compared to the previous year, due to the recovery and operational progress in the country, also considering the decrease in the volatility of market prices. Additionally, in relation to EDP Smart Energia, there was a reflection of the entry of new contracts.

33.7 Transmission Companies - Income from operation and maintenance (O&M)

The increase of R$ 190,096 recorded in the O&M Revenue item mainly refers to the transmission companies that are in operation in 2022, and were under construction in the previous year, including EDP Transmissão Litoral Sul, in the amount of R$ 4,023, EDP Transmissão Aliança, in the amount of R$ 43,027, and EDP Transmissão SP-MG, in the amount of R$ 50,544. Additionally, with the acquisition of EDP Goiás (Notes 4.7 and 18.1) there was a recognition of O&M income in the total amount of R$ 99,513.

33.8 Grants linked to granted service

The increase in the subsidy is mainly due to the recognition of financial transfers made to distribution subsidiaries resulting from the increase in consumption in the year and the tariff resulting from the last tariff adjustment.

33.9 Tariff flags and Grants linked to granted service

The Tariff Flag System is the mechanism that aims to indicate to consumers the actual electric power generation costs of each month, by using four flags: green, yellow, red stage 1 and red stage 2. Due to the water shortage scenario (Note 4.5), the water scarcity tariff flag was created, regulated by CREG Resolution 3/2021.

The definition of the activation brackets observes hydrological risk thresholds defined according to the operational record of the National Interconnected System (SIN). The activation metric henceforth considers the definition of cost of hydrological risk, where there is an indirect relationship between the depth of the generation scaling factor (GSF) and the electricity spot price (PLD, or different settlement price). The composition of these two variables, in trigger systematics, means the anticipated collection of income with the tariff flags is closer to the costs incurred. This Tariff Flag system is defined monthly by ANEEL, through an Order from the Tariff Management Superintendence (SGT).

The balance related to the tariff flags refers to the amounts to be transferred to the Centralizing Account for the Resources from Tariff Flags (CCRBT), managed by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), arising from the difference between the billed amounts net of ICMS and the estimated amounts not billed, for tariff flags purposes, deducted of a portion of the energy and charges overhead. Those funds are allocated to the coverage of costs not foreseen in the tariffs of several distributors in Brazil. Value monthly approved by ANEEL to be transferred or refunded is the difference between amount charged from customers and excess costs referring to: (i) Power Security of System Service Charge (Encargo de Serviço do Sistema – ESS); (ii) thermal dispatch; (iii) hydrological risk; (iv) Itaipu quotas; (v) exposure to the short-term market; and (vi) excess Energy Reserve Account - CONER. The costs that are not covered by the income are considered in the next tariff process.

The activation bands and additional tariff flags effective for the year ended December 31, 2022 are:

(i) Green Flag: favorable conditions for energy generation. Tariff has no increase;

(ii) Yellow Flag: R$ 1,874 for every 100 kWh;

(iii) Red Flag at level 1: R$ 3,971 for every 100 kWh;

(iv) Red Flag at level 2: R$ 9,492 for every 100 kWh; and

(v) Water Shortage Flag: R$ 14,20 for every 100 kWh.

The tariff flags applied in 2022 were the following:

	2022											
	January	February	March	April	May	June	July	August	September	October	November	December
Tariff flag	Water Shortage (*)	Water Shortage (*)	Water Shortage (*)	Water Shortage (*)	Green	Green	Green	Green	Green	Green	Green	Green
PLD trigger (**)	69.85	55.70	55.70	55.70	55.70	55.70	55.70	97.48	56.78	55.70	55.70	55.70

(*) Except for customers registered with the Social Energy Tariff – TSEE, which remain at Red Flag – level 2.

(**) PLD trigger: Amount in reais/MWh used as the basis of the monthly average PLD to trigger the Tariff Flag level, defined by the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE).

34 Operating expenditures

Operating expenditures are recognized and measured: (i) in conformity with accrual regime, presented net of respective PIS and COFINS credits, when applicable; (ii) based on the direct association of income; and (iii) when they do not result in future economic benefits.

As required in the Article 187 of the Law 6404/76, the Company and its subsidiaries present operating expenditures as per the statement of income per position, the expenditures are divided into costs and expenses according to the origin and position.

In the segregation between costs and expenses, the following criteria are considered: (i) Costs: comprise the expenditures directly related to the rendering of electrical energy service related to the concession and also expenditures related to the energy generation, such as the purchase of electrical energy for resale, transmission charges, amortization of infrastructure concession right, expenditures related to commercial service and concession operation and maintenance and expenditures with raw material to produce energy; and (ii) Operating expenses: these are expenditures related to the management of the Company and its subsidiaries representing many general activities attributable to business phases, such as administrative personnel, management remuneration, estimated loss with doubtful accounts, and judicial, regulatory and administrative provisions.
The breakdown of operating expenditures, according to their nature, as required by the CPC 26 (R1) is as follows:

		Parent Company					
		2022			2021		
		Operating Expenses			Operating Expenses		
	Note	General and administrative	Other	Total	General and administrative	Other	Total
Personnel, Administrators and Private pension entity	34.4	67,538		67,538	60,824		60,824
Material		459		459	929		929
Third-party services	34.5	50,876		50,876	46,389		46,389
Depreciation - Construction in service		3,997		3,997	3,182		3,182
Depreciation - Assets related to right to use		2,580		2,580	1,856		1,856
Amortization		10,958		10,958	12,528		12,528
Civil, tax and labor provisions			3,457	3,457	868		868
Leases and rentals		(943)		(943)	1,730		1,730
Gains and losses on acquisition of investments	34.8		29,415	29,415		6,843	6,843
Other		12,825		12,825	9,926		9,926
Total		148,290	32,872	181,162	138,232	6,843	145,075

		Consolidated							
		2022							
		Costs				Operating expenses			
	Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total
Electricity purchased for resale	34.1	6,916,376							6,916,376
Electricity network utilization charges	34.2	1,290,764							1,290,764
Cost of consumed raw material	34.3		318,786						318,786
Cost recovery with GSF - Concession Rights	34.6	(3,269)							(3,269)
Financial lease					71,872				71,872
Personnel, Administrators and Private pension entity	34.4			440,573	6,783		203,426		650,782
Material				48,994	13,268		8,269		70,531
Third-party services	34.5			336,852	10,957		235,876		583,685
Depreciation - Construction in service	34.7			287,652	4,815		39,462	1,204,486	1,536,415
Depreciation - Assets related to right to use				4,655			8,563		13,218
Amortization	34.7			258,701	400		174,825	78,665	512,591
Estimated loss from allowance for doubtful accounts / Net losses						159,814			159,814
Civil, tax and labor provisions								52,637	52,637
Leases and rentals				5,869	(45)		(695)		5,129
Gains and losses from deactivating and disposal of assets								133,527	133,527
Infrastructure construction costs	21				1,987,620				1,987,620
Other		5,200	608	45,346	1,156		46,808	10,910	110,028
Total		8,209,071	319,394	1,428,642	2,096,826	159,814	716,534	1,480,225	14,410,506

		Consolidated							
		2021							
		Costs				Operating expenses			
	Note	Costs of electricity	Production	Operation	Rendered to third-parties	PECLD	General and administrative	Other	Total
Electricity purchased for resale	34.1	8,834,330							8,834,330
Electricity network utilization charges	34.2	1,238,798							1,238,798
Cost of consumed raw material	34.3		1,348,680						1,348,680
Cost recovery with GSF - Concession Rights		(165,084)							(165,084)
Personnel, Administrators and Private pension entity	34.4			357,603	5,953		176,481		540,037
Material				53,829	7,965		9,929		71,723
Third-party services	34.5			298,067	3,156		220,637		521,860
Depreciation - Construction in service				282,686			7,835	13,395	303,916
Depreciation - Assets related to right to use				1,181			56,282		57,463
Amortization				280,552			64,758	31,805	377,115
Estimated loss from allowance for doubtful accounts / Net losses						135,158			135,158
Civil, tax and labor provisions							1,019	30,291	31,310
Leases and rentals				2,433	149		2,331	(141)	4,772
Gains and losses from deactivating and disposal of assets								73,295	73,295
Infrastructure construction costs	21				2,150,806				2,150,806
Other		5,596		50,457	1,226		40,567	(1,893)	95,953
Total		9,913,640	1,348,680	1,326,808	2,169,255	135,158	579,839	146,752	15,620,132

34.1 Electricity purchased for resale

	Note	Consolidated 2022	2021
Energy purchase and sale agreements by availability	34.1.1	1,071,711	2,136,476
Energy purchase and sale agreements by quantity	34.1.2	915,788	937,270
PROINFA		175,444	128,172
Energy purchase and sale agreements by quotas	34.1.1	604,321	1,530,274
Short-term energy	34.1.3	132,557	686,596
Energia de Itaipu Binacional	34.1.4	988,265	1,184,482
EER (Reserve Energy Charge)	34.1.5	222,436	44,346
System Service Charge (Encargo de Serviço do Sistema – ESS)	34.1.6	237,112	703,916
Energy trading agreements	34.1.7	3,236,114	2,533,270
Other	34.1.8	12,238	(51,196)
(-) Reimbursements CCEE/CONER		(10,562)	(160,900)
(-) PIS/COFINS credits		(669,048)	(838,376)
		6,916,376	8,834,330

34.1.1 Energy purchase and sale agreements by availability and quotas

The reduction observed in the values of power purchase by availability and by shares refers substantially to the subsidiaries EDP São Paulo and EDP Espírito Santo, and is due to the favorable conditions of hydropower generation caused by the higher incidence of rain in the year, consequently resulting in the expressive reduction of thermoelectric generation (Note 4.5).

34.1.2 Energy purchase and sale agreements by quantity

The decrease of R$ 21,482 recorded in the item of energy purchase agreements by quantity refers to:

(i) to the increase of R$ 95,692 in the distribution subsidiaries, due to the increase in energy purchase agreements by quantity, due to seasonality and price readjustments in the Energy Trading Agreements in the Regulated Environment – CCEAR and Regulated Bilateral Agreements – CBR;

(ii) the reduction of R$ 33,216 in subsidiary Lajeado due to the purchase of energy to constitute guarantees in 2021, with the strategic aim of avoiding a negative financial exposure at Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), which did not materially occur in 2022; and

(iii) decrease of R$ 83,958 in the subsidiary Enerpeixe, referring to the purchase of energy as a strategy to mitigate the effects of the GSF in the subsidiary in 2021, with volatility of effects between the years due to the allocation of contractual seasonality of energy, PLD and actual effects of GSF.

34.1.3 Short-term energy

The decrease of R$ 554,039 recorded in the short-term energy item is substantially due to:

(i) reduction of R$ 191,599 in the subsidiary EDP São Paulo, due to exposure associated with regulated contracting, causing financial exposures in relation to the difference between the PLDs of the submarkets involved, with an average PLD of R$ 58.99/MWh in the year 2022 (SE/CO Submarket), when in the same year 2021, for the same submarket, it reached an average of R$ 279.61/MWh;

(ii) reduction of R$ 65,378 in the subsidiary EDP Espírito Santo referring to energy transactions and charges sold within the scope of the Chamber of Commercialization of Electric Energy (Câmara de Comercialização de Energia Elétrica - CCEE), due to seasonality implemented in the Company, which were impacted by the decrease in the contracted load of MCSD and MVE, in addition to the improvement in the hydro scenario (Note 4.5). The subsidiary negotiated the price of R$ 275.76 MWh in 2022, against R$ 208.17 MWh in the same period of the previous year;

(iii) decrease of R$ 251,347 in subsidiaries Lajeado, Enerpeixe and Energest (Note 17.1) due to the lower Difference Settlement Price (PLD) in 2022, which reached an average of R$ 58.70/MWh (SE/CO Submarket), compared to R$ 280.00/MWh in 2021, influenced by the water crisis in 2021, when it had the longest drought period recorded in the country (Note 4.5), bringing a decrease in reservoirs, in addition to a greater deviation in the average GSF; and

(iv) decrease of R$ 42,968 in the subsidiary EDP Trading caused by the improvement in the energy scenario (Note 4.5), leading to lower settlement prices, reducing the costs of operating in the short-term market.

34.1.4 Energia de Itaipu Binacional

The reduction is substantially due to the subsidiaries EDP São Paulo and EDP Espírito Santo, as there was a decrease in the amounts corresponding to the shares to be considered in the apportionment of electricity related to Itaipu when compared to the year 2021.

34.1.5 EER (Reserve Energy Charge)

The EER represents all the costs arising from the contracting of reserve energy, understood as that intended to increase the security in the supply of electric power to the SIN (Brazilian Interconnected System), coming from plants specially contracted through auctions for this purpose, including administrative, financial and tax costs, which are prorated among the end-users of electric power in the SIN. In 2022, the subsidiaries EDP São Paulo and EDP Espírito Santo, considering the behavior of the PLD estimate and the generation of the winning plants in Reserve Energy Auctions - LER, there was a need to collect the EER aiming at the continuous balance of the fund, in order to ensure coverage of future obligations linked to the Account. Complementing the Reserve Energy Account (CONER) occurs through the payment of distribution subsidiaries.

34.1.6 System Service Charge (Encargo de Serviço do Sistema – ESS)

The decrease in ESS during the year is mainly due to the activation of thermal plants outside the order of merit and the import of energy from Argentina and Uruguay due to the low level of the reservoirs, thus increasing the cost of the ESS for agents whose consumption is served by the SIN in 2021.

34.1.7 Energy trading agreements

The change refers to the subsidiaries EDP Trading and EDP Smart Energia, which had an increase in power sale agreements in negotiated amounts, due to the progress of the subsidiaries' operations (Note 33.6).

34.1.8 Other

The increase in the balance recorded in the item refers to the subsidiaries EDP São Paulo and EDP Espírito Santo and arises mainly from the collection of amounts for the Voluntary Consumption Reduction, as per ANEEL DSP 397/22 (Note 16.2.1).

34.2 Electricity network utilization charges

The increase is mainly due to the Tariff for the use of the transmission system - TUST, in which a tariff review is carried out at all transmission agents.

34.3 Cost of consumed raw material

The decrease in the item refers mainly to the subsidiary Porto do Pecém, caused by the inventory write-off resulting from the trading as mentioned in Note 4.10, corresponding to the amount of R$ 427,577. Additionally, there was a reversal of R$ 141,490 of the provision for estimated loss on realization of inventories of this subsidiary (Notes 4.10 and 12.2).

34.4 Personnel and Administrators

	Parent Company		Consolidated	
	2022	2021	2022	2021
Personnel				
Remuneration	22,408	21,938	282,501	238,160
Charges	7,355	8,148	101,234	86,617
Private pension plan - Current	703	1,200	13,039	14,504
Termination expenses	6,022	689	24,447	15,439
Profit sharing – PLR	5,187	4,539	55,511	41,849
Other benefits - Current	6,168	7,388	112,240	96,448
Other post-employment benefits – Actuarial deficit or surplus	(105)		1,729	2,490
Other	1,281	27	17,301	4,236
	49,019	43,929	608,002	499,743
Administrators				
Fees and charges		13,453	21,438	34,303
Administrators' benefits	12,792	3,442	15,615	5,991
(-) Recoverable tax credits	5,727		5,727	
	18,519	16,895	42,780	40,294
	67,538	60,824	650,782	540,037

34.5 Third-party services

	Parent company		Consolidated	
	2022	2021	2022	2021
Consulting services	53,892	46,948	87,696	83,377
Commercial services			142,332	132,847
Maintenance services	872	1,620	133,675	132,063
Cleaning and surveillance services	966	1,148	27,442	29,788
IT services	18,773	15,057	82,209	84,893
Publishing and advertisement services	9,027	4,816	20,357	10,698
Transportation services	3,980	1,144	15,746	9,415
Shared services	(47,264)	(31,476)	2	806
(-) PIS/COFINS credit			(23,133)	(21,418)
Other	10,630	7,132	97,359	59,391
	50,876	46,389	583,685	521,860

34.6 Cost recovery with GSF - Concession Rights

The amount of R$ 3,269 on December 31, 2022, refers to recovery of GSF costs earned by subsidiary Investco, totaling estimated increase of 32.7 months in their concession terms (Note 24.1.3.1) based on parameters regulated by ANEEL Resolution 895/2020.

34.7 Depreciation - Construction in service and Amortization

The amount of "depreciation - property, plant and equipment in service" and "amortization" includes the impairment of the subsidiary Porto do Pecém, as mentioned in Note 4.24.

34.8 Gains and losses on acquisition of investments

Of the balance of R$ 29,415 refer mainly to: (i) R$ 17,075 from the write-off of transaction costs for the acquisition of the indirect subsidiary EDP Goiás (Note 18.1); and (ii) R$ 11,947 refers to the write-off of the transaction costs of the sale of Energest (17.1).

35 Financial result

		Parent company		Consolidated	
	Note	2022	2021	2022	2021
Financial income					
Interest and inflation adjustment					
Income from financial investments and pledges	5|13	46,530	9,455	343,572	80,171
Electricity sold				176,039	212,302
Energy purchased				922	
Judicial deposits		795	203	27,185	13,148
Loan agreements	11	37,563	20,688		
Sectorial financial assets/liabilities	8			4,339	17,627
Interest and fines on taxes	9	4,655	7,778	85,854	31,066
Remuneration of preferred shares		5,465	2,953		
Other interest and inflation adjustment			58	967	2,932
Swap and hedge operations	26.2|27.2	8,918		8,918	16,305
Changes in foreign currency	38.1.3			87,388	
Adjustments to present value	7.7			749	713
(-) Capitalized interest	21			(259)	(26,266)
(-) Taxes on financial income		(43,977)	(35,301)	(87,305)	(53,547)
Other financial income		571	8	17,854	11,902
		60,520	5,842	666,223	306,353
Financial expenses					
Debt charges					
Loans and financing	27.2	(4,094)	(4,371)	(374,439)	(252,337)
Debentures	26.2	(19,139)	(59,366)	(1,095,581)	(734,686)
Changes in foreign currency	38.1.3	6,973		6,973	(35,491)
Swap and hedge operations	26.2|27.2			(331,216)	(21,275)
Adjustments to present value				(5,261)	(4,352)
(-) Capitalized interest	21			17,003	384,062
Interest and inflation adjustment					
Energy purchased					(2,653)
Interest and fines on taxes	9	(834)	(3,005)	(50,169)	(33,234)
Sectorial financial assets/liabilities	8			(1,159)	(4,439)
Civil, tax and labor provisions	31.1.1	(4,241)	(1,552)	(94,181)	(94,677)
Use of public property	35.1			(57,064)	(100,017)
Generation Scaling Factor - GSF					(52,202)
Post-employment benefits	28.1.1|28.2.1			(73,201)	(65,686)
Leases and rentals	16.8	(2,060)	(721)	(15,477)	(12,853)
Free energy				(2,263)	(5,795)
Other interest and inflation adjustment				(8,799)	(8,648)
Changes in foreign currency			(353)	(1,656)	(24,874)
Swap and hedge operations	38.1.3	(8,918)		(8,918)	
Adjustments to present value				(2,790)	(1,327)
(-) Capitalized interest					1,526
Other financial expenses		(1,095)	(390)	(34,626)	(38,977)
		(33,408)	(69,758)	(2,132,824)	(1,107,935)
Total		27,112	(63,916)	(1,466,601)	(801,582)

35.1 Use of Public Property - UBP

The change in the Use of Public Property - UBP item is mainly due to the reduction in the IGP-M index, which was 6.47% in the accumulated in 2022 (17.78% in 2021).

36 Income tax and social contribution

Regarding the subsidiaries EDP Smart Soluções, EDP Smart Energia, EDP Smart SPE V, Mata Grande Transmissora and EDP Transmissão Litoral Sul, the income tax and social contribution recorded in income (loss) refer to taxation regime from the presumed income, where income and social contribution tax bases were computed considering tax rates of 8% and 12%, respectively, calculated on the amount of gross income in accordance with current legislation.

For the Company and other subsidiaries, current income tax is calculated based on taxable income, at the rates applicable according to the legislation in force - 15%, plus 10% on the taxable income that exceeds R$240 per annum and social contribution recorded in the result is calculated with a basis on taxable income, through the application of the rate of 9%. Both consider the offset of tax losses and negative basis of social contribution tax, limited to 30% of the taxable income (when applicable).

Income and social contribution tax expenses comprise current and deferred taxes, and they are recognized in the income statement unless they relate to items directly recognized in Shareholders' equity. In 2022, there was a change in the calculation system from Annual Actual Profit to Quarterly Actual Profit for the subsidiaries EDP São Paulo and EDP Espírito Santo (Note 4.8).

		Parent Company		Consolidated	
	Note	2022	2021	2022	2021
Income before income taxes		1,019,050	2,165,644	1,950,764	3,015,412
Rate		34%	34%	34%	34%
IRPJ and CSLL		(346,477)	(736,319)	(663,259)	(1,025,240)
Adjustments to reflect effective rate					
IRPJ and CSLL on permanent additions and exclusions					
Donations		(2,411)		(3,971)	(2,291)
Non-deductible losses	36.1	(1)	(9)	(283,417)	(4,295)
Equity in net income of subsidiaries		286,432	699,293	(56,787)	82,422
Interest on own capital		76,477	31,441	231,776	140,823
Interest on preferred shares				(3,698)	(855)
Other		(787)	1,818	(40,100)	(11,417)
Unrecognized income tax and social contribution - deferred		(10,846)	(117)	30,900	(3,000)
(Addition) Reversal of permanent differences				5,279	
Adjustments from prior accounting years			(1,946)	9,108	38,714
Provision for IR and CS credit on appropriate tax overpayments	36.2				63,700
Deemed profit adjustment				(13,244)	(9,554)
Tax incentives					
SUDAM / SUDENE	36.3			41,741	77,588
Other			33	7,635	5,538
IRPJ and CSLL expenses		2,387	(5,806)	(738,037)	(647,867)
Effective rate		-0.23%	-0.27%	37.83%	21.49%

36.1 Non-deductible losses

The change in the consolidated mainly refers to the subsidiary Porto do Pecém, resulting from the write-off of deferred taxes in the amount of R$ 85,795, due to the recognition of impairment (Note 4.24).

36.2 Provision for IRPJ and CSLL credit on appropriate tax overpayments

The amount as of December 31, 2021 of R$ 63,700, it arose from the provision for IRPJ and CSLL credits on tax overcollected appropriated from the subsidiaries EDP São Paulo, EDP Espírito Santo, EDP Trading, Enerpeixe and Porto do Pecém.

The Companies of the EDP – Energias do Brasil Group are party to a writ of mandamus claiming the recognition of the right not to pay the IRPJ and CSLL on the amounts referring to the application of interest on late payment and inflation updating related to tax overpayments subject to refund, reimbursement or offsetting (judicially or administratively), in addition to the right to use the credits of the last five (5) years prior to the date of filing of the lawsuit.

For 2022, there was no amount to be recognized.

36.3 SUDAM and SUDENE

The subsidiaries EDP Espírito Santo and Porto do Pecém are included before Development of the Northeast Region (Superintendência do Desenvolvimento do Nordeste - SUDENE), attesting to the fulfillment of all the legal conditions and requirements stipulated for recognition of the right to the reduction of 75% of the rate of Income Tax and Non-Reimbursable Surcharges, calculated with a basis on the income from the exploration relating to the municipalities from the northern region of the state, which are from the area of activity of SUDENE, for a period of 10 years, filed at the Unit of the Brazilian Federal Revenue Service, with jurisdiction over the municipality of its head office.

Subsidiary Enerpeixe obtained Incorporation Report 23/17 from Superintendent of the Amazon Development - SUDAM, attesting to the fulfillment of all the legal conditions and requirements stipulated for recognition of the right to the reduction of 75% of the rate of Income Tax and Non-Reimbursable Surcharges, calculated with a basis on the income from the exploration also for a period of 10 years.

Below is a list of the years covered by these incentives:

	Period
Energest	2015–2024
EDP Espírito Santo	2018–2027
Enerpeixe	2017–2026
Porto do Pecém	2016–2025

These government grants are recognized in the income (loss) for the year. In compliance with the determinations of Administrative Ruling 2091-A of December 28, 2007 of the Ministry of National Integration, entity that regulates the benefit, the amount of unpaid income tax cannot be distributed to the partners or shareholders, having been transferred to the account of fiscal incentives in the profit reserve, which can only be used for compensation of loss or capital increase.

The abovementioned fiscal incentives are recorded in the Company's financial statements as required by CPC 07 (R1) Government Subsidies and Assistance.

37 Earnings per share

The basic earnings per share is calculated based on net income for the year attributable to the Company's shareholders and the weighted average value of common shares outstanding in the respective year. Diluted earnings per share is calculated by the same indicators, and the average of free-float shares adjusted by instruments potentially convertible into share, with diluting effect, in accordance with CPC 41 - Earnings per share.

The Company created the Share-Based Payment Plan, which grants future shares of the Company to its beneficiaries. Therefore, for calculating the diluted earnings per share the estimated amounts of these grants on the closing date of these financial statements were considered.

The calculation of "basic and diluted" earnings per share is presented below:

	Parent Company and Consolidated	
Basic income (loss)	**2022**	**2021**
Net income for the year attributable to shareholders	1,021,437	2,159,838
Weighted average of the number of common shares with shareholders (thousand) (*)	565,979	583,957
Basic earnings per share (reais/share)	1.80473	3.69863
Diluted earnings (losses)		
Net income for the year attributable to shareholders	1,021,437	2,159,838
Adjustment to net income for the year available to shares considering the potential increment of common shares as result of incentive and retention plans	2,011	(4,458)
Net income for the year attributable to shareholders - adjusted	1,023,448	2,155,380
Weighted average of the number of common shares with shareholders (thousand) (*)	565,979	583,957
Potential increment to common shares based on incentive and long-term retention plans	712	1,186
Weighted average of the adjusted number of common shares with shareholders (thousand) (*)	566,691	585,143
Diluted earnings per share (reais/share)	1.80601	3.68351

(*) The number of common shares does not include treasury shares.

38 Financial instruments and risk management

The Company and its subsidiaries maintain operations with financial instruments. The Management of these instruments is executed by means of operating strategies and internal controls aiming to ensure credit, liquidity, safety and profitability. The contracting of financial instruments with hedging objectives is performed by means of a periodic analysis of the exposure to the financial risks (foreign exchange, interest rate etc.), which is included in regular risk reports to the Management.

In compliance with the Financial Risk Management Policy of Grupo EDP - Energias do Brasil, and based on periodic analyses con-substantiated by the risk reports, specific strategies are defined for the mitigation of financial risks, which are approved by Management, for the effective operation of the strategy. The control policy involves the permanent monitoring of the conditions contracted versus the conditions in force in the market through operating systems integrated into the SAP platform. The Company and its subsidiaries do not invest in derivatives or any other risk assets on a speculative basis. The results obtained from such operations are consistent with the policies and strategies defined by management.

Management of the risks associated with these operations is performed through the application of policies and strategies defined by Management and include the monitoring of levels of exposure of each market risk, forecasts of future cash flow and the establishment of exposure limits. This policy also determines that the updating of information in operating systems, as well as the confirmation and effective operation of transactions with the counterparties, shall be performed based on the appropriate segregation of duties.

38.1 Financial instruments

Financial instruments are defined as any agreement that creates a financial asset for the entity, and a financial liability or equity instrument for another entity.

These financial instruments are immediately recognized on the negotiation date, that is, when the obligation or right is formalized, and are initially recorded at fair value plus or less any directly attributable transaction costs.

Financial instruments are written off when the contract rights to cash flow expire, that is, when the end of the right or obligation to receive or deliver cash or membership certificate is certain. In this situation, Management, based on consistent information, records the settlement.

The recognition may be equity instrument due to cancellation, payment, receipt, transfer or when the debts expire.

38.1.1 Classification of financial instruments

Classification and measurement of financial assets and liabilities are as follows:

			Parent Company			
			Fair value		Book value	
	Note	Levels	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Financial assets						
Fair value through profit or loss						
At initial recognition or subsequently						
Cash and cash equivalents						
Interest earning bank deposits	5	Level 2	939,854	930,122	939,854	930,122
Derivatives		Level 2	8,918		8,918	
			948,772	930,122	948,772	930,122
Amortized cost						
Cash and cash equivalents	5					
Cash and banks		Level 2	31,680	2,581	31,680	2,581
Securities receivable	16.9	Level 2	31,333	28,145	31,333	28,145
Loans receivable	11	Level 2	316,408	310,738	316,408	310,738
Pledges	13	Level 2	392	392	392	392
Other receivables - Related parties	11	Level 2	27,748	19,850	27,748	19,850
			407,561	361,706	407,561	361,706
			1,356,333	1,291,828	1,356,333	1,291,828
Financial liabilities						
Fair value through profit or loss						
At initial recognition or subsequently						
Derivatives						
Derivatives - other		Level 2	8,918		8,918	
			8,918	-	8,918	-
Amortized cost						
Suppliers	25	Level 2	42,471	50,834	42,471	50,834
Debentures	26	Level 2	48,043	237,212	48,293	236,629
Loans and financing						
Loan agreements		Level 2		105,305		105,305
Other accounts payable - Related Parties	11	Level 2	70,630	52,728	70,630	52,728
Leases and rentals	16.8	Level 2	19,236	8,156	18,550	8,154
			180,380	454,235	179,944	453,650
			189,298	454,235	188,862	453,650

			Consolidated			
			Fair value		Book value	
	Note	Levels	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Financial assets						
Fair value through profit or loss						
At initial recognition or subsequently						
Cash and cash equivalents	5					
Interest earning bank deposits		Level 2	3,981,985	2,568,528	3,981,985	2,568,528
Indemnifiable financial assets	20	Level 2	5,706,847	4,362,393	5,706,847	4,362,393
Securities	6	Level 2	1,952	11,722	1,952	11,722
Future commitment contract	15	Level 3	2,539,702	868,261	2,539,702	868,261
Derivatives						
Derivatives		Level 2	80,287	3,227	80,287	3,227
			12,310,773	7,814,131	12,310,773	7,814,131
Amortized cost						
Cash and cash equivalents						
Cash and banks	5	Level 2	215,211	130,962	215,211	132,899
Accounts receivable	7	Level 2	2,673,099	2,960,267	2,673,099	2,960,267
Income receivable		Level 2	5,217	2,927	5,217	2,927
Loans receivable	11	Level 2	14,689	12,713	14,689	12,713
Pledges	13	Level 2	26,497	16,295	26,497	16,295
Securities	6	Level 2	2,500	2,500	2,500	2,500
Sectorial financial assets	8	Level 2	153,328	1,429,437	153,328	1,429,437
Other receivables - Related parties	11	Level 2	13,717	10,842	13,717	10,842
			3,104,258	4,565,943	3,104,258	4,567,880
			15,415,031	12,380,074	15,415,031	12,382,011
Financial liabilities						
Fair value through profit or loss						
At initial recognition or subsequently						
Loans, financing and debt charges	27					
Foreign currency		Level 2	1,245,386	188,684	1,241,710	188,684
Future commitment contract	15	Level 3	1,645,142	215,642	1,645,142	215,642
Debentures		Level 2	644,805	1,228,288	644,805	1,228,288
Derivatives						
Debt derivatives		Level 2	256,306	919	256,306	919
Debenture derivatives		Level 2	57,413	18,313	57,413	18,313
Derivatives - other		Level 2	8,919		8,919	
			3,857,971	1,651,846	3,854,295	1,651,846
Amortized cost						
Suppliers	25	Level 2	1,486,113	1,960,429	1,486,113	1,960,498
Debentures	26	Level 2	8,007,027	6,409,151	8,590,438	6,602,502
Use of public property		Level 2	477,733	464,934	530,452	506,134
Refund for unavailability		Level 2	500	2,945	500	2,945
Loans, financing and debt charges	27					
Domestic currency		Level 2	4,858,237	2,696,841	3,563,483	2,680,489
Other accounts payable - Related Parties	11	Level 2	70,587	53,342	70,787	53,353
Leases and rentals	16.8	Level 2	128,078	110,844	148,809	110,410
Environmental permits		Level 2	77,999	81,236	74,082	81,193
Sectorial financial liabilities	8	Level 2	1,156,747	2,123,350	1,156,747	2,123,350
			16,263,021	13,903,072	15,621,411	14,120,874
			20,120,992	15,554,918	19,475,706	15,772,720

38.1.1.1 Financial assets

In the analysis for classification of financial assets, the Company and its subsidiaries evaluate the following aspects: (i) the business model for the management of financial assets; and (ii) characteristics of financial asset's contractual cash flow.

After initial recognition at fair value, financial assets are classified and measured as follows:

• **Amortized cost**

If the Company and subsidiaries, according to its business model, have the intention of maintaining the financial asset to receive contract cash flows and if they comprise receipts referring to principal and interest on original value.

• **Fair value through other comprehensive income (FVTOCI)**

If the Company and its subsidiaries, according to its business model, have the intention of receiving contract cash flows, both for maintenance and trading of financial assets, and if they comprise receipts referring to principal and interest on original value.

• **Fair value through profit or loss (FVTPL)**

If the Company and its Subsidiaries have a financial asset that does not classify as amortized cost or FVTOCI or when the Company intends to eliminate or significantly reduce measurement or recognition inconsistency that, otherwise, could result from measurement of assets or liabilities or from recognition of gains and losses from these assets and liabilities at different bases.

38.1.1.2 Financial liabilities

After initial recognition at fair value, in general, financial liabilities are classified and measured as amortized cost.

Financial liabilities will only be classified as FVTPL if they are: (i) derivatives; (ii) financial liabilities deriving from transferred financial assets that did not qualify for derecognition; (iii) contracts for financial guarantee; (iv) commitments for granting loan at interest rate below that practiced in the market; and (v) contingent consideration recognized by acquirer upon business combination.

The Company and its subsidiaries may also classify a financial liability as FVTPL when: (i) intends to eliminate or significantly reduce measurement or recognition inconsistency that, otherwise, could result from measurement of assets or liabilities or from recognition of gains and losses from these assets and liabilities at different bases; or (ii) performance of a financial liability is evaluated based on its fair value in accordance with documented strategy for risk or investment management internally supplied by the Management.

38.1.2 Fair value

Fair value is the price received upon the sale of an asset or which would be paid by transfer of a liability of a non-forced transaction between market participants at the measurement date.

To determine the fair value, the Company and its subsidiaries project financial instruments' cash flow until the end of operations, considering contract standards, including post-fixed rates, and using the future (interbank investment average rate) average DI disclosed by B3 as the discount rate, except when another rate is indicated in the description of assumptions for the calculation of the fair value, and also considering the own credit risk of the Company, subsidiaries and Counterparties, according to CPC 46. This procedure may result in a book value different from its fair value, mainly because instruments present long settlement periods and costs different from interest rates currently used for similar contracts.

In case of Loans and financing (Note 27), in accordance with CPC 12, technique of adjustment to present value is not applicable to contracts with BNDES, as these contracts have its own characteristics.

The operations with financial instruments of the Company and subsidiaries that present a book balance equivalent to the fair value are due to the fact that such instruments are substantially similar to those that would have been obtained had they been traded in the market.

Considering that the market rate (or opportunity cost of capital) is defined by external agents, taking into account the risk premium compatible with activities in the industry, and lacking other alternatives or different market hypotheses and/or estimate methodologies with respect to company business and special features of the industry, debentures, loans and financing and use of public property, lease and rentals and environmental permits are different from its book value.

The additional information on the assumptions used for determining the fair values of financial instruments, different from book value, is disclosed below, taking into account the timing and the weighting of each financial instrument:

(i) Interest earning bank deposits: readily convertible into a known amount of cash, with a low risk of change in market value, and are stated at cost plus accrued interest up to the statement of financial position date and, as the case may be, based on market quotations of the securities or market information that enables such calculation, and brought to present value by the credit risk of the corresponding financial institution;

(ii) Debentures, loans and financing in domestic currency: are measured using the pricing model individually applied for each transaction, taking into account future payment flows, based on contractual conditions and discounts to present value at rates obtained through market interest rate curves. Thus, a security's market value corresponds to its value at maturity (redeemable amount) brought to present value by the discount factor, including credit risk;

(iii) Use of public property: refers to a financial instrument stated at amortized cost with restatement by the general market price index (IGP-M) incurred through the balance sheet date. Balance takes into consideration future payment flows based on contract conditions, discounted to present value at the rate corresponding to the subsidiaries' current average cost of capital;

(iv) Leases and rentals: is the contracts, or part of the contracts, which transfers the right to use an underlying asset for a period of time in exchange for consideration, pursuant to CPC 06 (R2). Balance takes into consideration future payment flows based on contract conditions, discounted to present value at the rate corresponding to the financing cost upon contracting leased assets;

(v) Environmental permits: it is granted by the environmental agency to authorize the operation or decommissioning of the enterprise or activity, with the establishment of conditions and authorization for the execution of plans, programs and projects for prevention, mitigation, recovery, restoration, and compensation of environmental impacts. Balance takes into consideration future payment flows based on contract conditions, discounted to present value at the rate corresponding to the current average cost of capital of Grupo EDP - Energias do Brasil; and

(vi) Future marketing commitments: presents its value initially recognized at the estimated fair value considering published price quotations from active markets, when applicable and observable, as well as valuation techniques that consider the prices established in purchase and sale operations, risk margin of the supply and the projected market price in the period of availability. EDP Trading and EDP Smart Energia use the forward curves presented by Dcide (an industry benchmark company for calculating future energy price curves) to assess the market value of their

38.1.2.1 Measurement at fair value

The classification of financial instruments based on the fair value hierarchy requires consistent information, adjusted for the external environment of the Company and subsidiaries. The instruments' measurement at fair value requirements of the Company are as follow:

(a) Level 1- prices in active markets for identical assets and liabilities;

(b) Level 2 - prices differ from asset and liability prices negotiated in active markets included in Level 1, directly or indirectly; and

(c) Level 3 - for assets and liabilities that are not based on market variables. They are generally obtained internally or from sources not considered as deriving from the market.

The methodology used to classify the financial instruments at fair value through profit or loss was based on searches for similar transactions in the market. Comparison criteria were derived considering the terms, amounts, grace period, indices and active markets. The simpler and easier the access to comparative information, the more active is the market, and the more restricted the information, the more restricted is the market to measure the instrument. In the year ended December 31, 2022, there was a change in the classification at the level of Indemnifiable financial assets after analysis by the Company's Management, which considered the fact that a significant part of the balance is already protected (amounts approved by an adjusted appraisal report, associated with the assets in operation, excluding the changes that occurred - write-offs and depreciation - and the respective updates) and, therefore, with the criteria for evaluating the assets already known.

38.1.3 Derivative financial instruments

A derivative financial instrument may be identified provided that: (i) its value is influenced by fluctuation of financial instrument rate or price; (ii) does not require initial investment or investment is much lower that it would be in similar contracts; and (iii) they will always be settled in a future date. Only if all those characteristics are met can a financial instrument be classified as a derivative.

Derivative financial instruments are recognized at their fair values, with gains and losses resulting from this revaluation being recorded in income for the year, except when derivative is classified as cash flow hedge, and gains and losses recorded in Other Comprehensive Income in shareholders' equity.

Operations with derivatives at the subsidiaries EDP Trading and EDP Smart Energia refer to energy purchase and sale operations, being traded on an active market and meeting the definition of financial instruments, due to the fact that they are settled in energy, and readily convertible into a financial amount. Such contracts are accounted for as derivatives under CPC 48, and are recognized in the financial statements at fair value, on the date on which the derivative is entered into, and are revalued at fair value on the balance sheet date. The subsidiary did not carry out speculative transactions in derivative instruments during the year.

During the year 2022, the Company contracted a derivative financial instrument recorded through its fair value in the income, for the purpose of currency hedge on investment in solar projects in partnership with EDP Renováveis. Simultaneously with the contracting, the Company transferred the operation with the companies that own the solar projects through a specific agreement under conditions similar to the derivative agreement (Note 11).

As of December 31, 2022, operations with derivatives in the consolidated refer to the Parent Company and the subsidiaries EDP Smart Serviços, EDP Espírito Santo, EDP São Paulo, Porto do Pecém and Santa Leopoldina. Below table containing key information about the these derivatives:

							Parent Company			
							12/31/2022			2022
Subsidiary	**Counterparty**	**Operation**	**Effectiveness**	**Position**	**Notional USD**	**Notional - BRL**	**Assets**	**Liabilities**	**Net fair value**	**Effect on income (loss)**
NDF										
EDP - Energias do Brasil	Itaú	Call	03/22/2022–11/30/2023	BRL/USD 5.7435	79,094	454,278		(8,918)	(8,918)	(8,918)
EDP - Energias do Brasil	Central Solar Novo Oriente I S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427
EDP - Energias do Brasil	Central Solar Novo Oriente II S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427
EDP - Energias do Brasil	Central Solar Novo Oriente III S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427
EDP - Energias do Brasil	Central Solar Novo Oriente IV S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427
EDP - Energias do Brasil	Central Solar Novo Oriente V S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	14,237	81,770	1,605		1,605	1,605
EDP - Energias do Brasil	Central Solar Novo Oriente VI S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	14,237	81,770	1,605		1,605	1,605
Grand total							8,918	(8,918)	-	-

							Consolidated							
							12/31/2022			2022	12/31/2021			2021
Subsidiary	**Counterparty**	**Operation**	**Effectiveness**	**Position**	**Notional USD**	**Notional - BRL**	**Assets**	**Liabilities**	**Net fair value**	**Effect on income (loss)**	**Assets**	**Liabilities**	**Net fair value**	**Effect on income (loss)**
Debt swap														
EDP Transmissão SP-MG	Scotiabank Brasil S/A Banco Multiplo		12/23/2020–12/10/2021	USD + 0.95% p.a. / CDI + 0.45% p.a.	59,055	300,000								12,610
EDP São Paulo	Safra		02/12/2021–01/15/2026	IPCA + 3.91% p.a./ CDI + 1.50% p.a.		700,000	765,325	(755,701)	9,624	(25,778)	725,195	(732,207)	(7,012)	(8,369)
EDP Espírito Santo	Itaú		02/12/2021–07/15/2025	IPCA + 3.26% p.a. / CDI + 1.15% p.a.		500,000	539,910	(537,552)	2,358	(18,422)	510,680	(521,981)	(11,301)	(12,906)
EDP Smart Serviços	Scotiabank Brasil S/A Banco Multiplo		04/07/2021–04/12/2022	USD + 0.62% p.a. / CDI + 0.79% p.a.	17,986	100,000				(18,487)	100,766	(104,723)	(3,957)	
Mata Grande Transmissora	Scotiabank Brasil S/A Banco Multiplo		08/16/2021–08/16/2022	USD + 0.95% p.a. / CDI + 0.45% p.a.	16,284	85,000				(13,716)	90,956	(87,918)	3,038	3,176
Mata Grande Transmissora	Scotiabank Brasil S/A Banco Multiplo		08/16/2022–11/16/2022	USD + 3.18% p.a. / CDI + 1.00% p.a.	16,284	85,000				(1,044)				
Santa Leopoldina	Itaú BBA		02/01/2022–01/16/2024	USD + 2.20% p.a. / CDI + 1.25% p.a.	64,941	350,000	337,717	(396,860)	(59,143)	(59,143)				
Santa Leopoldina	Scotiabank Brasil S/A Banco Multiplo		01/14/2022–01/16/2024	USD + 1.6175% p.a. / CDI + 0.85% p.a.	150,000	849,870	766,325	(962,266)	(195,941)	(195,941)				
EDP Smart Serviços	Itaú BBA		04/08/2022–03/29/2023	USD + 3.733% p.a. / CDI + 1.59% p.a.	25,565	120,000	137,668	(133,123)	4,545	4,545				
EDP São Paulo	XP Investimentos		06/15/2022–08/15/2025	IPCA + 5.91% p.a./CDI + 0.15% p.a.		329,605	330,858	(332,212)	(1,354)	(1,354)				
EDP Espírito Santo	XP Investimentos		06/15/2022–07/15/2025	IPCA + 5.91% p.a. / CDI + 0.19% p.a.		240,865	241,737	(242,954)	(1,217)	(1,217)				
Total debt swap							3,119,540	(3,360,668)	(241,128)	(330,557)	1,427,597	(1,446,829)	(19,232)	(5,489)
NDF														
Porto do Pecém	Citibank	Call	04/06/2020–01/04/2021	BRL/USD 5.3076	4,902	25,470								(794)
Porto do Pecém	Citibank	Put	04/06/2020–02/01/2021	BRL/USD 5.3289	1,009	5,245								28
Porto do Pecém	Bradesco	Call	10/11/2022–06/30/2023	BRL/USD 5.4855	38	207		(1)	(1)					
Porto do Pecém	Citibank	Put	04/16/2021–06/01/2021	BRL/USD 5.6020										(2,400)
Porto do Pecém	Citibank	Put	04/16/2021–07/01/2021	BRL/USD 5.6105	11,386	56,952								(6,588)
Porto do Pecém	Itaú	Put	04/16/2021–08/01/2021	BRL/USD 5.6245										(616)

							Consolidated							
							12/31/2022			2022	12/31/2021			2021
Subsidiary	**Counterparty**	**Operation**	**Effectiveness**	**Position**	**Notional USD**	**Notional - BRL**	**Assets**	**Liabilities**	**Net fair value**	**(loss)**	**Assets**	**Liabilities**	**Net fair value**	**(loss)**
EDP Smart Serviços	Citibank	Call	05/17/2021–05/17/2022	BRL/USD 5.5451	385	2,134					86		86	
EDP Smart Serviços	Citibank	Call	06/21/2021–03/31/2022	BRL/USD 5.2500	257	1,348					113		113	
EDP Smart Serviços	Citibank	Call	08/04/2021–03/31/2022	BRL/USD 5.4120	25	134					7		7	
EDP Smart Serviços	Safra	Call	08/04/2021–06/30/2022	BRL/USD 5.5090	37	205					12		12	
EDP Smart Serviços	Safra	Call	08/20/2021–07/29/2022	BRL/USD 5.7720	1,123	6,483					144		144	
EDP Smart Serviços	Safra	Call	10/01/2021–05/31/2022	BRL/USD 5.6315	608	3,424				(77)	99		99	
EDP Smart Serviços	Citibank	Call	11/03/2021–05/31/2022	BRL/USD 5.9978	190	1,139						(36)	(36)	
EDP Smart Serviços	Citibank	Call	12/15/2021–06/30/2022	BRL/USD 6.0186	460	2,767						(72)	(72)	
EDP Smart Serviços	Citibank	Call	12/27/2021–03/31/2022	BRL/USD 5.8100	57	329						(6)	(6)	
EDP Smart Serviços	Citibank	Call	12/27/2021–03/31/2022	BRL/USD 5.8600	85	497				(75)		(9)	(9)	
EDP Smart Serviços	Citibank	Call	12/27/2021–04/28/2022	BRL/USD 5.9100	122	721						(13)	(13)	
EDP Smart Serviços	Citibank	Call	12/27/2021–06/29/2022	BRL/USD 5.9600	141	841						(14)	(14)	
EDP Smart Serviços	Citibank	Call	12/27/2021–04/28/2022	BRL/USD 5.8591	29	169						(3)	(3)	
EDP Smart Serviços	Safra	Call	08/30/2022–09/05/2022	BRL/USD 5.1810	399	6,854				(507)				
EDP Smart Serviços	Safra	Call	10/03/2022–02/28/2023	BRL/USD 5.3855	2,146	11,555		(84)	(84)					
EDP Smart Serviços	BR Partners	Call	10/27/2022–11/30/2022	BRL/USD 5.3780	3	17								
EDP Smart Serviços	BR Partners	Call	10/27/2022–05/02/2023	BRL/USD 5.5380	460	2,548		(58)	(58)					
EDP Smart Serviços	Safra	Call	10/27/2022–11/30/2022	BRL/USD 5.3314	87	464								
EDP Smart Serviços	XP Investimentos	Call	10/27/2022–05/02/2023	BRL/USD 5.4825	13,968	76,577		(1,011)	(1,011)					
EDP Smart Serviços	Citibank	Call	10/27/2022–05/02/2023	BRL/USD 5.5187	907	5,006		(97)	(97)					
EDP Smart Serviços	BR Partners	Call	11/07/2022–04/03/2023	BRL/USD 5.2460	212	1,110	28		28					
EDP - Energias do Brasil	Itaú	Call	03/22/2022–11/30/2023	BRL/USD 5.7435	79,094	454,278		(8,918)	(8,918)	(8,918)				
EDP - Energias do Brasil	Central Solar Novo Oriente I S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427				
EDP - Energias do Brasil	Central Solar Novo Oriente II S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427				
EDP - Energias do Brasil	Central Solar Novo Oriente III S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427				
EDP - Energias do Brasil	Central Solar Novo Oriente IV S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	12,655	72,685	1,427		1,427	1,427				
EDP - Energias do Brasil	Central Solar Novo Oriente V S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	14,237	81,770	1,605		1,605	1,605				
EDP - Energias do Brasil	Central Solar Novo Oriente VI S.A.	Put	03/22/2022–11/30/2023	BRL/USD 5.7435	14,237	81,770	1,605		1,605	1,605				
Total NDF							8,946	(10,169)	(1,223)	(659)	461	(153)	308	(10,370)
Options														
Porto do Pecém	BTG Pactual		04/22/2021–06/01/2021	API2* 66.75 USD/ton	8,310	41,565								350
Porto do Pecém	BTG Pactual		04/22/2021–07/01/2021	API2* 67.26 USD/ton	12,352	61,784								1,496
Porto do Pecém	BTG Pactual		04/22/2021–08/02/2021	API2* 67.63 USD/ton	1,436	7,182								269
Total – Options										-	-	-	-	2,115
Grand total							3,128,486	(3,370,837)	(242,351)	(331,216)	1,428,058	(1,446,982)	(18,924)	(13,744)

The impacts of gains and losses in the year ended December 31, 2022, as well as changes in derivatives were as follows:

	Consolidated							
					Effect on income (loss)			
	Balance at 12/31/2021	Reclassification (*)	Settlement	Effect in shareholders ' equity	Interest accrued	adjustment and exchange-	Mark-to-Market	Balance at 12/31/2022
Swap								
Interest rate and currency risk								
Loans	-	919	(34,166)				283,786	250,539
Debentures	-	18,313	(74,495)		114,034		(67,263)	(9,411)
	-	19,232	(108,661)	-	114,034	-	216,523	241,128
Cash flow hedge								
Interest rate and currency risk								
NDFs	(308)		17	854		659		1,222
Foreign exchange risk								
NDFs	-			1				1
	(308)	-	17	855	-	659	-	1,223
Total	(308)	19,232	(108,644)	855	114,034	659	216,523	242,351

(*) Balance of derivatives reclassified for better presentation

38.1.3.1 Swap contracts

Swap contracts are used as insurance or hedge, with the objective of reducing risks and providing more predictability for different market agents.

Mata Grande Transmissora and Santa Leopoldina

As at August 16, 2021 and February 1, 2022, the subsidiaries EDP Transmissão SP-MG and Mata Grande Transmissora and Santa Leopoldina contracted respectively, the derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against exchange-rate change and CDI interest rate related to financing contracted from Banco Scotiabank (Note 27). The derivative of subsidiary Mata Grande Transmissora was settled on August 16, 2022.

As of August 16, 2022, the subsidiary Mata Grande Transmissora contracted a new derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against US Dollar exchange-rate change risks and CDI interest rate related to financing contracted from Banco Scotiabank (Note 27).

EDP Espírito Santo and EDP São Paulo

On February 12, 2021, the subsidiaries contracted a derivative financial instrument classified as a swap, recorded at its fair value, to hedge against inflation risks (IPCA) through the exchange of payment flows, from IPCA + Spread to CDI interest rate + Spread for the 10th issue of debentures by the subsidiary EDP Espírito Santo and the 11th issue of debentures by the subsidiary EDP São Paulo (Note 26). Said debt is measured at fair value through profit or loss to avoid accounting mismatches with the measurement of this derivative in an optional procedure of CPC 48.

On June 15, 2022, the subsidiaries contracted a derivative financial instrument classified as a swap, recorded at its fair value, to hedge against inflation risks (IPCA) through the exchange of payment flows, from IPCA + Spread to CDI interest rate + Spread for the 7th issue of debentures by the subsidiary EDP Espírito Santo and the 9th issue of debentures by the subsidiary EDP São Paulo (Note 26). The swap was declared as a Fair Value Hedge, in accordance with CPC 48, considered as a hedging instrument for the 7th issue of debentures, which, consequently, is measured at fair value through profit or loss.

EDP Smart Serviços

As at April 12, 2021, the Subsidiary contracted derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against exchange-rate change and CDI interest rate related to financing contracted from Banco Scotiabank (Note 27). The subsidiary settled the derivative on April 08, 2022.

As at April 08, 2022, the Subsidiary contracted derivative financial instrument classified as swap, recorded at fair value for the purpose of hedging against exchange-rate change, US Dollar at Libor interest rate to Brazilian real at CDI interest rate related to financing contracted from Banco Scotiabank (Note 27).

38.1.3.2 Non-deliverable forward - NDF - hedge accounting

NDF contracts - hedge accounting are financial instruments to hedge interest rate and exchange rate risk. The derivatives that do not qualify as hedge derivatives are recorded as trading derivatives.

EDP Smart Serviços

Since 2020, the subsidiary adopted a hedge accounting methodology, recorded at its fair value, to protect the risks of changes in exchange rate in the acquisition of goods in foreign currency. As it refers to hedge accounting classified as cash flow, alterations generated by MtM variation, net of interest for which a provision was recorded, are recognized directly in shareholders' equity under Equity Valuation Adjustment account, when considered effective. The difference between the fair value and the fixed rate corresponds to the ineffective portion, and it is consequently recognized in income (loss).

Porto do Pecém

In January 2022, the Company entered into derivative transactions in the amount of US$ 24,593, involving the sale of foreign exchange NDF and API2(*).

The purpose of the derivatives was to mitigate the risk of mismatching the pass-through between variable income and the cost of acquiring coal stock. Among other factors, the variable income was measured by CVU, which has as variables the calculation of coal in dollar (imported mineral coal) and the exchange rate. Company's strategy was to reduce the exposure of exchange variable, once that, according to the formula applied by the regulator, the appreciation of Reais against Dollars decreases the CVU value, and, accordingly, decreases the amount of Variable Income. The terms and amounts were aligned with the plant's dispatch forecast.

In January 2022, the Company contracted derivative operations in the amount of US$ 4,250, involving the purchase of foreign exchange NDF, with the purpose of covering the operational insurance premium with payment in dollars. These derivatives were settled in 2022.

In October 2022, the Company contracted derivative operations in the amount of US$ 3,388, involving the purchase of foreign exchange NDF, with the purpose of covering CAPEX with payment in US$.

* API 2: API 2 is the benchmark price for the coal imported by Northeastern Europe.

38.1.3.3 Hedge accounting

The hedge derivatives are recorded at fair value and gains or losses are recognized according to the hedge accounting model adapted, and for such the following requirements were met:

(i) there is formal documentation of the hedge on the start date of the relationship;

(ii) the hedge is expected to be highly effective;

(iii) the hedge effectiveness can be measured reliably;

(iv) the hedge is evaluated on a continual basis and effectively determined as being highly effective throughout the useful life of the hedge accounting structure period; and

(v) in relation to the hedge of an anticipated transaction, this must be highly probable and must present exposure to cash flow variations that could ultimately affect the statement of income.

- **Cash flow hedge**

The effective portion of fair value variations of derivatives designated and qualified as cash flow hedges is recognized in Shareholders' equity, as Other comprehensive income. The gains or losses of the ineffective portion of the hedge relation are recognized by counter entry in statement of income for the year, at the time the ineffectiveness occurs.

Amounts accumulated in shareholders' equity are recorded in the statement of income in the years in which the item affects results; however, when the covered transaction results in the recognition of a non-financial asset or liability, gains and losses recorded in shareholders' equity are recognized as a contra entry to the initial cost of the asset or liability.

When a hedge instrument expires or is sold, or when the hedge relation fails to fulfill the criteria for hedge accounting, any accumulated gain or loss recorded in Shareholders' equity on the date is kept in Shareholders' equity until the foreseen transaction is recognized in net income. When the transaction is not expected to take place, the accumulated gains or losses recorded by counter entry of shareholders' equity are immediately recognized in the statement of income.

- **Effectiveness**

For a hedge relation to be classified as such, its effectiveness should be demonstrated. Hence, the subsidiary carries out prospective tests on the start date of the hedge relation and on each balance sheet date and in order to demonstrate its effectiveness and that alterations in the fair value of the hedged item are offset by alterations in the fair value of the hedge instrument, with respect to the hedged risk. Any ineffectiveness is recognized in the statement of income as soon as it occurs.

38.2 Risk management

The EDP - Energias do Brasil Group has adopted a Risk Management Standard since 2006. Governance is consolidated and defined through a Corporate Risk Management Policy, Taxonomy and the guidelines of its methodology formalized in the Corporate Risk Standard and Procedure. These documents were updated in the year 2021, approved by the Audit Committee and the Board of Directors and subject to periodic review and updating pre-defined by the Structure and Efficiency team. It is important highlighting that the Risk Management Process is based on methodologies recognized in the market, such as COSO ERM (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000 Standard (Risk Management).

Also, following best governance practices and aligned with the “three lines of defense” model, Grupo EDP - Energias do Brasil maintains the Internal Control and Compliance duties segregated into two different divisions. Furthermore, and as a way of reinforcing the corporate Risk Management model, it includes the Risk and Safety Management Board, which is made up of two Executive Managements (Workplace Safety Excellence and Risk, Crisis and Business Continuity) and an Operational Management (Occupational Health). The Risk, Crisis and Business Continuity Management area has the mission of carrying out integrated risk management and offering a fast response to disruptive events that may impact the Group’s

Grupo EDP - Energias do Brasil adopts a decentralized management model, in which the guidelines and methodology are defined by the Corporate Risk Management, Crisis and Business Continuity area and the follow-up and monitoring are carried out by the Governance area, with the appointed risk owners. The corporate Risk Management area performs the integrated management of risks, opportunities and crises to which businesses and operations are subject, acting as a facilitator in the GRC (Governance, Risks and Compliance) process, assists in the identification, classification, evaluation, measurement and implementation of specific actions to mitigate or eliminate risks, via defense mechanisms or contingency plans, as well as risk management. This Management aims to ensure that the several events inherent to each of the Company’s areas are managed by those in charge and periodically reported to the Executive Board, which takes the measures it deems appropriate. This ongoing work by the Risk Management team with the first line of defense allows a reassessment of the Taxonomy of Risk Categories, as well as the updating of the Corporate Risk Matrix at least annually.

The monitoring of risk management carried out in the corporate areas and business units ensures compliance of processes and internal controls with national and international standards, adding value to the business through the consolidation of policies and strategies aligned with the Company’s business planning. In line with this assessment of the control environment, Grupo EDP - Energias do Brasil follows Governance guidelines with periodic Risk Committees, led by the Risk and Safety Management Executive Board, with the participation of local executives and the management of Global risks (EDP – Energias de Portugal S.A.).

Grupo EDP - Energias do Brasil adopts the practice of identifying, analyzing, addressing and monitoring risks, considering the updating of the Corporate Risk Map and Matrix based on risks already known, addressed or being addressed, as well as for new risks identified throughout of the current cycle that allow for the generation of consolidated and comparative views for joint evaluation by the Leadership and with approval by the governance bodies (Board of Directors’ Meetings and Audit Committee). Corporate Risks are classified into four components: (1) Strategic; (2) Business; (3) Financial and (4) Operational and broken down into 56 categories.

38.2.1 Market risk

The market risk represents the possibility of losses due to the fluctuations of variables that affect market prices and rates. These fluctuations impact virtually all segments, thus, representing financial risks.

Debentures and Loans and financing raised by the Company and its subsidiaries, presented in Notes 26 and 27 have contract rules for financial liabilities substantially linked to these exposures. As of December 31, 2022, the Company and its subsidiaries are subject to market risks associated to CDI, TJLP, IPCA and foreign exchange rate. We should consider that the Company and its subsidiaries are exposed to Selic rate and inflation fluctuations, which may lead to a higher cost in these operations.

One of the goals of the Financial risk management policy of Grupo EDP - Energias do Brasil is to hedge assets and liabilities, minimizing exposure to market risks, mainly in connection with interest rate, price indexes and currency fluctuations.

The CDI (Certificate of Interbank Deposit), IPCA (Amplified Consumer Price Index) and TJLP (Long-term Interest Rate) debt indices reflect the effects of inflation either directly or indirectly. On the other hand, the indices that adjust the income of the subsidiaries are also related to changes in inflation (IGP-M and IPCA). Therefore, the changes in debts incurred with the above indices tend to be protected by the changes in income.

Subsidiaries Mata Grande Transmissora, Porto do Pecém, Santa Leopoldina and EDP Smart Serviços are exposed to exchange-rate change (US Dollar) and interest (CDI) linked to debts in foreign currency, however, have swap and NDF derivatives used as economic hedging to control all exposures to exchange-rate change and interest for these liabilities.

The subsidiaries EDP São Paulo and EDP Espírito Santo are exposed to the risk of currency exchange rate pegged to the US Dollar, through the payments of energy purchased from Itaipu. However, changes in current exchange rate are transferred to the consumer in full in the tariff through the CVA mechanism.

Raising and maintenance of loans linked to Dollar are considered as favorable, given interest rates offered in the foreign market are lower to the rates of domestic market. In addition, the exchange rate risk in foreign currency transactions is considered. In an economy where exchange rate fluctuation is very high, this exposure is a relevant factor to analyze the possibility of a transaction.

The subsidiary EDP Trading, as a result of its energy trading activity, it is exposed to the market price risk associated with future commitments resulting from bilateral energy purchase and sale contracts (Note 15). For the year ended December 31, 2022, the result of these contracts is determined as the difference, for each term, between the prices of bilateral contracts for the purchase and sale of energy and the respective mark-to-market valuation using forward price curves. The result of future commitment contracts presents volatility linked to the fluctuation of the energy price, generating market price risk.

The subsidiary EDP Smart Energia, as a result of its energy trading and service activity, it is exposed to the market price risk associated with future commitments resulting from bilateral energy purchase and sale contracts. However, as a way of managing and concentrating risks, both the subsidiary EDP Smart Energia and EDP Trading are wholly-owned subsidiaries of Grupo EDP - Energias do Brasil, the risk of the subsidiary EDP Smart Energia is transferred, in its operations carried out in the market, for the subsidiary EDP Trading through the mirroring of these same operations. Thus, the market price risk management is carried out through the risk determination and daily monitoring, respecting the limits approved by the Company's Management and based on the Risk Management Policy of Grupo EDP - Energias do Brasil for the purchase and sale of energy using a methodology established in the Energy Risk Standard. The methodology adopted is the VaR (Value at Risk) with a 95% confidence level that considers a forward curve of market prices, portfolio exposure (difference between purchase and sale) and volatility and liquidity observed in the market free for each year.

38.2.1.1 Sensitivity analysis

The Company and its subsidiaries conduct the sensitivity analysis of their financial instruments, including derivatives.

This sensitivity analysis is intended to measure the impact of changes in market variables on each financial instrument. However, settling the transactions involving such estimates may result in sums different from those estimated, owing to the subjectivity contained in the procedure used to prepare these analyses. Information in the chart demonstrates the impact of each risk change in the results of the Company and its subsidiaries.

In the chart below, all financial instruments mentioned are presented in Note 38.1 which are exposed to indices, with fluctuations in interest rates and other indices up to the maturity of the transactions. The probable scenario adopted by the Company was based mainly on macroeconomic assumptions obtained from specialized consulting companies, Scenarios II and III consider a risk increase of 25% and 50%, respectively, and Scenarios IV and V consider a risk reduction of 25% and 50%, respectively.

			Parent Company						
			Aging - Probable scenario		Scenario (I)	Scenario (II)	Scenario (III)	Scenario (IV)	Scenario (V)
Operation	**Risk**	**Balance of exposure**	**Up to 1 year**	**2–5 years**	**Probable**	**Increased risk by 25%**	**Increased risk by 50%**	**Decreased risk by 25%**	**Decreased risk by 50%**
Interest earning bank deposit - CDB	CDI	939,845	114,834		114,834	28,537	57,011	(28,603)	(57,275)
Securities	CDI	4,197							
Loans receivable	CDI	316,408	34,384	66,779	101,163	28,460	58,273	(27,150)	(53,033)
Financial instruments – assets	**CDI**	1,260,450	149,218	66,779	215,997	56,997	115,284	(55,753)	(110,308)
Debentures	IPCA	(48,202)	(4,456)	(1,397)	(5,853)	(513)	(1,033)	505	1,003
Financial instruments - liabilities	**IPCA**	(48,202)	(4,456)	(1,397)	(5,853)	(513)	(1,033)	505	1,003

			Consolidated							
			Aging - Probable scenario			Scenario (I)	Scenario (II)	Scenario (III)	Scenario (IV)	Scenario (V)
Operation	**Risk**	**Balance of exposure**	**Up to 1 year**	**2–5 years**	**>5 years**	**Probable**	**Increased risk by 25%**	**Increased risk by 50%**	**Decreased risk by 25%**	**Decreased risk by 50%**
Interest earning bank deposit - CDB	CDI	3,833,678	507,383			507,383	131,644	265,497	(129,589)	(257,159)
Interest earning bank deposit - Debentures	CDI	119,355	1,749			1,749	411	813	(419)	(847)
Investment Funds	CDI	28,943	1,850			1,850	446	885	(452)	(911)
Pledges and restricted deposits	CDI	25,413	2,509	2,334		4,843	7,680	15,478	(7,567)	(15,026)
Securities	CDI	8,649	151			151	38	75	(38)	(75)
Loans receivable	CDI	14,689							1	1
Financial instruments – assets	**CDI**	4,030,727	513,642	2,334	-	515,976	140,219	282,748	(138,064)	(274,017)
Debentures	CDI	(3,655,829)	(640,131)	(484,760)		(1,124,891)	(223,786)	(462,504)	262,447	510,213
Loans and financing - CCB	CDI	(1,986,988)	(257,240)	(221,817)		(479,057)	(92,260)	(184,232)	97,144	194,766
Loans and financing - NP	CDI	(1,097,004)	(108,398)	(28,049)		(136,447)	(4,697)	(32,808)	50,857	78,298
Financial instruments - liabilities	**CDI**	(6,739,821)	(1,005,769)	(734,626)	-	(1,740,395)	(320,743)	(679,544)	410,448	783,277
Swap - Short position	CDI	(3,360,668)	(419,283)	(296,004)		(715,287)	(61,644)	(124,424)	60,536	119,993
Derivative financial instruments	**CDI**	(3,360,668)	(419,283)	(296,004)	-	(715,287)	(61,644)	(124,424)	60,536	119,993
		(6,069,762)	(911,410)	(1,028,296)	-	(1,939,706)	(242,168)	(521,220)	332,920	629,253
Loans and financing - BNDES	TJLP	(89,478)	(6,887)	(3,315)		(10,202)	(1,706)	(3,387)	1,732	3,490
Financial instruments - liabilities	**TJLP**	(89,478)	(6,887)	(3,315)	-	(10,202)	(1,706)	(3,387)	1,732	3,490
		(89,478)	(6,887)	(3,315)	-	(10,202)	(1,706)	(3,387)	1,732	3,490
Future commitments	AML	2,101,924	(387,071)	2,488,994		2,101,923	(1,421,999)	(2,842,055)	1,418,113	2,838,168
Financial instruments – assets	**AML**	2,101,924	(387,071)	2,488,994	-	2,101,923	(1,421,999)	(2,842,055)	1,418,113	2,838,168
Future commitments	AML	(1,645,136)	387,071	(2,032,206)		(1,645,135)	1,398,031	2,796,063	(1,398,032)	(2,796,062)
Financial instruments - liabilities	**AML**	(1,645,136)	387,071	(2,032,206)	-	(1,645,135)	1,398,031	2,796,063	(1,398,032)	(2,796,062)
		456,788		456,788	-	456,788	(23,968)	(45,992)	20,081	42,106
Principal	USD	(1,241,710)	(542,605)	(862,217)		(1,404,822)	(123,422)	(258,513)	148,414	281,852
Financial instruments - liabilities	**Dollar**	(1,241,710)	(542,605)	(862,217)	-	(1,404,822)	(123,422)	(258,513)	148,414	281,852
Swap - Long position	USD	1,241,710	542,605	862,217		1,404,822	123,422	258,513	(148,414)	(281,852)
Derivative financial instruments	**Dollar**	1,241,710	542,605	862,217	-	1,404,822	123,422	258,513	(148,414)	(281,852)
		-	-	-	-	-	-	-	-	-
Loans receivable - Loan	IPCA	14,689	362	189		551	76	154	(75)	(148)
Financial instruments – assets	**IPCA**	14,689	362	189		551	76	154	(75)	(148)
Debentures	IPCA	(4,068,074)	(446,321)	(810,309)	(526,319)	(1,782,949)	(265,342)	(552,012)	246,091	474,784
Loans and financing - BNDES	IPCA	(142,530)	(21,000)	(10,832)		(31,832)	(2,672)	(5,397)	2,621	5,194
Loans and financing - CCB Brasil	IPCA	(86,872)	(8,126)	(18,889)	(4,742)	(31,757)	(4,629)	(9,488)	4,411	8,615
Financial instruments - liabilities	**IPCA**	(4,297,476)	(475,447)	(840,030)	(531,061)	(1,846,538)	(272,643)	(566,897)	253,123	488,593
Swap - Long position	IPCA	1,877,830	180,776	176,276		357,052	46,498	94,140	(7,803)	(15,403)
Derivative financial instruments	**IPCA**	1,877,830	180,776	176,276	-	357,052	46,498	94,140	(7,803)	(15,403)
		(2,404,957)	(294,309)	(663,565)	(531,061)	(1,488,935)	(226,069)	(472,603)	245,245	473,042

The futures curves of the financial indicators CDI (Interbank deposit certificate), TJLP (Long-term interest rate), Dollar and National Extended Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo - IPCA) are as projected by the market and are aligned with the expectations of the Management of the Company and its subsidiaries. The indicators had their ranges as shown below: CDI 7.6–13.8% p.a.; TJLP 5.7–7.4% p.a.; Dollar between 5.04 and 5.22 *reais* and IPCA 3.8–8.6% p.a.

For the sensitivity analysis of subsidiary EDP Trading's PLD, the exposures of the portfolio of operations are evaluated through variations of 25% and 50% in the forward energy price curves, represented by Dcide (company in the sector for calculating future price curves of energy).

38.2.2 Liquidity risk

Liquidity risk relates to the capacity to settle its liabilities of the Company and its subsidiaries. In order to determine the financial capacity to meet the commitments assumed, the maturities of funds raised and other liabilities are also disclosed. More detailed information on debentures and loans raised by the Company and its subsidiaries are presented in notes 26 and 27.

The management of the Company and its subsidiaries uses only credit lines that allow operating leverage. This premise is reaffirmed by the characteristics of the funds effectively raised.

The most expressive financial assets of the Company and its subsidiaries are presented in captions: (i) Cash and cash equivalents (Note 5) - the Company and its subsidiaries have in cash an immediately available amount and cash equivalents, which are interbank funds applied promptly convertible into known cash amounts; (ii) Securities (Note 6) refer to investment in investment fund, with daily liquidity and variable yield, with its portfolio of assets linked to Treasury Bills – LFT, and which have extremely low credit risk and short-term maturity; (iii) Accounts receivable (Note 7), balances comprise the estimated flow of receivables; (iv) Indemnifiable financial assets (Note 20) whose balance presented in distribution subsidiaries corresponds to the amount receivable from the Concession Grantor at the end of the concession and it is measured at the new adjustment value; and (v) Financial assets per industry (Note 8) are homologated by the Concession Grantor and received through tariff in subsequent tariff adjustments or reviews.

The liquidity risks attributed to Debenture and loans and financing accounts refer to future interest, are consequently not accounted for, and are shown in note 39.1.

The Company and its subsidiaries also manage the liquidity risk by continuously monitoring expected and real cash flows, as well as the maturity analysis of its financial liabilities. The table below outlines the contractual maturities for financial liabilities recorded on December 31, 2022, including principal and interest, assuming the earliest date on which the Company and its subsidiaries expect to settle their obligations.

	Parent Company						
	12/31/2022						12/31/2021
	Up to 1 month	1–3 months	3–12 months	1–5 years	>5 years	Total	Total
Financial liabilities							
Suppliers	42,075	346	50			42,471	50,834
Other accounts payable - Related Parties	61,467	6,231		2,932		70,630	52,728
Debentures			22,308	25,985		48,293	236,629
Loans and financing						-	105,305
Leases and rentals	336	1,008	2,349	10,280	4,577	18,550	8,154
	103,878	7,585	33,625	39,197	4,577	188,862	453,650

	Consolidated						
	12/31/2022						12/31/2021
	Up to 1 month	1–3 months	3–12 months	1–5 years	>5 years	Total	Total
Financial liabilities							
Suppliers	1,040,206	178,323	267,584			1,486,113	2,072,980
Other accounts payable - Related Parties	61,467	6,231	1,615	2,017		71,330	317,012
Debentures		255,000	1,157,755	7,822,488		9,235,243	7,724,383
Loans, financing and debt charges	250,283	429,886	997,943	3,022,055	105,026	4,805,193	3,435,682
Derivatives			164,822	157,815		322,637	-
Use of public property	4,049	11,241	30,792	368,962	115,408	530,452	506,134
Refund for unavailability			500			500	2,945
Leases and rentals	2,708	7,809	20,562	66,335	51,395	148,809	110,542
Environmental permits	4,363	37,974	12,229	19,516		74,082	81,193
Future commitment	142,334	269,448	708,461	524,899		1,645,142	645,857
Sectorial financial liabilities			1,039,653	117,094		1,156,747	2,123,350
	1,505,410	1,195,912	4,401,916	12,101,181	271,829	19,476,248	17,020,078

38.2.2.1 Overcontracting risk

As provided in the electric sector's regulation, especially in Decree 5163/04, if the contracted energy is within the limit of up to 5% above the total demand of the distributor, full transfer to the cost incurred with the purchase of energy and the resulting settlement of spot market price (PLD). However, when the distributor exceeds such limit, this having occurred voluntarily, it is exposed to the change between the purchase and selling price of the surplus amount in the short-term market.

The strategy for contracting energy by the distributors aims at assuring that the contract level remains in the range between 100% and 105%, risks with energy purchase to serve the captive market. For such, each process of the decision on the energy purchase declaration amount in auction and interest in Surplus and Deficit Offsetting Mechanism - MCSD or sale of energy by means of MVE, use statistical models to make projections of several consumption scenarios, in which there is correlation with climate, economic and tariff variables, besides streamlining models that aims at minimizing cost, and risk of penalty and non-transfer of tariffs.

In the current regulation, the backed domestic energetic system expansion is guaranteed by the long-term energy contracting by the distributors, through projection of its captive market, with three to six years in advance in relation to the acquired electric energy supply, (amended by Decree 9143/17) that is, the decisions on contracts use long-term economic projections that in situations of normality do not present great changes. Amount of contract commitments for the purchase of future energy entered into up to December 31, 2022 is presented in Note 39.1.

In the current scenario, besides the drop in consumption caused by an adverse and unpredictable context, the strong increase in the regulated market tariffs, in the face of a low price in the free market caused many customers to migrate from the loyal environment to the free one, motivated by cost reduction in energy purchase. Both factors took the distributors to a generalized overcontracting scenario.

In order to mitigate the risks of over and undercontracting (exposure), there are instruments provided in the regulation so that distributors may increase or reduce the contracted energy volume, that is, manage their contract portfolios. They are:

• Increase in the contracting level: by means of the contracting in Auctions A-7, A-6, A-5, A-4, A-3, A-2, A-1, A-0, of Alternative Sources (amended by Decree 9143/17), of Adjustment, and also through participations in the Surplus and Deficit Offsetting Mechanism (MCSD) of Existing Energy and new energy with deficit declaration;

• (i) Reduction in the contracting level by reduction in the volumes of Energy Trading Contracts in the Regulated Environment (CCEAR) for Existing Energy per quantity, with annual reduction of up to 4% of the contracted volume by market changes; (ii) a statement less than 96% of the restitution amount in Auctions A-1 (amended by Decree 8828/16); (iii) reduction in energy agreements that exist due to the migration number of conventional and special consumers (Provided by Normative Resolution 726/2016) to the Free Trade Market (ACL); (iv) bilateral agreements; and (v) participation in the MCSDs with plenty statement, and sale of energy to the ACL through the MVE.

With the publication of Law 12.783/13, which dealt with the extension of the electric energy sector concessions, the agents that own hydroelectric power plants which concession term end in up to five year could request the concession renewal, submitting to the Physical Guarantee Quotas regime, allocated to the distributors by means of the Physical Guarantee Quotas Contracts - CCGFs. So, from 2013, the CCGFs replaced part of the CCEARs for Existing Energy of the distributors.

However, to the CCGFs no prerogative of contracted volume reduction was provided so that the distributor could manage its contracting level. With this change, foreign to the management of distributors, this segment no longer had enough mechanisms for protecting itself against consumption reduction and migration of customer to free environment. Namely, the participation in the MCSD 4%, or the Free Exchanges MCSD and the Monthly MCSD was limited. So, the realization volume in the CCEARs of Existing Energy was reduced, as provided in the Law 10.848/04 and in Article 29 of Decree 5.163/04.

Besides the Physical Guarantee Quotas Contracts (CCGFs) that do not represent a prerogative for reducing the contracted volume, the distributors' flexibility loss in the management of its contract surplus was powered by the introduction of the CCEARs of Existing Energy by Availability in their portfolios, which also do not provide specific contractual clause that allows the reduction in the contracted amount.

In 2016 the Technical Note 109/2016 proposed the improvement in the Normative Resolution 693/2015 allowing the creation of the MCSD of Energia Nova as an additional mechanism so that both distributors and generators could cancel the contract of energy in the regulated environment. In 2018, through Normative Resolution No. 824 of July 10 and Decision No. 833 of December 10 of the same year (revoked by Decision 869 of January 28, 2020), MVE was regulated as an additional management tool surplus energy for the distributors. However, this new regulation also limited the efficiency of the MCSD Energia Nova and the bilateral contracts in the reduction of contracting level, allowing the use of such mechanisms only with plants that are not in commercial operation.

On November 30, 2021, ANEEL's Board of Directors approved the tariff pass-through rule for the effects of the MVE for annual and semi-annual products. However, the final determination of the value depends on the definition of the amounts of involuntary overcontracting, which are under discussion with the Agency.

With the publication of Decree 9143/17 (Resolution 453 of 2011), the involuntary contractual exposures of distributors started to be recognized whenever it was noted the condition of maximum effort by the agent, in view of the following: (i) frustrated purchase of electric energy in Auctions for purchase; (ii) extraordinary and unpredictable events arising from events beyond the will of the selling agent, recognized by ANEEL; (iii) changes in the distribution of the CCGFs, energy availability and potency of Itaipu Binacional, PROINFA and, from the year 2013, of Usinas Angra 1 and Angra 2; and (iv) exercise of the purchase option by free and special consumers. However, despite the involuntary exposure is recognized, the criteria for fulfillment of the condition of maximum effort by the distributor are being discussed by ANEEL for the 2016 and onwards.

Normative Resolution 869/20 also determines that to meet the criterion of maximum effort, it will be required to declare in MCSD Energia Nova all amounts of distributors' involuntary exposure.

As mentioned in Note 8.1, in December 2021, Technical Note 121/2021–SRM/SGT/ANEEL was issued with new criteria for calculating involuntary overcontracting that will undergo evaluation by ANEEL's Executive Board.

In August 2022, the ANEEL Order 2169 was published, which approved the amounts of exposure and involuntary overcontracting of distribution agents for the years 2016 and 2017, considering (a) the withdrawal of the evaluation of the economic criterion for the calculation of involuntary overcontracting in 2016 and 2017 and the adoption of the maximum effort criterion of voluntary exposure applied until 2015 and (b) establish the amounts of involuntary distribution agents for the years 2016 and 2017, without the adoption of the 2.5% criterion in the migration amounts to the Free Contracting Environment as involuntary overcontracting for the years 2016 and 2017.

The overcontracting of energy for the year as of December 31, 2022 had a positive impact of R$ 5,559 on the results of EDP Espírito Santo and a negative impact of R$ 12,280 at EDP São Paulo.

In 2022, the distributors participated in the MVE negotiating the amounts of 119.07 MWm at the average price of R$ 280.45/MWh for subsidiary EDP Espírito Santo and the amounts of 158.00 MWm at the average price of R$ 286.93/MWh for subsidiary EDP São Paulo.

38.2.2.2 Early maturity of debts

The Company and its subsidiaries have loan, financing and debenture agreements with covenants usually applicable to these types of operations, related to compliance with economic and financial indexes, cash generation, among others.

Covenants are financial indicators that control the financial health of the Company and its subsidiaries, as required by fund raising contracts. Non-compliance with covenants of debt agreements may result in an immediate disbursement or early maturity of a liability with defined flow and periodicity. The ratio of covenants by agreement appears described individually in notes 26 and 27. Up to December 31, 2022, all covenants of contracted liabilities were fully complied with.

In addition to controlling the covenants linked to liquidity risk, there are contracted guarantees (Note 39.2) for the headings of loans, financing and debentures. Those contractual guarantees are the maximum that the Company and its subsidiaries may be required to settle, in accordance with the terms of the financial guarantee agreements, if the full guaranteed amounts are put to execution by the creditors for lack of payment. For the account of purchase of power, the guarantees are mostly tied to the Company's receivables, which may undergo changes as a result of possible losses of credit in these receivables.

38.2.3 Hydrological risk

Generation

The power sold by the subsidiaries depends on the hydrological conditions. In addition, income from the trading is linked to the assured power, whose volume is determined by the regulatory body and is included in the concession agreement. Cyclical conditions system in recent years, with low flow rates and low storage hydroelectric, has caused a significant decrease in energy production with hydropower and increasing costs in purchasing power. Mitigation of this risk is through the Energy Reallocation Mechanism (MRE), which is a financial mechanism of sharing hydrological risk among participants plants of the National Interconnected System - SIN operated by the National System Operator - ONS. However, in extreme moments of low storage, MRE exposes the subsidiaries to one apportionment based on PLD, generating an expenditure with GSF for hydro

To reduce the exposure to this risk, generation accepted the proposal to renegotiate the hydrologic risk for energy amount contracted at ACR through transfer of 92% valid for UHE Luiz Eduardo Magalhães (Investco and Lajeado) of this remaining hydrologic risk to CCRBT (tariff flag centralizing account) through premium payment.

Additionally, anticipating the scenario of deterioration of the PLD and GSF as a result of the worsening of the Brazilian hydrological scenario, the generation subsidiaries implemented several initiatives in order to strengthen strategies to protect the impacts caused by high energy prices on the free market, increasing the share of decontracted energy in its portfolio, in addition to the seasonality of sale contracts.

Distribution

The Brazilian energy matrix is predominantly hydric and a prolonged drought would reduce the volume of water in the reservoirs of the hydroelectric power plants, which also cause a electric power rationing and an increase in the purchase cost of energy in the short term market and the increase of electric system charges as a result of the dispatch of the thermoelectric plants, generating a cash need and as a result, from future tariff readjustments for the economic-financial balance of the Concession Agreement of distribution subsidiaries.

As a tool to monitor the risk of rationing, the distribution subsidiaries use the Energy Risk Subcommittee which has the following practices: (i) assessment of the energy supply and demand scenario in different regions of operation, the macro and microeconomic variables and the specificities of each market, in a horizon of five years; (ii) anticipation of potential impacts on the generation of electricity to ensure the supply of power; (iii) minimizing impacts on Income; and (iv) avoid shortages at the Concessionaires.

38.2.4 Credit risk

Credit risk includes the possibility that the Company may not be able to realize their rights. This description is mainly related to the following captions:

• **Accounts receivable**

In the electrical power industry, the operations carried out are reported to the regulatory agency, which maintains updated information on power volume produced and consumed. Power is traded through auctions, contracts, among other mechanisms, bringing reliability and control on default among sectorial participants.

The priority of Concession Agreements for power distribution is to serve the market without excluding low income population and areas with lower population density. Thus, accepting and serving these new captive consumers dwelling in the concessionaire's operating area is a standard of the concession agreement.

Thus, for the distribution of electricity the financial instrument with the ability to expose the Company to credit risk is accounts receivable from consumers. However, the subsidiaries of distribution prepare comprehensive studies to determine the estimated loss for these assets.

The main tool used to mitigate the risk of non-realization of accounts receivable from consumers is to suspend power supply to consumers in default. Before this stage, the subsidiaries use many collection methods, such as administrative collection, notice in the energy bill, and by SMS, protest in protest offices, credit restriction at credit protection companies, among others. The subsidiaries offer to consumers several communication channels, as follows call centers, service stores and Internet, application, besides the realization of fairs for payment agreements.

Furthermore, with a view to maintaining the economic and financial balance of the concession, ANEEL's regulations provide for the transfer of the sum of uncollected income to the tariffs, after the 5-year collection period, pursuant to the regulations in force through PRORET submodule 2.2.

Regarding generation subsidiaries, the risk arising from the possibility of subsidiaries sustaining losses as a result of experiencing difficulty receiving amounts billed to its customers, is considered low according to the contractual guarantees presented in the scope of energy agreements in the Regulated Trading Environment.

Regarding the subsidiaries of trading and services, the risk arising of the subsidiaries sustaining losses as a result of experiencing difficulty receiving amounts billed to its customers, is also considered low. The Company and its subsidiaries in these segments have a policy focused on credit risk mitigation, which consists of identifying the credit rating of the proponent customer, and a grade is assigned to the financial health of the counterparty (separated into A, B, C, D and E) which takes into account, among other aspects, the analysis of the financial statements of the counterparty associated with a probability of default. For each credit rating, maximum terms of contracts and financial guarantees are established, and the lower the counterparty's rating, the shorter the contract terms and the more liquid the financial guarantees will be. The credits of all these customers and exposure thereof to the various sectors of the economy are evaluated periodically, so as to maintain the diversification of their portfolio and reduce their exposure to risk.

• **Cash, Cash equivalents, Guarantees and Securities**

The management of these financial assets is through operating strategies based on corporate policies and internal controls, aimed at assuring liquidity, security and profitability.

Specific mitigation strategies of the Financial Risk Management Policy of Grupo EDP - Energias do Brasil are periodically conducted based on risk reports.

Decisions about financial investments, also complying with the same policy, establishes conditions and limits of exposure to market risks appraised by specialized agencies. The policy determines levels of concentration of investments at financial institutions in accordance with the bank's rating and the total sum of investments of the Company and its subsidiaries, in order to maintain a balanced proportion that is less subject to losses.

Regarding investments related to Bank Deposit Certificates or backed by debentures, the Company and its subsidiaries operate only with financial institutions whose risk rating is at least A by Fitch Ratings (or equivalent to Moody's or Standard & Poor's). The following are the amounts of financial investments segregated by risk classification:

	Parent Company		Consolidated	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Classification of the financial institution				
AAA	939,817	806,998	3,930,949	2,293,096
AA	28	123,124	22,028	273,728
A			56	
	939,845	930,122	3,953,033	2,566,824

The Risk Management Policy also money to be paid into a Restricted Investment Fund with a portfolio of assets tied to LFTs (floating-rate bonds) issued by the Brazilian Government, or Repurchase agreement backed by Federal Government Bonds, considered a highly-liquid security with an extremely low risk (Note 6).

Management understands that the contracted financial investments do not expose the Company and its subsidiaries to significant credit risks that might generate material losses in the future.

• **Indemnifiable financial assets**

The balance refers to the amounts receivable as indemnity from the Concession Grantor and arises from the investments made in the infrastructure of the concessionaire that will not be recovered by the service provision granted up to the concession termination. The concession agreement entitles the Company to indemnity for the infrastructure assets not yet amortized, provided that authorized by ANEEL, and determined in inspection branch procedures.

• **Concession assets - Transmission**

The transmission subsidiaries maintain Transmission Service Agreements with the National System Operator - ONS, regulating the provision of their services linked to basic network users, with a bank guarantee clause that ensures payments are received and mitigates the risk of default.

• **Sectorial financial assets**

Sectorial financial assets refer to the difference between costs estimated by ANEEL and included in the tariff at the beginning of the tariff period, compared to those that are actually incurred during the tariff period. Annually, ANEEL reviews the tariffs of distribution subsidiaries and include such assets in them. Additionally, the concession agreement also guarantees that the distribution subsidiaries will be indemnified for the outstanding balances of possible shortage of refund for the tariff as a result of termination, for any reason, of the concession.

• **Future commitments**

The subsidiaries EDP Trading and EDP Smart Energia has short- and long-term bilateral future commitment contracts. Default risk is mitigated through specific guarantee clause, always in accordance with the financial capacity of each counterparty; this can be a corporate guarantee, bank guarantee, insurance bond, or registration against payment, the latter only with specific counterparties.

38.2.5 Regulatory risks

Subsidiaries' activities are regulated and inspected by regulatory agencies (ANEEL, ARSP-ES, ARSESP, etc.) and other bodies related to the sector (MME, CCEE, ONS etc). Grupo EDP – Energias do Brasil is committed to comply with all the regulations issued, therefore, any change in the regulatory environment may affect its activities.

The mitigation of regulatory risks is made by monitoring scenarios involving the parties interested in the Company's business. Grupo EDP - Energias do Brasil is engaged in the discussion of themes of its interest, and discloses studies, theses and experiences to stakeholders.

38.2.6 Environmental risks

EDP - Energias do Brasil operates in all segments of the electricity sector and recognizes that the environment and sustainable use of natural resources are essential for the sustainability of the operations of Grupo EDP - Energias do Brasil. Therefore, it works to foster respect for the environment, in search of sustainable development, and establishes the following commitments regarding the continuous improvement of environmental management and the reduction of the impacts of its activities:

(i) Ensure compliance with legal requirements regarding current environmental legislation and the non-authorization for carrying out any potentially polluting activities without the necessary authorizations and controls;

(ii) Identify and monitor environmental aspects and impacts and establish controls for significant aspects and risks;

(iii) Manage environmental risks aiming at their elimination, reduction and early control, thus preventing incidents, accidents and environmental and/or material liabilities and ensuring the communication of risks and respective mitigation measures;

(iv) Identify risks and opportunities and implement measures to improve the environmental quality of the places where it is located, minimizing and mitigating impacts on the environment;

As risk control measures, the Companies of Grupo EDP - Energias do Brasil have:

(v) Management and sustainability systems policy applicable to all companies; and

(vi) 100% of the energy distributed by the subsidiaries EDP São Paulo and EDP Espírito Santo, and the energy generated at the Thermoelectric and Hydroelectric Plants (subsidiaries and jointly-controlled subsidiaries), are in assets certified by the ISO 14.001 standard, carrying out a systemic environmental management, which guarantees compliance of legal requirements, and the existence of environmental risk management procedures.

38.2.7 Climatic risks

The risks related to the Climate Emergency were characterized as strategic for Grupo EDP - Energias do Brasil. At this level, the way in which climate change affects the businesses of the Company and its subsidiaries is evaluated, considering changes in climate patterns (physical risks) and the accelerated transition to a low carbon economy (transition risks). These factors are discussed periodically by Company Management.

In this regard, to mitigate any financial and social impact, the Company has the vice-presidency of People and ESG which jointly with the Sustainability Committee that oversees issues of climate change in the Group. The Committee is responsible for approving policies and guidelines related to sustainability, social responsibility, and environmental preservation.

Its plans for activity include topics such as climate change, encompassing impacts of carbon pricing, climate vulnerability and performance improvement in *Carbon Disclosure Project* (CDP) Clima which started to be incorporated by B3's ISE. In the year 2022, the Company achieved an A-score in the CDP Climate.

The Company has a methodology for identifying, prioritizing and addressing risks, incorporating concepts increasingly in line with climate science and with the TCFD (Task-force on Climate-related Financial Disclosures) guidelines. Studies of climate scenarios were performed to check the Company's exposure to different types of risks where, among other items, the Company identified that hydroelectric plants may be more exposed if there is global warming at high levels. On the other hand, in scenarios of lower temperatures, in line with global warming limited to 1.5ºC, the parent company Porto do Pecém presents a carbon pricing risk. According to the climate scenarios studied, the distribution subsidiaries will generally not experience an increase in risks related to storms and cyclones. By means of Climate Adaptation Plans for each of the business units, the Management of Grupo EDP - Energias do Brasil is preparing response plans for the main climate risks of the aforementioned Group with estimated

Grupo EDP - Energias do Brasil actively participates in sharing experiences that contribute toward increasing and building knowledge about the energy sector and issues relating to climate change. Thus, since 2020, the Company coordinates he Climate Action platform of the Global Compact Network Brazil created by the UN, actively participating in the sharing of best climate management practices.

In 2022, the updated portfolio of the CDP Brasil Climate Resilience Index (ICDPR70) was announced, which came into effect on April 1, 2022, and in which the Company is present, being one of the companies with an A score. The index measures the financial performance of a theoretical portfolio composed of companies listed on B3, which operate in the Brazilian territory, with a high level of awareness of climate issues and integration of effective measures to reduce their carbon footprints (Note 1.2).

38.2.8 Operating risk - Porto do Pecém

The subsidiary Porto do Pecém has – as an operational risk – the possible shortage of inputs, including coal. The UTE Porto do Pecém uses coal as an input, and usually sourced from mines in Colombia. Its coal purchase contracts are signed for a minimum period of one year, providing for coal sourced from other parts of the world, in addition to the qualified mines in Colombia, in order to mitigate possible production risks, such as labor strikes, weather- or climate-related events, and major contingencies of the mining company.

Additionally, the subsidiary manages inventories considering minimum and maximum safety limits so that, for any contingencies or changes in future demand, they can be absorbed without major risks.

Another risk that Porto do Pecém may have is that of water scarcity, due to having its supply - supplied by the Companhia Gestora de Recursos Hídricos do Estado do Ceará (COGERH) - coming from surface waters, from the basins of the Jaguaribe- metropolitan area, which mainly depends on rainfall recharge. Such supply is carried out by means of a contract signed between the parties, which establishes the supply of water for a volume less than or equal to the amount granted, (500 l/s for Pecém I) which is sufficient to meet demand required by the processes of the thermoelectric complex.

Aiming at saving water, Porto do Pecém carried out some improvement actions in the process, which resulted in a reduction of more than 10% in the water volume consumed by the port complex, and the reuse of nearly 40% of the wastewater generated.

38.2.9 Capital management

The purpose of Grupo EDP - Energias do Brasil's capital management is to safeguard business continuity of the Group in order to offer returns to shareholders and benefits to other stakeholders, as well as maintaining an optimal capital structure to reduce such cost and maintain a proper financial liquidity to the Group's companies.

To maintain or adjust its capital structure and financial liquidity, Grupo EDP - Energias do Brasil may review its dividend payment policy, return capital to shareholders, issue new shares, make new financing, renegotiate the existing debts or sell assets.

Regarding the capital structure, the Company monitors the index represented by "Consolidated Net Debt" divided by "Consolidated EBITDA", whose maximum limit is up to 3.5 times. As of December 31, 2022, this ratio was 2.1x.

		Consolidated	
	Note	12/31/2022	12/31/2021
Total loans and debentures	26|27	14,281,564	10,597,514
(-) Cash and cash equivalents	5	(4,197,196)	(2,699,490)
(-) Securities	6	(1,952)	(11,722)
(-) Pledges linked to debt		(17,243)	(5,798)
Net debt		10,065,173	7,880,504
Total shareholders' equity		11,895,759	12,258,818
Total capital		21,960,932	20,139,322
Leverage ratio – %		45.83	39.13

39 Contractual commitments and guarantees

39.1 Contractual commitments

As of December 31, 2022, the Company and its subsidiaries have contractual commitments not recognized in the financial statements, presented by maturity.

The contractual commitments of the Company and its subsidiaries referred to in the table above are at present value and essentially reflect agreements and commitments necessary to the normal course of the operating activities of the Company and its subsidiaries, including those contractual commitments beyond the end date of concession, restated at the respective projected rates and adjusted to present value at the rate representing the average cost of capital (WACC) of Grupo EDP - Energias do Brasil.

	Parent Company					
	12/31/2022					12/31/2021
	2023	2024 and 2025	2026 and 2027	As from 2028	Total	Total
Liabilities for purchases						
Materials and services	141,076	80,616	22,953	25,940	270,585	201,852
Interest Falling Due Loans, Financing and Debentures	4,456	1,304			5,760	24,838
	145,532	81,920	22,953	25,940	276,345	226,690

	Consolidated					
	12/31/2022					12/31/2021
	2023	2024 and 2025	2026 and 2027	As from 2028	Total	Total
Liabilities with operating leases	14,265	13,629	47		27,941	4,558
Liabilities for purchases						
Purchase of energy	5,172,752	9,172,259	7,464,127	29,559,397	51,368,535	47,980,511
Energy connection and transportation charges	1,167,162	2,225,657	2,090,467	992,107	6,475,393	4,139,154
Materials and services	3,056,749	2,270,125	409,228	44,239	5,780,341	4,484,063
Risk premium - GSF				25,605	25,605	24,660
Interest Falling Due Loans, Financing and Debentures	1,534,354	1,154,901	298,110	300,183	3,287,548	3,090,752
	10,945,282	14,836,571	10,261,979	30,921,531	66,965,363	59,723,698

Contract commitments mentioned in the chart below reflect the same contract commitments shown above, however, they are adjusted at respective rates on base date December 31, 2022, that is, without projection of correction indices, and are not adjusted at present value.

	Parent Company					
	12/31/2022					12/31/2021
	2023	2024 and 2025	2026 and 2027	As from 2028	Total	Total
Liabilities for purchases						
Materials and services	136,200	85,722	27,989	41,615	291,526	201,336
Interest Falling Due Loans, Financing and Debentures	4,358	1,563			5,921	29,719
	140,558	87,285	27,989	41,615	297,447	231,055

	Consolidated					
	12/31/2022					12/31/2021
	2023	2024 and 2025	2026 and 2027	As from 2028	Total	Total
Liabilities with operating leases	13,773	14,364	56		28,193	4,607
Liabilities for purchases						
Purchase of energy	5,172,750	10,160,238	9,041,777	46,624,289	70,999,054	71,532,960
Energy connection and transportation charges	1,167,141	2,470,162	2,529,044	1,264,404	7,430,751	5,030,678
Materials and services	2,951,078	2,412,630	497,318	71,656	5,932,682	4,687,031
Risk premium - GSF				50,051	50,051	50,051
Interest Falling Due Loans, Financing and Debentures	1,589,048	1,609,848	500,815	677,050	4,376,761	5,581,149
	10,893,790	16,667,242	12,569,010	48,687,450	88,817,492	86,886,476

39.2 Guarantees

		Maximum guaranteed limit			
		Parent Company		Consolidated	
Guarantees	**Type of guarantee**	**12/31/2022**	**12/31/2021**	**12/31/2022**	**12/31/2021**
Life insurance	Shareholder's guarantee	364,360	336,751	361,593	333,940
Lawsuits	Bank guarantee; and Insurance bond	310,085	191,502	310,085	191,502
Lease contract	Receivables			35,207	33,839
Construction performance bond	Insurance bond	78,190	305,483	78,190	264,416
Other	Receivables; and Insurance bond	7	1,611	108,664	85,796
		752,642	835,347	893,739	909,493

The amounts regarding guarantee for Energy purchase (Note 25), Debentures (Note 26) and Loans, financing and debt charges (Note 27) are presented in their respective notes.

40 Segment reporting

A business segment is an identifiable component of the Group engaged in providing an individual product or service of a group of related products and services, and that is subject to risks and benefits that may be distinguished from other business segments.

The operating segment information is shown consistently with the internal report supplied to the main operating decision maker. The main operating decision maker, in charge of allocating funds and evaluating performance of operating segments is the Company's Executive Board, in charge of the strategic decision-making of Grupo EDP - Energias do Brasil.

Grupo EDP - Energias do Brasil develops a set of power supply activities, with special emphasis on the generation, distribution, transmission and sales of electrical power.

Based on internal reports, the Executive Board is responsible for evaluating the performance of several segments and deciding on the allocation of funds to each of the identified business segments.

40.1 Segment characterization

The amounts reported for each business segment are the result of the consolidation of subsidiaries and business units within each segment and the cancellation of intra-segment transactions.

The column "Holding company" refers to the parent company, and origin of this income is substantially related to the evaluation of investment in subsidiaries, associated companies and jointly-controlled subsidiaries by the equity accounting method, as required by the accounting practices had been adopted in Brazil. The "Holding" column above, as well as the "Others" column, are presented for purposes of consolidating the result.

The Company's segment view was changed in 2022 in order to adequately demonstrate the consolidation of its efforts in the 2021-2025 Strategic Plan. For comparability purposes, the 2021 balances are also demonstrating this new vision:

40.1.1 Statement of revenue

	2022								
	Distribution	**Generation**	**Trading**	**Clients**	**Transmission**	**Holding company**	**Other**	**Elimination**	**Total**
Revenue	10,681,181	2,729,687	3,314,744	552,635	1,513,084	4,400	-	(1,508,076)	17,287,655
Cost of production for electricity services									
Electricity services cost	(5,612,244)	(621,988)	(3,165,334)	(306,832)				1,497,327	(8,209,071)
Cost of production for electricity		(286,087)		(33,307)					(319,394)
Cost of operation	(840,410)	(480,469)	(12,232)	(43,825)	(68,128)			16,422	(1,428,642)
Cost of service rendered to third-parties	(1,543,876)		(245)	(110,898)	(446,090)			4,283	(2,096,826)
	(7,996,530)	(1,388,544)	(3,177,811)	(494,862)	(514,218)	-	-	1,518,032	(12,053,933)
Gross profit	2,684,651	1,341,143	136,933	57,773	998,866	4,400	-	9,956	5,233,722
Operating expenses and income									
Selling expenses	(158,836)		(162)	(531)	(285)				(159,814)
General and administrative expenses	(342,684)	(90,482)	(13,046)	(24,400)	(28,252)	(148,290)	(3,806)	(65,574)	(716,534)
Gains on disposal of investment						326,252			326,252
Other operating expenses and income	(159,924)	(837,350)	(281)	(7,902)	(2,068)	(32,872)	(6,295)	(433,533)	(1,480,225)
	(661,444)	(927,832)	(13,489)	(32,833)	(30,605)	145,090	(10,101)	(499,107)	(2,030,321)
Income (loss) from ownership interest		58,642	18,621			842,448	135,329	(841,076)	213,964
Income (loss) before ownership interest (loss), financial and taxes	2,023,207	471,953	142,065	24,940	968,261	991,938	125,228	(1,330,227)	3,417,365
Financial result									
Financial income	369,194	122,315	14,714	7,058	58,385	60,520	82,104	(48,067)	666,223
Financial expenses	(888,085)	(362,639)	(89,963)	(29,421)	(444,928)	(33,408)	(332,447)	48,067	(2,132,824)
	(518,891)	(240,324)	(75,249)	(22,363)	(386,543)	27,112	(250,343)	-	(1,466,601)
Income (loss) before income taxes	1,504,316	231,629	66,816	2,577	581,718	1,019,050	(125,115)	(1,330,227)	1,950,764
Income taxes									
Income tax and social contribution - current	(305,962)	(242,629)	(3,450)	(5,145)	(12,440)				(569,626)
Deferred income tax and social contribution	(112,612)	(123,213)	(7,612)	(8,880)	(144,456)	2,387	63,435	162,540	(168,411)
	(418,574)	(365,842)	(11,062)	(14,025)	(156,896)	2,387	63,435	162,540	(738,037)
Net income (loss) for the year	1,085,742	(134,213)	55,754	(11,448)	424,822	1,021,437	(61,680)	(1,167,687)	1,212,727
Attributable to controlling shareholders	1,085,742	(316,763)	55,754	(11,448)	416,083	1,021,437	(61,680)	(1,167,687)	1,021,438
Attributable to non-controlling shareholders		182,550			8,739				191,289

	2021								
	Distribution	Generation	Trading	Clients	Transmission	Holding company	Other	Elimination	Total
Revenue	11,706,295	3,824,014	2,955,211	259,539	1,746,621	2,981	-	(1,620,507)	18,874,154
Cost of production for electricity services									
Electricity services cost	(7,838,933)	(697,322)	(2,833,989)	(155,592)				1,612,196	(9,913,640)
Cost of production for electricity		(1,330,112)		(21,715)				3,147	(1,348,680)
Cost of operation	(806,435)	(462,992)	(15,860)	(29,715)	(12,371)			565	(1,326,808)
Cost of service rendered to third-parties	(1,097,918)	-	(45)	(22,542)	(1,053,349)			4,599	(2,169,255)
	(9,743,286)	(2,490,426)	(2,849,894)	(229,564)	(1,065,720)	-	-	1,620,507	(14,758,383)
Gross profit	1,963,009	1,333,588	105,317	29,975	680,901	2,981	-	-	4,115,771
Operating expenses and income									
Selling expenses	(140,537)	-	5,047	332					(135,158)
General and administrative expenses	(260,836)	(94,030)	(12,220)	(21,484)	(17,648)	(138,232)	(4,150)	(31,239)	(579,839)
Gains on disposal of investment						320,556			320,556
Other operating expenses and income	(96,295)	(27)	(34)	(45,147)	1,594	(6,843)			(146,752)
	(497,668)	(94,057)	(7,207)	(66,299)	(16,054)	175,481	(4,150)	(31,239)	(541,193)
Income (loss) from ownership interest		5,601	(4,249)			2,051,098	114	(1,810,148)	242,416
Income (loss) before financial result and taxes	1,465,341	1,245,132	93,861	(36,324)	664,847	2,229,560	(4,036)	(1,841,387)	3,816,994
Financial result									
Financial income	260,659	42,712	10,864	1,856	11,623	5,842	1,128	(28,331)	306,353
Financial expenses	(533,171)	(328,300)	(22,900)	(11,661)	(170,432)	(69,758)	(45)	28,332	(1,107,935)
	(272,512)	(285,588)	(12,036)	(9,805)	(158,809)	(63,916)	1,083	1	(801,582)
Income (loss) before income taxes	1,192,829	959,544	81,825	(46,129)	506,038	2,165,644	(2,953)	(1,841,386)	3,015,412
Income taxes									
Income tax and social contribution - current	(186,749)	(185,108)	1,687	(3,283)	(2,941)	(5,979)			(382,373)
Deferred income tax and social contribution	(114,995)	(4,526)	(23,540)	(822)	(137,967)	173	549	15,634	(265,494)
	(301,744)	(189,634)	(21,853)	(4,105)	(140,908)	(5,806)	549	15,634	(647,867)
Net income (loss) for the year	891,085	769,910	59,972	(50,234)	365,130	2,159,838	(2,404)	(1,825,752)	2,367,545
Attributable to controlling shareholders	891,085	571,180	59,972	(50,234)	356,153	2,159,838	(2,404)	(1,825,752)	2,159,838
Attributable to non-controlling shareholders		198,730			8,977				207,707

40.1.2 Balance sheet

	12/31/2022								
	Distribution	Generation	Sales	Clients	Transmission	Holding company	Other	Eliminations	Total
Current assets	3,526,164	2,399,411	2,026,299	538,421	1,189,016	1,691,355	102,562	(1,169,005)	10,304,223
Non-current assets	9,238,455	5,413,240	1,553,583	1,012,320	6,573,302	10,203,474	2,286,666	(9,583,875)	26,697,165
Current liabilities	4,266,040	1,345,897	1,995,662	598,307	1,025,513	878,935	117,857	(1,076,126)	9,152,085
Non-current liabilities	6,146,763	2,504,489	1,195,202	588,963	4,250,702	289,983	2,050,447	(1,073,201)	15,953,348
Total shareholders' equity and non-controlling inte	2,351,816	3,962,265	389,018	363,471	2,486,103	10,725,911	220,924	(8,603,553)	11,895,955

	12/31/2021								
	Distribution	Generation	Sales	Clients	Transmission	Holding company	Other	Eliminations	Total
Current assets	4,967,229	1,452,657	1,248,495	166,505	338,809	2,887,990	2,940	(1,193,322)	9,871,303
Non-current assets	8,836,619	6,676,158	1,043,570	541,770	4,905,010	9,613,925	38,233	(8,147,849)	23,507,436
Current liabilities	3,412,177	1,622,092	1,144,295	285,088	624,548	1,074,089	767	(1,173,472)	6,989,584
Non-current liabilities	7,718,245	1,866,004	798,953	278,816	3,857,761	276,429	22,195	(723,260)	14,095,143
Total shareholders' equity and non-controlling inte	2,673,426	4,640,719	348,817	144,371	761,510	11,151,397	18,211	(7,444,439)	12,294,012

41 Insurance coverage

The Company and its subsidiaries have insurance policies with coverage determined by experts and governed by a standard on contracting and maintaining insurance approved by the Executive Board of EDP Group – Energias do Brasil. Hiring insurance considers the nature and the degree of risk, in amounts considered sufficient to cover possible losses on its assets and responsibilities.

Given their characteristics, the risk assumptions adopted are not within the scope of a review of financial statements and consequently were not audited by independent auditors.

The main amounts at risk with insurance coverage are:

	Parent Company				Consolidated			
	12/31/2022		12/31/2021		12/31/2022		12/31/2021	
	Value at risk	Maximum limit for indemnity	Value at risk	Maximum limit for indemnity	Value at risk	Maximum limit for indemnity	Value at risk	Maximum limit for indemnity
Substations					2,323,902	3,192,637	888,291	2,569,454
Power Plants					7,420,300		6,900,347	
Transmission lines					39,185	39,185	35,297	35,297
Buildings and contents (own and third-parties)	49,103	65,000	316,510	65,000	372,462	216,548	540,985	216,310
Civil liability		336,664		303,206		938,664		639,742
Transports (material)					119,224	21,100	48,842	22,923
Transportation (vehicles)	360	360	360	360	720	362,880	4,098	4,098
Life insurance	68,355	(*)	64,658	(*)	496,497	(*)	443,518	(*)
Loss of profits					164,214	82,107	299,747	149,924
Engineering Risk					308,692	308,692	2,112,560	2,112,560

(*) The indemnity value will be 24 times the salary of the employee, with a maximum of R$ 581 up to the Director position. For the positions of vice-president and president, the maximum limit is R$ 1,452.

The balance presented as Civil Liability in the Company is structured down as follows:
(i) General civil liability, with coverage of up to R$ 50,000;
(ii) Environmental civil liability, with coverage of R$ 25,584;
(iii) Civil Liability of administrators and directors (D&O), with coverage of R$ 260,477; and
(iv) Cyber risk civil liability insurance with coverage up to R$ 5,327.

The balance presented as Civil Liability in Consolidated, has in addition to Company's insurance, the details as described below:
(i) EDP Smart Serviços and EDP Smart Soluções: civil liability for professional errors and omissions, with coverage of up to R$ 6,000;
(ii) EDP Smart Serviços and EDP Smart Soluções: civil liability works for ongoing projects, with coverage totaling R$ 10,000;
(iii) Enerpeixe: general civil liability, with coverage of up to R$ 50,000;
(iv) Pecém: general civil liability, with coverage of up to R$ 50,000;
(v) Transmissão SP-MG: civil liability - construction work, for substation and transmission line, with coverage of up to R$ 50,000;
(vi) Transmissão Aliança: civil liability - construction work, for substation and transmission line, with coverage of up to R$ 50,000; and
(vii) EDP São Paulo: civil liability for aviation, with coverage of up to R$ 598.

42 Statements of cash flows

42.1 Financing activities

In compliance with CPC 03 (R2) – Statement of Cash Flows, the changes in assets and liabilities derived from financing activities, including adjustments to reconcile income are as follows:

		Parent Company					
				Non-cash effect			
	Note	Balance at 12/31/2021	Cash effect	Inflation adjustment and exchange-rate change	Mark-to-Market/ Adjustment to present value	Additions / write-offs	Balance at 12/31/2022
(Increase) decrease in financing assets							
Securities and loans receivable		28,145	(2,277)	3,166	2,299		31,333
		28,145	(2,277)	3,166	2,299	-	31,333
Increase (decrease) in financing liabilities							
Dividends	14	515,900	(1,193,902)			1,236,014	558,012
Debentures	26	236,629	(207,475)	9,532		9,607	48,293
Loans, financing and debt charges	27	105,305	(109,399)			4,094	-
Treasury shares	32.5	(90,534)	(225,239)			3,867	(311,906)
Leases and rentals	16.8	8,154	(3,571)		2,060	11,907	18,550
		775,454	(1,739,586)	9,532	2,060	1,265,489	312,949
Changes related to financing activities (Financing liabilities (-) Financing assets)		747,309	(1,737,309)	6,366	(239)	1,265,489	281,616

	Parent Company					
			Non-cash effect			
	Balance at 12/31/2020	Cash effect	Inflation adjustment and exchange-rate change	Mark-to-Market/ Adjustment to present value	Additions / write-offs	Balance at 12/31/2021
(Increase) decrease in financing assets						
Securities and loans receivable	27,557	(2,167)		(2,221)	4,976	28,145
	27,557	(2,167)	-	(2,221)	4,976	28,145
Increase (decrease) in financing liabilities						
Dividends	360,362	(562,920)			718,458	515,900
Debentures	442,530	(265,267)	31,269		28,097	236,629
Loans, financing and debt charges	100,934				4,371	105,305
Treasury shares	(145,988)	(426,442)			481,896	(90,534)
Leases and rentals	1,214	(1,301)		721	7,520	8,154
	759,052	(1,255,930)	31,269	721	1,240,342	775,454
Changes related to financing activities (Financing liabilities (-) Financing assets)	731,495	(1,253,763)	31,269	2,942	1,235,366	747,309

		Consolidated							
				Non-cash effect					
	Note	Balance at 12/31/2021	Cash effect	Inflation adjustment and exchange-rate change	Mark-to-Market/ Adjustment to present value	Additions / write-offs	Acquisition of company	Other	Balance at 12/31/2022
(Increase) decrease in financing assets									
Pledges linked to loans, financing and debentures		5,798	(3,536)	14,981					17,243
		5,798	(3,536)	14,981	-	-	-	-	17,243
Increase (decrease) in financing liabilities									
Dividends	14	680,874	(1,398,932)			1,420,738	(2,097)	31,082	731,665
Debentures	26	7,724,383	359,097	257,703	(77,280)	959,358			9,223,261
Loans, financing and debt charges	27	2,873,131	1,403,016	(59,041)	(32,307)	431,320	94,928	(782)	4,710,265
Treasury shares	32.5	(90,534)	(225,239)			3,867			(311,906)
Leases and rentals	16.8	110,410	(39,439)		15,435	62,403			148,809
Non-controlling shareholders									
Advance for future capital increase – AFAC		15,000				(14,980)			20
Capital	32.1	5,502,716							5,502,716
AFAC/Capital decrease by non-controlling shareholders		-	2,600			(2,600)			-
		16,815,980	101,103	198,662	(94,152)	2,860,106	92,831	30,300	20,004,830
Changes related to financing activities (Financing liabilities (-) Financing assets)		16,810,182	104,639	183,681	(94,152)	2,860,106	92,831	30,300	19,987,587

	Consolidated						
			Non-cash effect				
	Balance at 12/31/2020	Cash effect	Inflation adjustment and exchange-rate change	Mark-to-Market/ Adjustment to present value	Additions / write-offs	Other	Balance at 12/31/2021
(Increase) decrease in financing assets							
Pledges linked to loans, financing and debentures	9,326	(385)	376		(3,519)		5,798
	9,326	(385)	376	-	(3,519)	-	5,798
Increase (decrease) in financing liabilities							
Dividends	514,171	(755,319)			884,314	37,708	680,874
Debentures	5,216,201	1,876,941	432,312	(95,089)	294,018		7,724,383
Loans, financing and debt charges	3,818,691	(702,918)	52,580	4,654	(299,876)		2,873,131
Treasury shares	(145,988)	(426,442)			481,896		(90,534)
Leases and rentals	70,798	(35,565)		12,853	58,117	4,207	110,410
Non-controlling shareholders							
Advance for future capital increase – AFAC	-	15,000					15,000
Capital	5,502,716	13,700			(13,700)		5,502,716
Advances for future capital increase by non-controlling shareholders	-	3,800			(3,800)		-
	14,976,589	(10,803)	484,892	(77,582)	1,400,969	41,915	16,815,980
Changes related to financing activities (Financing liabilities (-) Financing assets)	14,967,263	(10,418)	484,516	(77,582)	1,404,488	41,915	16,810,182

42.2 Non-cash transactions

In accordance with CPC 03 (R2) - Statement of cash flows, investing and financing transactions not required the use of cash or cash equivalents should not be included in the statement of cash flows.

All investing and financing activities that did not involve cash and, consequently, are not included in any caption of the statement of cash flows are shown below:

	Parent Company		Consolidated	
	2022	2021	2022	2021
Formation of dividends and interest on own capital receivable	39,957	42,783	39,957	49,809
Formation of dividends and interest on own capital payable	559,197	512,960	898,040	675,148
Capitalization of interest on loans and debentures to property, plant and equipment, intangible assets and concession assets			17,003	384,062
Capitalization in Intangible Assets, in Indemnifiable Intangible asset and Concession assets relating to contingencies			12,314	(12,030)
Provision for costs of environmental permit in property, plant and equipment and concession assets			7,471	(23,183)
Formation (reversal) of contingent consideration				34,466
Capital increase through payment of advance for future capital increase			230,300	63,230
Cash flow hedge			999	2,292
Capital increase in subsidiary through payment of advance for future capital increase	134,100	15,700		
Formation of Use of Public Property in intangible assets			11,728	
Formation of leases and rentals in Property, plant and equipment	11,907	7,520	57,742	61,177
Provision for suppliers of concession assets			45,481	27,964
Total	745,161	578,963	1,324,304	1,262,935

43 Subsequent events

43.1 Definition of the Federal Supreme Court on the limits of res judicata

On February 8, 2023, the Federal Supreme Court ruled on the possibility of automatically interrupting the effects of a final and unappealable decision favorable to the taxpayer, if the Supreme Court decides otherwise through concentrated control of constitutionality or in general repercussions, in tax legal relations of successive treatment, whose decision can still be appealed.

The companies of Grupo EDP - Energias do Brasil do not discuss the constitutionality of the CSLL, in addition to the fact that any other final and unappealable decisions subject to a modification of understanding by the STF were not identified in the preliminary analysis. Furthermore, the Management of the Company and its subsidiaries continue to evaluate possible other consequences of this decision.

43.2 Supplementary Law (LC) 194

Continuing what was mentioned in Note 4.17 regarding LC 194, on February 10, 2023, the Federal Supreme Court published a decision in the ADI (Direct Action of Unconstitutionality) 7195/DF granting a preliminary injunction to suspend the effects of Article 2 of the aforementioned LC, regarding the exclusion of the levy of ICMS on the value related to transmission and distribution services, as well as that corresponding to sectoral charges linked to operations with electric energy.

The effects of the decision are immediate as of the date of publication, thus maintaining the application of the reduction in the ICMS rate, but reestablishing the calculation basis to include the value related to transmission and distribution services, as well as that corresponding to the sectoral charges linked to operations with electricity

* * *

BOARD OF DIRECTORS

Miguel Nuno Simões Nunes Ferreira Setas
Chairman

João Manuel Veríssimo Marques da Cruz
Vice-President

Vera de Morais Pinto Pereira Carneiro
Board Member

Ana Paula Garrido de Pina Marques
Board Member

Modesto Souza Barros Carvalhosa
Board Member

Pedro Sampaio Malan
Board Member

Francisco Carlos Coutinho Pitella
Board Member

Rui Manuel Rodrigues Lopes Teixeira
Board Member

Juliana Rozenbaum Munemori
Board Member

TAX COUNCIL

Adir Pereira Keddi
Board Member

Arnaldo José Vollet
Board Member

João António de Sousa Araújo Ribeiro da Costa
Board Member

STATUTORY BOARD

João Manuel Veríssimo Marques da Cruz
Chief Executive Officer

Henrique Manuel Marques Faria Lima Freire
Finance and Investor Relations Officer and Vice-President

Carlos Emanuel Baptista Andrade
Director Vice-President for Customers

Luiz Otavio Assis Henriques
Director Vice-President for Generation and Grid

Fernanda Nascimento Pires Carsughi
Director Vice President for People and ESG

ACCOUNTING

Leandro Carron Rigamontte
Chief Accounting and Asset Management Officer (Corporate)

Carla Renata Baptistão
Accountant - CRC 1SP328362/O-5

A MESSAGE FROM THE CHIEF EXECUTIVE

The year 2022 was marked by important achievements culminating in the delivery of good results and excellent operational business performance, despite a challenging macroeconomic panorama. This effort is reflected in the delivery of BRL 5.3 billion in EBITDA in 2022, representing a BRL 953 million increase from 2021, and BRL 1.021 million in Net Income, consistent with EDP Brasil's sustainable growth in the past two years, as EBITDA was up 56% in this period.

This performance is the product of daily business construction and the dedication of all of our teams, some of which I am pleased to single out.

Security

The safety of all our people is non-negotiable. Over the last few years, this topic has been a concern for everyone, especially the company's management and suppliers. But we still have to improve so at the end of each day everyone can return to their families without accidents. Each risk event serves as a profound learning tool for reviewing processes and lessons on how to concretely prevent these events from happening again. For that I always reinforce and count on the effort and engagement of all, whether internal or from our partners and suppliers.

Operational efficiency in Distribution and Generation

Like 2021, the outgoing Fiscal Year was marked by increased investment in the distribution segment. Out of the funds allocated, it is worth underscoring a focus on reinforcing distribution lines by means of the construction of 10 substations that were started up in 2022 alone in the concession areas of EDP SP and EDP ES. The purpose, beyond improving the quality of electric energy supply, is to reach the reference values for the technical indicators set forth by the regulator, a goal already achieved for the losses index, as the distribution company now lies below the limit set for the indicator.

Furthermore, completion of the tariff review process formally placed EDP ES at the lowest level of refusals ever, 0.18%, a value that has become an industry benchmark, bearing witness to the Company's efficiency and technical capability. These results show that the investments made have been key to better operation of the asset, as well as to the Company's ability to manage its investments efficiently and responsibly.

The generation segment was also marked by substantive deliveries, including ANEEL's recognition of the Enerpeixe and Lajeado plants as the best generation plants in Brazil in 2022. As for the goal of building a more balanced generation portfolio, in December we completed the disposal of Mascarenhas to reduce the Company's hydro exposure.

Another important landmark was the production of Latin America's first molecule of green hydrogen in Pecém, a choice that the Company has made to provide and accelerate a fair energy transition. We must not, however, fail to mention the recognition of impairment in connection with the asset. As 2022 was the first year in which Pecém could take part in the backup capacity auction, and given that the auction has been cancelled, the fact that these assumptions had been made for the impairment test led to an impact in the amount of BRL 1.2 billion. The Company's decision to recognize this impairment at this point is based on the fact that EDP Brasil has always prized reliability, caution and transparency in all of its activities.

Execution excellence in Transmission

The outgoing Fiscal Year was marked by the completion of the acquisition of EDP Goiás in a record-setting time. A clear and coordinated transition process conducted in less than 100 days enabled integrating the asset with the Company's systems, guaranteeing important synergies and adding agility to processes.

As one of EDP Brasil's trademarks, we also achieved early completion of important lots in our portfolio, such as EDP Transmissão Aliança SC and EDP Transmissão SP-MG. Energization of these lines represents 90% of the portfolio's total RAP, anticipation of which directly reflects on margins and shareholder value generation. As for new investments, we were the winning bidders for lot 2 in the latest auction, an asset that has synergies with another lot previously acquired in northern Brazil in 2021.

Focus on the EDP Distributed Solar Generation model

One of the Fiscal Year's most important achievements was the validation of the EDP Distributed Solar Energy model. We launched a new product, remote shared energy solar farms, to bring clean energy and savings to small and medium businesses. With the market's rapid and positive response, we will this year expand production units and regions served. The target is to reach 1 GW in solar generation in Brazil by 2025, offering solutions to contribute to keeping climate change in check and provide additional efficiency and savings to our customers. We further announced, in partnership with EDP Renováveis, a new large-scale photovoltaic project with 255 MWac in capacity and slated to commence operations in 2024. With these actions, we reached yearend with 450 MWac in our portfolio.

Financially Solid

Amid an adverse scenario of high inflation and interest rates, financial soundness and efficiency become more and more necessary. EDP Brasil maintained a constant focus on keeping appropriate financial levels in line with the Company's policies. As a fruit of our people's hard work and commitment, we once again showed or effectiveness in this area, with a balanced leverage at 2.4x Net Debt-to-Adjusted EBITDA.

ESG Leadership

Last, but not least, FY 2022 also led to a strengthening of our culture and commitment to sustainability, something that we implement daily in each of our activities and ascertain by means of an internal metrics system. For the second consecutive year, we were the leaders of the B3 ISE sustainability rankings, with scores above the industry average on five dimensions, in addition to standing as a portfolio benchmark on the Human Capital dimension.

On the Inclusion and Diversity front, another priority agenda, we made progress on significant accomplishments, such as the graduation of the first two classes of the Affirmative Electrician School for Trans Individuals, a pioneering initiative in Brazil, as well as the adherence to the Dignified Wage Movement, a component of the United Nations' Global Compact. In the face of a devastating social situation, another noteworthy initiative

has been Iluminando Oportunidades ("Lighting Up Opportunities"), whose purpose has been to provide opportunities, training and employability to the most vulnerable.

With so many gains and accomplishments, I would like to thank each of the almost 12 thousand people who make up EDP Brasil for their commitment, dedication and daily work. I am confident that 2023 will be even more important for the Company's history and the realization of our growth strategy, which is constantly based on sustainability and excellence.

Thank you,

João Marques da Cruz

1. Corporate Profile

EDP Energias do Brasil ("EDP Brasil"), a subsidiary of EDP Portugal ("EDP Group"), one of Europe's top energy industry operators, is a holding company that holds investments in the Generation, Distribution, Trading, Customers, and Other segments. In Generation, it controls the operations of conventional projects (Hydro Plants and one Thermal Plant) in five Brazilian states (Mato Grosso, Tocantins, Ceará, Pará and Amapá), with 2.7 GW in installed capacity. In Distribution, it operates two distribution companies in the states of São Paulo and Espírito Santo, and holds a 29.90% equity interest in Celesc, in the state of Santa Catarina. In Trading, it trades Power Purchase Agreements with customers throughout the country. In Transmission, the Company's operations began in 2016, and it now holds seven projects for a total length of 2,714 km, with nine substations – of which 2,199 km are operational and 515 km are under construction or in their licensing phase. In Customer, it operates through EDP Smart, a brand launched in 2019 that collects the entire portfolio of services on offer to business and residential customers, with integrated solutions in the areas of free-market commercialization, retail, energy efficiency, solar energy, electric mobility and end-consumer services.

1.1 Corporate Changes

On December 7, the Company completed the disposal of 100% of the equity stock of Energest S.A. to VH HYDRO BRASIL HOLDING S.A.

2. Economic and Hydrological Impacts Affecting the Electric Energy Sector

In 2022, the Brazilian economy was marked by the unstable world macroeconomic scenario, particular emphasis due on the war in Ukraine, inflation in the United States and COVID-19 cases in China; and domestically on the presidential elections, the recovery of economic activity, and the progress in vaccination against the COVID-19 pandemic. Gross Domestic Product (GDP)[1], the sum of all final goods and services produced domestically, was up 3.2% YTD as of September, with manufacturing (1.3%) and services (4.4%) trending up, while agribusiness was down (1.5%).

Caution arising from the war in Ukraine, the emergence of new Coronavirus variants and the elections in Brazil caused fears concerning the country's future prospects and, as a consequence, the possibility of economic policy changes leading to reduced growth.

Given this context, industrial output[2] reached yearend 2022 down 0.7%, with negative results for 17 out of 26 activities with impact on the sector. The main negative influences on manufacturing results came from extraction industries (-3.2%), metal goods (-9.0%), metallurgy (-5.0%), electric machinery, devices and materials (-10.7%), and rubber and plastic goods (-5.7%).

In 2022, tax cuts, the injection of extra funds into the economy by means of the release of extraordinary FGTS drawdowns, Holiday Bonus anticipation for retirees and pensioners, and the setting of minimum income ("auxílio Brasil") at R$ 600.00 had a positive influence on economic activities associated with household consumption.

Retail[3] was up 1.1% YTD in November. The sector's main highlight is the fuels and lubricants segment (+16.0%), due to the tax cuts implemented in the latter half of the year. More income-sensitive activities and those associated with essential goods, such as food retail (+1.2%) and drugstores (+7.0%), also posted good results. As for the furniture and appliances (-7.5%) and other personal and household use articles (-8.4%) segments, where demand is more sensitive to credit and consumer confidence, performance was not positive.

The services sector[4] was up 8.5% YTD in November, with gains in four out of five activities analyzed. The most relevant positive contribution came from transportation, ancillary transportation services and mail (+13.6%). Positive contributions came as well from household services (+25.8%), professional, administrative and complementary services (+7.7%) and information and communication services (+3.7%). The only segment that was down in the year was other services (-3.3%).

Given this scenario, the Brazilian jobs market[5] maintained its upwards trend, marked by the lower unemployment rate and recovering income. Unemployment was 8.1% YTD in November, the lowest since April 2015. Average real income was estimated at R$ 2,787, up 7.1% YoY.

3. Regulatory Environment

3.1 Regulatory Changes

After 2021, a year marked by water dearth, the main focus of the 2022 regulatory agenda fell on assuring energy safety, market openness and the energy transition. Therefore, the regulatory agenda posted progress in connection with certain measures that are deemed key for the industry, particular emphasis due on:

(i) Law No. 14.300/2022 – Micro and Mini Energy Generation

On January 7, 2022, Law No. 14.300/2022 was enacted with vetoes. It establishes the landmark law for distributed micro and mini generation. The category allows and provides to consumers the ability to produce their own energy from renewable sources including (i) hydro, (ii) solar and (iii) wind, among others.

1 Source: Instituto Brasileiro de Geografia e Estatística - IBGE. Quarterly National Accounts. July/September 2022.

2 Source: Instituto Brasileiro de Geografia e Estatística - IBGE. Monthly Manufacturing Survey Physical Output – Brazil. December/2022

3 Source: Instituto Brasileiro de Geografia e Estatística - IBGE. Monthly Commerce Survey – Brazil. November/2022

4 Source: Instituto Brasileiro de Geografia e Estatística - IB. Monthly Services Survey – Brazil. November/2022

5 Source: Instituto Brasileiro de Geografia e Estatística - IBGE. PNADC – Brazil. November/2022

The letter of the law provides that micro-generators are those that generate up to 75 KW of energy from renewable sources at their consumer units. And that mini-generators generate between 75 KW and 10 MW from renewable sources.

The law authorizes existing consumer units and those that gained access to distribution companies in 2022 to continue to receive the benefits awarded by ANEEL by means of the Electric Energy Clearing System ("Sistema de Compensação de Energia Elétrica") for an additional 25 years.

This creates a transitional phase before the collection of charges. Until 2045, the existing micro- and mini-generators shall pay charge elements only on the difference between energy consumed and generated, as is the case at present.

Furthermore, the law also created the Social Renewable Energy Program ("Programa de Energia Renovável Social"), whose purpose is to fund the installation of renewable sources for low-income consumers.

(ii) CNPE Resolution No. 6/2022 – National Hydrogen Program

The National Energy Policy Council Resolution establishing the National Hydrogen Program and its governance framework was published on August 4, 2022.

The use of hydrogen still poses significant challenges to the market throughout the energy chain, including transportation, storage and consumption, creating a need for a structured view of the market's and the industry's development. The National Hydrogen Program thus aims to develop an economy in Brazil in line with other sources present in the energy matrix.

According to Art. 1 of the Resolution, the program's purposes include: (i) consolidating the hydrogen market in Brazil, (ii) including it as a priority topic for investment in research; (iii) development and innovation; (iv) de-carbonizing the economy; (v) synergies and articulation with other countries; (vi) a leading role for Brazil on the matter of "Energy Transition", and more.

These actions will therefore be coordinated and supervised by a managing committee, an inter-ministerial body made up of representatives from the Ministry of Mining and Power ("Ministério de Minas e Energia" – MME), the Office of the Chief of Staff of the President of the Republic, the Ministries of the Economy, Environment, Foreign Relations, Science and Technology, Regional Development, Education, and Agriculture, as well as the Strategic Affairs Bureau, and the participation of ANEEL, ANP and the Energy Research Company ("Empresa de Pesquisa Energética" – EPE).

Meetings will be held every three months, and Theme Panels may be created to discuss and argue issues as a means to promote hydrogen as a priority matter.

(iii) Standardizing Ordinance No. 50/GM/MME/2022 – Electric Energy Contracting

Standardizing Ordinance ("Portaria Normativa") No. 50/GM/MME/2022 was published on September 28, 2022, setting the load limit for electric energy contracting on the part of consumers.

From January 1, 2024, consumers in Group A will be able to choose to purchase electric energy from any concession holder, permit holder, or authorization holder in the National Interconnected System ("Sistema Interligado Nacional" – SIN). Group A includes: (i) CUs (consumer units) receiving energy at a voltage of 2.3 kV or more or served by means of an underground distribution system.

This usually includes large manufacturers and large commercial establishments.

In addition, Group A consumers with individual load under 500kW may also choose the source of energy purchased, as long as represented by a retail agent before the Electric Energy Commercialization Chamber ("Câmara de Comercialização de Energia Elétrica" – CCEE).

(iv) Ordinance No. 709/GM/MME – Backup Energy Revision

Ordinance ("Portaria) No. 709/GM/MME was published on December 2, 2022, carrying revised Backup Energy values for Hydroelectric Power Plants (HPPs Centrally Dispatched from the SIN, with entry into force on January 1, 2023.

The backup energy revision process reinforces the safety of service and of electric energy commercialization operations to: (i) preserve standards stability; (ii) ensure the safety of private-sector investment; (iii) comply with executed agreements; (iv) provide regulatory legal safety, and (v) enable reduced consumer energy charges.

Furthermore, the ordinance approved the Ordinary Backup Energy Report (ROGF) for HPPs centrally dispatched from the SIN, renewed by the EPE in line with methodologies and criteria set forth by the MME. The report specifies the context, method and other data for calculations in the 2022 ROGF and is compliant with the generally applicable rule providing for revisions every five years to foster transparency, predictability and legal safety.

The set of material facts applicable to Extraordinary Reviews abides by the rites and methods of the MME

(v) Decree No. 11.310/2022 – Dam Safety

Decree No. 11.310/2022 was published on December 27, 2022. It regulates aspects of Law No. 12.334/10, which created the National Dam Safety Policy ("Política Nacional de Segurança de Barragens" – PNSB). The decree proposes monitoring safety actions associated with control of multi-purpose dams, like those intended for electric energy generation.

In this sense, some of the main actions stemming from the decree include the creation of the Inter-Ministerial Dam Safety Committee. The Committee will help organize the actions of federal authorities and improve the dam safety planning, execution and monitoring processes. It will also enable policy articulation focusing on the safety of the 22 thousand registered dams, according to National Water Agency ("Agência Nacional de Águas" – ANA) data.

The Decree also provides for required escrow, insurance, bond and other guarantees and precautions concerning electric energy generation dams, preferably those in warning status. Given this, it establishes and regulates inspection activities and communication between Civil Defense and environmental authorities, indicating the necessity of studies to set the limits of self-saving zones.

4. CONSOLIDATED RESULTS

Items in R$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Trading	Transmission	Holding	Customers[2]	Others[3]	Eliminations	Consolidated[4]
	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022
Net Revenue[1]	**1,338,909**	**1,390,778**	**9,139,651**	**3,314,744**	**1,160,232**	**4,400**	**552,635**	**-**	**(1,508,076)**	**15,393,273**
Infrasctructure Construction Revenue	-	-	1,541,530	-	446,090	-	-	-	-	1,987,620
Transmission Construction Margin	-	-	-	-	(93,238)	-	-	-	-	(93,238)
Non-Manageable Expenditures	**(261,497)**	**(646,578)**	**(5,612,244)**	**(3,165,334)**	-	**-**	**(412,011)**	**-**	**1,497,327**	**(8,600,337)**
Gross Margin	**1,077,412**	**744,200**	**3,527,407**	**149,410**	**1,066,994**	**4,400**	**140,624**	**-**	**(10,749)**	**6,699,698**
Manageable Expenditures[5]	**(1,335,552)**	**(72,749)**	**(3,045,730)**	**(25,966)**	**(544,823)**	**(181,162)**	**(115,684)**	**(10,101)**	**(478,402)**	**(5,810,169)**
PMTO	**(72,741)**	**(127,442)**	**(881,194)**	**(22,345)**	**(100,213)**	**(130,755)**	**(92,047)**	**(9,515)**	**21,905**	**(1,414,347)**
Provision	(1,461)	(223)	(205,176)	(443)	(1,282)	(3,457)	(409)	-	-	(212,451)
Gain and Loss on the Deactivation and Asset Sale	-	(994)	(113,584)	-	-	(29,415)	10,466	-	-	(133,527)
Gain and Losses on Alienation of Property	**-**	**-**	**-**	**-**	**-**	**326,252**	**-**	**-**	**-**	**326,252**
EBITDA	**1,003,210**	**615,541**	**2,327,453**	**126,622**	**965,499**	**167,025**	**58,634**	**(9,515)**	**11,156**	**5,265,625**
Depreciation and Amortization	(176,587)	(1,028,853)	(304,246)	(3,178)	2,762	(17,535)	(33,694)	(586)	(500,307)	(2,062,224)
Result of Statutory Participation	58,642	-	-	18,621	-	842,448	-	135,329	(841,076)	213,964
Net Financial Result	(179,566)	(60,758)	(518,891)	(75,249)	(386,543)	27,112	(22,363)	(250,343)	-	(1,466,601)
Income Tax and Social Contribution	(188,078)	(177,764)	(418,574)	(11,062)	(156,896)	2,387	(14,025)	63,435	162,540	(738,037)
Net Income Before Minority Interests	**517,621**	**(651,834)**	**1,085,742**	**55,754**	**424,822**	**1,021,437**	**(11,448)**	**(61,680)**	**(1,167,687)**	**1,212,727**
Minority Interests	(182,550)	-	-	-	(8,739)	-	-	-	-	(191,289)
Net Income	**335,071**	**(651,834)**	**1,085,742**	**55,754**	**416,083**	**1,021,437**	**(11,448)**	**(61,680)**	**(1,167,687)**	**1,021,438**

Items in R$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Trading	Transmission	Holding	Customers[2]	Others[3]	Eliminations	Consolidated[4]
	2021	2021	2021	2021	2021	2021	2021		2021	2021
Net Revenue[1]	**1,487,116**	**2,336,898**	**10,608,838**	**2,955,211**	**642,410**	**2,981**	**259,539**	**-**	**(1,620,507)**	**16,672,486**
Infrasctructure Construction Revenue	-	-	1,097,457	-	1,053,349	-	-	-	-	2,150,806
Transmission Construction Margin	-	-	-	-	50,862	-	-	-	-	50,862
Non-Manageable Expenditures	**(325,318)**	**(1,702,116)**	**(7,838,933)**	**(2,833,989)**	-	**-**	**(177,307)**	**-**	**1,615,343**	**(11,262,320)**
Gross Margin	**1,161,798**	**634,782**	**2,769,905**	**121,222**	**693,272**	**2,981**	**82,232**	**-**	**(5,164)**	**5,461,028**
Manageable Expenditures[5]	**(491,999)**	**(65,050)**	**(2,402,021)**	**(23,112)**	**(1,081,774)**	**(145,075)**	**(118,556)**	**(4,150)**	**(26,075)**	**(4,357,812)**
PMTO	**(71,108)**	**(131,996)**	**(793,886)**	**(24,733)**	**(28,180)**	**(119,798)**	**(60,062)**	**(4,150)**	**5,164**	**(1,228,749)**
Personnel	(34,876)	(54,750)	(328,593)	(16,577)	(12,452)	(60,824)	(30,255)	(1,710)	-	(540,037)
Material	(3,316)	(20,640)	(37,913)	(111)	(573)	(929)	(8,241)	-	-	(71,723)
Third-party Services	(25,680)	(48,465)	(366,950)	(6,519)	(13,717)	(46,389)	(16,610)	(2,404)	4,874	(521,860)
Other	(7,236)	(8,141)	(60,430)	(1,526)	(1,438)	(11,656)	(4,956)	(36)	290	(95,129)
Provision	(1,006)	(141)	(169,679)	5,013	(8)	(868)	221	-	-	(166,468)
Gain and Loss on the Deactivation and Asset Sale	19	560	(67,153)	-	122	(6,843)	-	-	-	(73,295)
Gain and Losses on Alienation of Property	**-**	**-**	**-**	**-**	**-**	**320,556**	**-**	**-**	**-**	**320,556**
EBITDA	**1,089,703**	**503,205**	**1,739,187**	**101,502**	**665,206**	**196,028**	**22,391**	**(4,150)**	**-**	**4,313,072**
Depreciation and Amortization	(169,933)	(183,444)	(273,846)	(3,392)	(359)	(17,566)	(58,715)	-	(31,239)	(738,494)
Result of Statutory Participation	5,601	-	-	(4,249)	-	2,051,098	-	114	(1,810,148)	242,416
Net Financial Result	(208,229)	(77,359)	(272,512)	(12,036)	(158,809)	(63,916)	(9,805)	1,083	1	(801,582)
Income Tax and Social Contribution	(193,792)	4,158	(301,744)	(21,853)	(140,908)	(5,806)	(4,105)	549	15,634	(647,867)
Net Income Before Minority Interests	**523,350**	**246,560**	**891,085**	**59,972**	**365,130**	**2,159,838**	**(50,234)**	**(2,404)**	**(1,825,752)**	**2,367,545**
Minority Interests	(198,730)	-	-	-	(8,977)	-	-	-	-	(207,707)
Net Income	**324,620**	**246,560**	**891,085**	**59,972**	**356,153**	**2,159,838**	**(50,234)**	**(2,404)**	**(1,825,752)**	**2,159,838**

Items in R$ Thousand or %	Hydro Generation	Thermal Generation	Distribution	Trading	Transmission	Holding	Customers[2]	Others[3]	Eliminations	Consolidated[4]
	Var	Var	Var	Var	Var	Var	Var.	Var.	Var	Var
Net Revenue[1]	**-10.0%**	**-40.5%**	**-13.8%**	**12.2%**	**80.6%**	**47.6%**	**112.9%**	**n.a.**	**-6.9%**	**-7.7%**
Infrasctructure Construction Revenue	n.a.	n.a.	40.5%	n.a.	-57.7%	n.a.	n.a.	n.a.	n.a.	-7.6%
Transmission Construction Margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-manageable Expenditures	**-19.6%**	**-62.0%**	**-28.4%**	**11.7%**	**n.a.**	**n.a.**	**132.4%**	**n.a.**	**-7.3%**	**-23.6%**
Gross Margin	**-7.3%**	**17.2%**	**27.3%**	**23.3%**	**53.9%**	**47.6%**	**71.0%**	**n.a.**	**108.2%**	**22.7%**
Manageable Expenditures[5]	**171.5%**	**11.8%**	**26.8%**	**12.3%**	**-49.6%**	**24.9%**	**-2.4%**	**143.4%**	**1734.7%**	**33.3%**
PMTO	**2.3%**	**-3.5%**	**11.0%**	**-9.7%**	**255.6%**	**9.1%**	**53.3%**	**129.3%**	**324.2%**	**15.1%**
Provision	45.2%	58.2%	20.9%	n.a.	15925.0%	298.3%	n.a.	n.a.	n.a.	27.6%
Gain and Loss on the Deactivation and Asset Sale	-100.0%	n.a.	69.1%	n.a.	-100.0%	329.9%	n.a.	n.a.	n.a.	82.2%
Gain and Losses on Alienation of Property	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**1.8%**	**n.a.**	**n.a.**	**n.a.**	**1.8%**
EBITDA	**-7.9%**	**22.3%**	**33.8%**	**24.7%**	**45.1%**	**-14.8%**	**161.9%**	**129.3%**	**n.a.**	**22.1%**
Depreciation and Amortization	3.9%	460.9%	11.1%	-6.3%	n.a.	-0.2%	-42.6%	n.a.	1501.5%	179.2%
Result of Statutory Participation	947.0%	n.a.	n.a.	n.a.	n.a.	-58.9%	n.a.	118609.6%	-53.5%	-11.7%
Net Financial Result	-13.8%	-21.5%	90.4%	525.2%	143.4%	n.a.	128.1%	n.a.	-100.0%	83.0%
Income Tax and Social Contribution	-2.9%	n.a.	38.7%	-49.4%	11.3%	n.a.	241.7%	11454.6%	939.7%	13.9%
Net Income Before Minority Interests	**-1.1%**	**n.a.**	**21.8%**	**-7.0%**	**16.3%**	**-52.7%**	**-77.2%**	**2465.7%**	**-36.0%**	**-48.8%**
Minority interests	-8.1%	n.a.	n.a.	n.a.	-2.7%	n.a.	n.a.	n.a.	n.a.	-7.9%
Net Income	**3.2%**	**n.a.**	**21.8%**	**-7.0%**	**16.8%**	**-52.7%**	**-77.2%**	**2465.7%**	**-36.0%**	**-52.7%**

1 Excludes construction revenues. [2] Considers EDP Smart Energia and EDP Smart Serviços. [3] Considers PCH Santa Leopoldina e EDP Ventures. 4 Considers group intercompany eliminations.
5 Manageable expenses include depreciation and amortization.

4.1 GROSS MARGIN

Items in R$ Thousand or %	Consolidated		
	2022	2021	Var
Net Operating Revenue	**15,300,035**	**16,723,348**	**-8.5%**
Non-Manageable Expenditures	**(8,600,337)**	**(11,262,320)**	**-23.6%**
Energy Purchased to Resell	(6,916,376)	(8,834,330)	-21.7%
Charges for Usage of Basic Network	(1,290,764)	(1,238,798)	4.2%
Others	(393,197)	(1,189,192)	-66.9%
Gross Margin	**6,699,698**	**5,461,028**	**22.7%**

Gross Margin was up 22.7% in the fiscal year, due to:

(i) **Distribution:** up BRL 757.5 million, due to the tariff revision at EDP SP and to market growth at both distribution companies. However, at EDP Espírito Santo (EDP ES), the 2.2% decrease in Margin reflects the effects of a Tariff Revision that affected Parcel B;

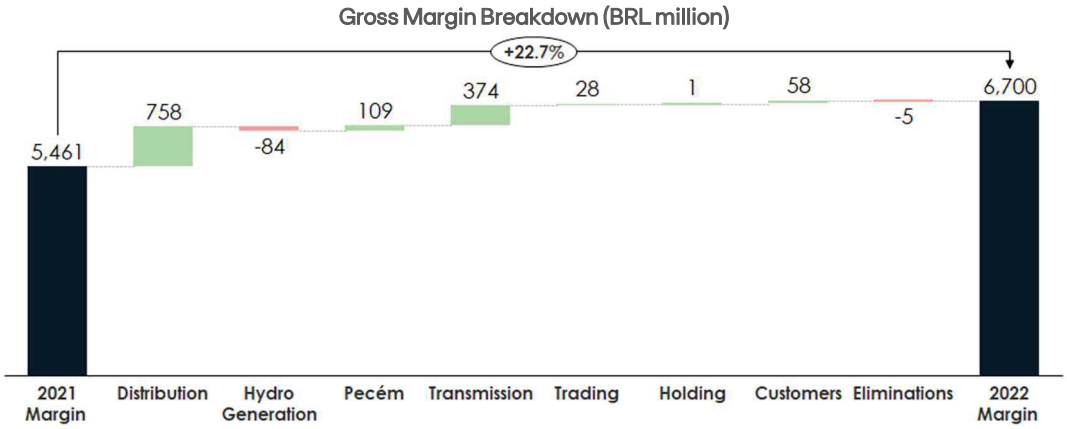
(ii) **Transmission**: up BRL 373.7 million, due to the merger of EDP Goiás in February 2022. This increase, however, was mitigated by effects had in 4Q21, with the recognition of the entirety of the tariff adjustments to lots 7, 11 and 24, which were sold in that period and had their closing in December 2021. Furthermore, also in 4Q21, the Company recognized the entirety of the tariff review of EDP Transmissão Litoral Sul, considering its concession period, pursuant to the interpretation of CVM Letter No. 004/2020;

(iii) **Hydro:** down BRL 84.4 million, due to the expiration of agreements and partial re-contracting at lower prices at Enerpeixe and Energest. In addition, the improved hydrological scenario and higher reservoir levels led to a decrease in spot market prices;

(iv) **Pecém:** up BRL 109.4 million, due to the annual restatement of sales agreements according to the IPCA inflation index. In addition, there was in 4Q21 a decrease in impairment value due to the marking to market of the coal stockpile at that moment. Ex- this effect, a Gross Margin would have been steady;

(v) **Trading:** up BRL 28.2 million, due to the increased volatility of the energy market because of the improved hydrological scenario, combined with reduced credit risk and an increase in transaction volumes; and

(vi) **Customers:** up BRL 58.4 million, due to the entry in operation of photovoltaic energy projects, in addition to the higher number of contracts established by Varejista.



Note: Transmission Gross Margin concerns Revenues from Concession Asset remuneration

4.2 MANAGEABLE EXPENDITURES

In 2022, the Company stayed on its course of efficiency and expenditures management, through process automation and digitalization initiatives, that began since the 2015 implementation of Zero-Base Budgeting.

The year was marked by resumed economic growth, with reflections on agreement revisions, resumed structuring projects, and an increase in headcount due to the Company's growing operational activities. Manageable Expenditures were mainly affected by an increase in payroll expenses[6] arising from the collective bargaining deals had in November 2021 and 2022, actions to combat irregular consumption, and increased maintenance and lease expenditures. In this sense, through assertive costs management, recurring PMTO was up 3.8% and 6.7%, in the quarter and in the year, respectively, below the period's inflation (IPCA: 7.9%)[7].

As for non-recurring expenditures, the main factors affecting Manageable Expenditures concern the increased headcount and services associated with investment in new businesses, supporting the Company's strategy of keeping growth and investment in transmission assets, the

6 Average salary adjustment of 10.5% for 2021 and 7.0% for 2022

7 2021- 2022 average

merger of EDP Goiás in February 2022, and participation in transmission auctions for the purposes of acquiring new assets. Furthermore, non-recurring expenditures increased because of intensified solar energy projects, underscoring EDP's pledge to increase its share of the segment.

The Company aims to consolidate its position as a 100-percent digital company and, as a result, has in place a strategy of investing in structuring projects leveraged by digital platforms, application modernization, Cloud strategy, and cyber-security, which will incur expenses and investments in the future. These investments enable the effective and efficient use of new technologies, simplifying and automating business processes to increase productivity.

Excerpt from Financials:

Items in R$ Thousand or %	Consolidated		
	2022	2021	Var
Personnel	(650,782)	(540,037)	20.5%
Material	(70,531)	(71,723)	-1.7%
Third-Party Services	(583,685)	(521,860)	11.8%
Provision	(212,451)	(166,468)	27.6%
Other	(109,349)	(95,129)	14.9%
PMTO	**(1,626,798)**	**(1,395,217)**	**16.6%**
PMTO (Excluding Provisions)	**(1,414,347)**	**(1,228,749)**	**15.1%**
Gain/Loss on the Deactivation/Asset Sale	(133,527)	(73,295)	82.2%
Infrastructure Construction Costs	(1,987,620)	(2,150,806)	-7.6%
Depreciation and Amortization	(2,062,224)	(738,494)	179.2%
Manageable Expenditures	**(5,810,169)**	**(4,357,812)**	**33.3%**

Items in R$ Thousand or %	2022	2021	Var
PMTO	**(1,414,347)**	**(1,228,749)**	**15.1%**
IFRS 16 Aaccountability (Rental)	(29,279)	(25,237)	16.0%
New Businesses	168,890	67,033	152.0%
Costs With Associated Revenue	17,603	17,284	1.8%
Others: Tariff Review - Lot Q	-	(1,480)	-100.0%
Auction Studies and M&A	7,962	-	n.a.
Recurrent PMTO	**(1,249,171)**	**(1,171,150)**	**6.7%**

Note: New business includes Transmission, EDP Smart Energia, EDP Ventures, EDP Smart Serviços e EDP Smart Soluções

Items in R$ Thousand or %	2022	2021	Var
Personnel	(544,691)	(499,366)	9.1%
Material	(68,138)	(62,619)	8.8%
Third-Party Services	(525,548)	(496,816)	5.8%
Other	(110,796)	(112,349)	-1.4%
Total PMSO	**(1,249,172)**	**(1,171,150)**	**6.7%**

The table below reflects PMTO, ex- non-recurring effects. Associated revenue cost concerns solar energy (EDP Smart) projects in the lease mode. For this segment, it is worth emphasizing that the Company has changed its business strategy, providing for additional action in the shared solar generation segment, which is recognized in the operational lease mode, instead of remote distributed generation, which is recognized in the financial lease mode.

The main items affecting PMTO in the fiscal year were:

(i) Personnel – up 9.1% (+BRL 45.3 million) due to the annual compensation adjustment, pursuant to the collective bargaining deals of November 2021 and 2022, in addition to increased overtime and medical care expenses;

(ii) Materials – up 8.8% (+BRL 5.5 million), due to increase vehicle-related expenditures at the distribution companies, in addition to the acquisition of PPE and maintenance and repair materials;

(iii) Third-Party Services – up 5.8% (+BRL 28.7 million) in line with the effects mentioned for the quarter, in addition to increased expenditures with labor hires and maintenance services at the distribution companies and hydro plants; and

(iv) Other – down 1.4% (-BRL 1.6 million), reflecting a decrease in logistics expenditures.

In the **Provisions** account, the civil, tax and labor provisions concerns the partial reversal of the fine associated with the infraction report issued against EDP SP, which was recognized in full in the third quarter. The Provisions for Estimated Credit Losses line was up 18.2% in the fiscal year, as discussed in the Distribution chapter.

The **Gains and losses from asset decommissioning and disposal** account was up BRL 60.2 million in the fiscal year, due to increased network replacement events at the distribution companies and an increase in asset activations, in addition to of studies with M&A projects and auctions.

The **Depreciation and Amortization** account was up BRL 1.3 million, due mainly to the recognition of Pecém's impairment in the amount of BRL 1.2 billion, as discussed in Material Events.

4.3 Equity Income

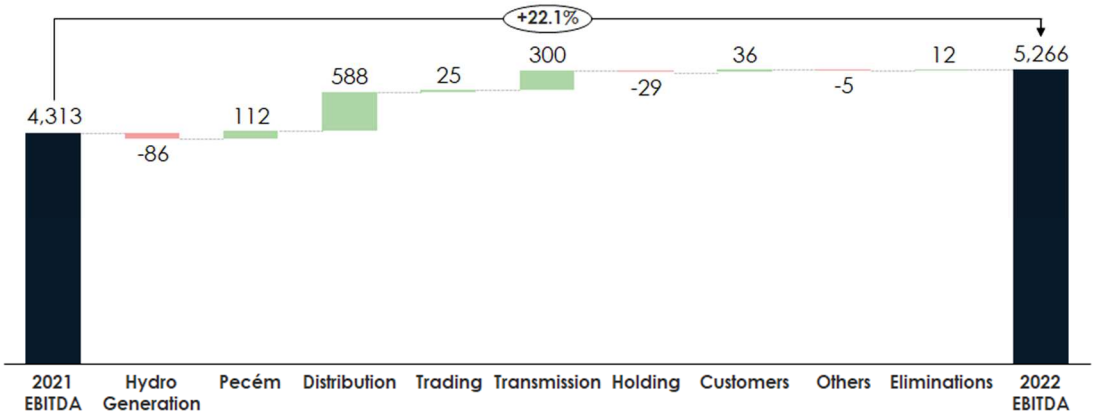
Items in R$ Thousand or %	2022	2021	Var
Santo Antônio do Jari (50.0%)[1]	77,140	63,004	22.4%
Cachoeira Caldeirão (50.0%)[1]	(3,928)	(5,623)	-30.1%
São Manoel (33.3%)[1]	(14,570)	(26,604)	-45.2%
Celesc (29.90%)[1]	156,866	211,616	-25.9%
Others[2]	(1,544)	23	n.a.
Minority Interests Result	**213,964**	**242,416**	**-11.7%**

1 Considers stakes in the assets and, in the case of Celesc, equity income relies on financial statements lagged one quarter from the date of the Company's financial statements preceding the subsidiary's disclosures calendar; 2 Considers equity income from Pecém TM, Pecém OM, Mabe and BlueSol.

The decrease in equity Income in the quarter and the fiscal year reflects the reduced income from São Manoel, Cachoeira Caldeirão and Celesc, mitigated by improved income from Jari. At Celesc, the decrease reflects the increase in actuarial liabilities, due to the higher interest rates, as well as the reduction of Parcel B in reflection of changes in the company's market mix.

4.4 EBITDA

EBITDA Breakdown (BRL million)



Note: Booking of the Transmission segment's results is in line with ICPC 01, IFRIC12

EBITDA was BRL 5.3 billion, up 22.1%, due to the previously mentioned effects.

Items in R$ Thousand or %	2022	2021	Var
EBITDA	5,265,625	4,313,072	22.1%
Update of Indemnable Financial Assets (VNR)	(384,236)	(351,166)	9.4%
Transmission EBITDA (IFRS)	(965,499)	(665,206)	45.1%
Regulatory EBITDA	535,469	113,456	372.0%
GSF risk premium – Concession extension	-	(165,084)	n.a.
Goodwill – Disinvestment	(326,252)	(320,556)	n.a.
Adjusted EBITDA	**4,125,107**	**2,924,516**	**41.1%**
Transmission: Goodwill asset rotation correction	-	283,394	n.d.
Adjusted EBITDA for dividend purposes	**4,451,359**	**3,528,466**	**26.2%**
Minority Interests Result	213,964	242,416	-11.7%
EBITDA in Accordance with CVM 527 Instruction	**5,479,589**	**4,555,488**	**20.3%**

EBITDA adjusted for non-recurring and non-cash effects was BRL 4.1 billion, up 41.1%. In addition, adjusted EBITDA for dividend purposes, pursuant to the dividends policy, was up 26.2%. In 2021, with the rotation of transacted Transmission assets, Adjusted EBITDA for dividends purposes took account of the effects of the change in goodwill between regulatory and corporate accounting.

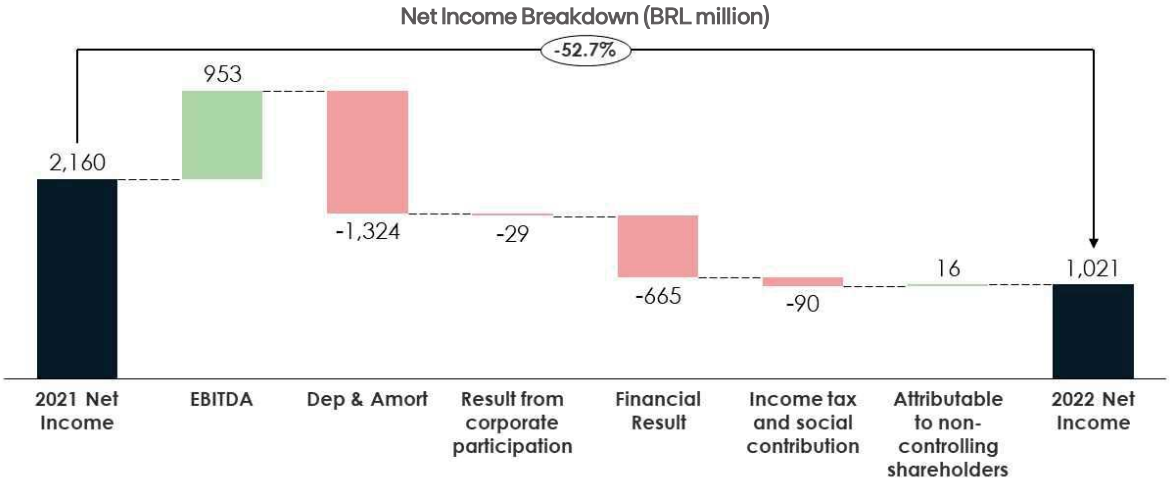
Pursuant to CVM Instruction 527, EBITDA was BRL 5.5 billion, was up 20.3%.

4.5 Financial Results

Financial Results (R$ Thousand)	Consolidated		
	2022	2021	Var
Financial Revenue	**666,223**	**306,353**	**117.5%**
Interest and Monetary Variation	638,878	357,246	78.8%
Others	27,345	12,801	-153.7%
Financial Expenditures	**(2,132,824)**	**(1,107,935)**	**92.5%**
Debt Charges	(1,782,521)	(664,079)	168.4%
Others	(350,303)	(443,856)	-11.2%
Total	**(1,466,601)**	**(801,582)**	**83.0%**

Financial Results were up 83.0% due to the effects of the rising interest rates, which had a positive effect on revenues, also influenced by the higher cash balance. On the expenses side, the effects of the previously mentioned interest rate increase led to higher charges, and funding drives led to an increase in the balance of debt.

4.6 Net Income



Net Income was BRL 1.0 billion, down 52.7%. due to the effects discussed previously. Adjusted Net Income was BRL 1.3 billion, up 14.2%.

Items in R$ Thousand or %	2022	2021	Var
Income	**1,021,438**	**2,159,838**	**-52.7%**
Update of Indemnable Financial Assets (VNR)	(253,596)	(231,770)	9.4%
Transmission Income (IFRS)	(416,090)	(356,153)	16.8%
Regulatory Transmission Income	85,931	(16,986)	(6)
Goodwill - Disinvestment[1]	(326,252)	(320,556)	0
GSF risk premium - Concession extension	-	(108,956)	(1)
Impairment	1,221,000	41,000	29
Adjusted Net Income	**1,332,432**	**1,166,417**	**14.2%**

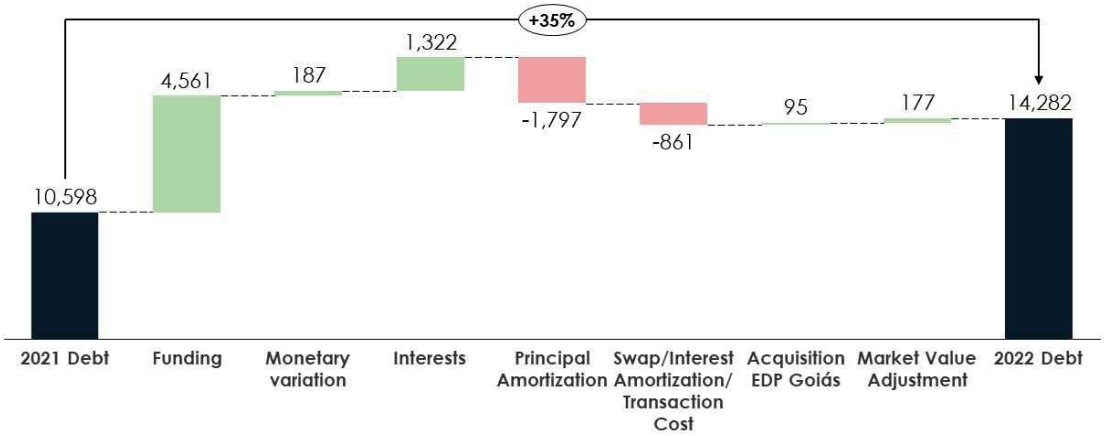
Adjusted Net Income for dividend purposes was BRL 1.6 billion, as the table below shows:

Dividends (R$ million)	2022
Income	1,021
Legal Reserve	51
Income after Legal Reserve	970
NRV	(254)
Transmission IFRS	(416)
Transmission Regulatory	86
Impairment	1,221
Net Income for dividend purposes	1,607

4.7 Debt

The Company's Gross Debt at yearend was BRL 14.3 billion, ex- the debt of unconsolidated assets, which amounted to BRL 1.3 billion.

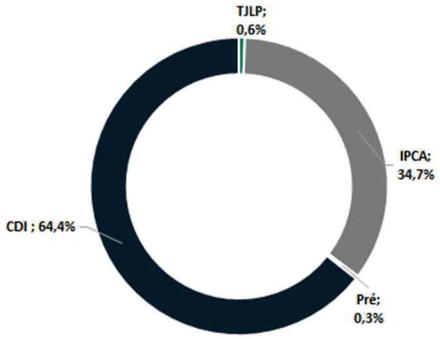
Gross Debt Breakdown (BRL million)



Note: Funding includes transaction costs from debenture issues.

The average cost of debt at yearend was 12.8% p.a., versus 9.3% p.a. in 2021, considering capitalized interest on debt and charges. The change in average cost reflects the higher CDI. Average debt maturity was 2.7 years. Considering the debt associated with the equity holdings in Jari, Cachoeira Caldeirão and São Manoel, average maturity would be 3.1 years and average cost would be 12.5% p.a.

Gross Debt by Index as of 12/31/2022



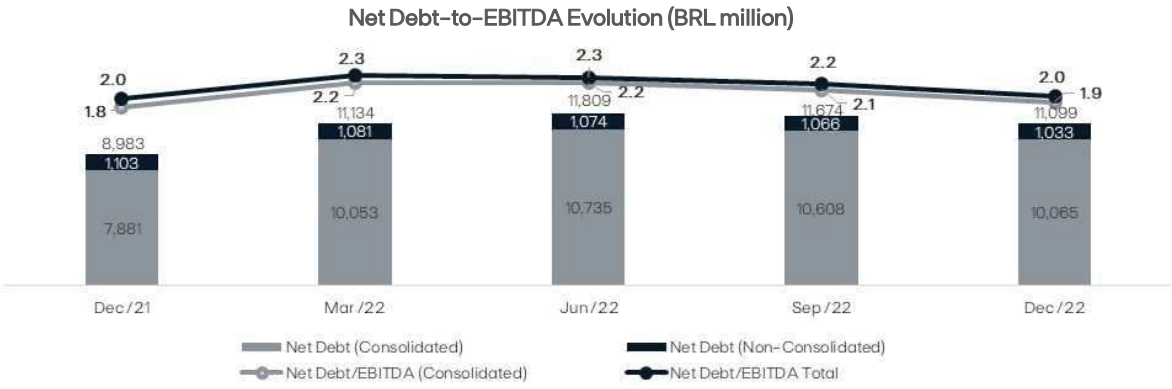
Note: CDI considers USD-denominated funding with CDI swap.

4.8 Operational Cash Flow, Net Debt And Leverage

Net Debt, considering operational cash generation and cash outlays in the period was BRL 10.1 billion, up 27.7% from 2021, due to the higher gross debt.

Net Debt Evolution (BRL million)

The consolidated assets' Net Debt-to-EBITDA ratio was 1.9x and 2.0x, considering the interests in Jari, Cachoeira Caldeirão and São Manoel. Ex-the non-cash effects of the last 12 months, the Net Debt-to-adjusted EBITDA ratio would have been 2.4x.



Note: Considers EDP's proportional stake in unconsolidated projects. Cash considers cash at hand, cash equivalents and securities.

4.9 Ratings

	Moody's		S&P		Fitch	
	National	Global	National	Global	National	Global
EDP Energias do Brasil	AAA.br	-	-	-	AAA(bra)	-
	Stable		-		Stable	
EDP São Paulo	AAA.br	-	brAAA	-	-	-
	Stable		Stable		-	
EDP Espírito Santo	AAA.br	-	brAAA	BB-	-	-
	Stable		Stable		-	
Lajeado Energia	AAA.br	-	-	-	-	-
	Stable		-		-	
EDP Transmissão SP-MG	-	-	-	-	AA+(bra)	
	-		-		Positive	
EDP Transmissão Aliança SC	-	-	-	-	AA(bra)	
	-		-		Stable	

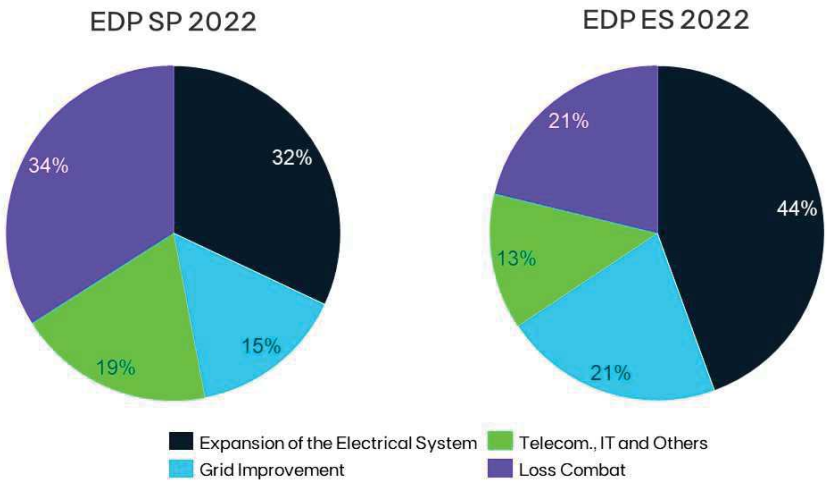
4.10 Variation in Fixed Assets

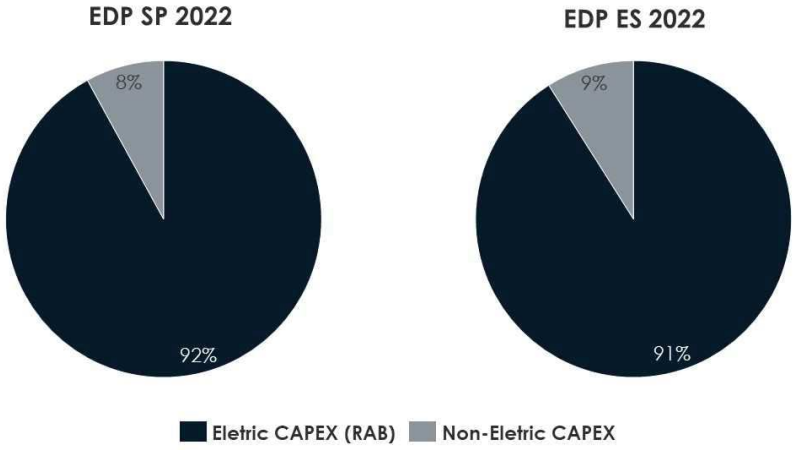
Total			
Capex (R$ Thousand)	2022	2021	Var
Distribution	**1,541,530**	**1,097,457**	**40.5%**
EDP São Paulo	858,872	517,987	65.8%
EDP Espírito Santo	682,658	579,470	17.8%
Generation	**91,471**	**56,683**	**61.4%**
Enerpeixe	6,225	3,846	61.9%
Energest	1,142	3,085	-63.0%
Lajeado / Investco	7,166	3,992	79.5%
Pecém	76,938	45,760	68.1%
Transmission	**449,506**	**1,053,349**	**-57.3%**
Solar	**156,092**	**162,998**	**-4.2%**
Others	**28,344**	**61,439**	**-53.9%**
Total	**2,266,943**	**2,431,926**	**-6.8%**
Unconsolidated generation	**21,834**	**13,161**	**65.9%**
Total	**2,288,777**	**2,445,087**	**-6.4%**

Note: Investments made in the Solar and Other Segments booked on cash basis.

Investments were BRL 2.3 billion, down 6.8%, due to the operational startup of the Transmission lots, with the exception of EDP Transmissão Norte, which is in its initial construction phase, and lot 2, acquired in the latest auction.

On Distribution, investments were BRL 1.5 billion, up 40.5% due to increased investment in expansion works, grid upgrades, and continuity indicators, in addition to loss-combat projects and investments in telecommunications, information technology and infrastructure.





In Transmission, investments were down 57.3%, due to the completion of transmission projects between the comparative fiscal years. This fiscal year saw the completed construction of EDP Transmissão Aliança SC, EDP Transmissão SP-MG, EDP Transmissão Litoral Sul and Mata Grande Transmissão de Energia.

Capex (R$ Thousand)			
Transmission Lines (Lot)	2022	2021	Var
EDP Transmissão + EDP Transmissão MA I + EDP Transmissão MA II	-	28,123	-100.0%
Mata Grande Transmissão de Energia	28,077	59,473	-52.8%
EDP Transmissão Aliança SC	28,117	396,380	-92.9%
EDP Transmissão SP-MG	75,386	410,322	-81.6%
EDP Transmissão Norte	130,570	8,049	1522.2%
EDP Transmissão Goiás	101,787	-	n.a.
EDP Transmissão Litoral Sul	85,569	151,002	-43.3%
Total	449,506	1,053,349	-57.3%

Note: On December 28, 2021, the Company competed the disposal of 100% of the equity capital of assets EDP Transmissão S.A. ("Lot 24"), EDP Maranhão I S.A. ("Lot 7") and EDP Maranhão II S.A. ("Lot 11"), in line with the Company's 2021-25 Strategic Plan

In Generation, investments were BRL 91.5 million, up 61.4%, due to investment in hydro plants' maintenance and operation, in addition to the green hydrogen project, which lies in Pecém.

In the Solar segment, investments were down R$6.9 million, as a result of the change of strategy in the segment that started to focus on shared generation for small and medium-sized companies as a growth vector, reducing the concentration in remote plants dedicated to large customers, with the development of new projects, leading to the postponement of investments for 2023.

In Other, the line was affected by investments made in 2021, due to the construction of the Company's new headquarters, in addition to energy efficiency, technology and business development projects

5. Business Areas

5.1 Distribution

EDP Distribution	Volume (MWh)			Consumers (unit)		
	2022	2021	Var	2022	2021	Var
Residential	**6,892,500**	**6,653,309**	**3.6%**	**3,248,863**	**3,154,794**	**3.0%**
Industrial	**11,574,180**	**11,606,279**	**-0.3%**	**17,576**	**22,838**	**-23.0%**
Free	10,372,643	10,239,663	1.3%	855	754	13.4%
Captive	1,201,537	1,366,615	-12.1%	16,721	22,084	-24.3%
Commercial	**4,411,044**	**4,136,404**	**6.6%**	**282,841**	**274,116**	**3.2%**
Free	1,420,258	1,268,314	12.0%	1,012	875	15.7%
Captive	2,990,786	2,868,090	4.3%	281,829	273,241	3.1%
Rural	**1,001,857**	**1,008,019**	**-0.6%**	**193,075**	**199,470**	**-3.2%**
Others	**1,983,716**	**1,985,218**	**-0.1%**	**32,527**	**29,220**	**11.3%**
Free	360,654	343,891	4.9%	14	23	-39.1%
Captive	1,623,063	1,641,327	-1.1%	32,513	29,197	11.4%
Permissionary	**44,570**	**48,256**	**-7.6%**	**-**	**-**	
Concessionaries\Generation	**583,455**	**578,437**	**0.9%**	**-**	**-**	
Total Energy Distributed	**26,491,322**	**26,015,921**	**1.8%**	**3,774,882**	**3,680,438**	**2.6%**
Free - Total	12,737,009	12,430,305	2.5%	1,881	1,652	13.9%
Captive - Total	13,754,313	13,585,616	1.2%	3,773,001	3,678,786	2.6%

EDP São Paulo	Volume (MWh)			Consumers (unit)		
	2022	2021	Var	2022	2021	Var
Residential	**4,175,252**	**4,078,193**	**2.4%**	**1,901,728**	**1,848,410**	**2.9%**
Industrial	**7,637,467**	**7,590,384**	**0.6%**	**7,905**	**12,545**	**-37.0%**
Free	6,835,164	6,696,517	2.1%	521	483	7.9%
Captive	802,303	893,867	-10.2%	7,384	12,062	-38.8%
Commercial	**2,670,383**	**2,507,300**	**6.5%**	**148,430**	**142,416**	**4.2%**
Free	920,532	830,325	10.9%	620	540	14.8%
Captive	1,749,851	1,676,974	4.3%	147,810	141,876	4.2%
Rural	**58,768**	**60,655**	**-3.1%**	**5,382**	**5,383**	**0.0%**
Others	**1,161,630**	**1,153,569**	**0.7%**	**16,210**	**15,060**	**7.6%**
Free	360,654	338,043	6.7%	14	14	0.0%
Captive	800,976	815,525	-1.8%	16,196	15,046	7.6%
Permissionary	**44,570**	**48,256**	**-7.6%**	**-**	**-**	
Concessionaries\Generation	**370,727**	**369,977**	**0.2%**	**-**	**-**	
Total Energy Distributed	**16,118,797**	**15,808,333**	**2.0%**	**2,079,655**	**2,023,814**	**2.8%**
Free - Total	8,487,076	8,234,863	3.1%	1,155	1,037	11.4%
Captive - Total	7,631,720	7,573,470	0.8%	2,078,500	2,022,777	2.8%

EDP Espírito Santo	Volume (MWh)			Consumers (unit)		
	2022	2021	Var	2022	2021	Var
Residential	**2,717,248**	**2,575,116**	**5.5%**	**1,347,135**	**1,306,384**	**3.1%**
Industrial	**3,936,713**	**4,015,895**	**-2.0%**	**9,671**	**10,293**	**-6.0%**
Free	3,537,479	3,543,147	-0.2%	334	271	23.2%
Captive	399,233	472,748	-15.6%	9,337	10,022	-6.8%
Commercial	**1,740,661**	**1,629,104**	**6.8%**	**134,411**	**131,700**	**2.1%**
Free	499,725	437,989	14.1%	392	335	17.0%
Captive	1,240,935	1,191,116	4.2%	134,019	131,365	2.0%
Rural	**943,090**	**947,363**	**-0.5%**	**187,693**	**194,087**	**-3.3%**
Others	**822,086**	**831,650**	**-1.1%**	**16,317**	**14,160**	**15.2%**
Free	0	5,848	-100.0%	0	9	-100.0%
Captive	822,086	825,802	-0.4%	16,317	14,151	15.3%
Concessionaries\Generation	**212,728**	**208,460**	**2.0%**	**-**	**-**	
Total Energy Distributed	**10,372,525**	**10,207,589**	**1.6%**	**1,695,227**	**1,656,624**	**2.3%**
Free - Total	4,249,933	4,195,443	1.3%	726	615	18.0%
Captive - Total	6,122,592	6,012,146	1.8%	1,694,501	1,656,009	2.3%

Distributed energy volume was up 1.8%. The Company presented an increase of 2.6% in the number of new customers and 13.9% in the number of free customers, which today represent 48.1% of distributed energy, as explained in the Operational Release.

CONSOLIDATED ENERGY BALANCE (GWH)

Out of the fiscal year's total required energy, 61.3% went to EDP SP and 38.7% went to EDP ES.

	EDP São Paulo	EDP Espírito Santo	EDP Distribution
Itaipu + Proinfa	2,203,199	1,714,882	3,918,081
Auction	9,207,151	6,576,331	15,783,482
Others[1]	12,035	155,227	167,262
Energy in Transit	8,487,194	4,216,259	12,703,453
Total Required Energy	**19,909,579**	**12,662,700**	**32,572,278**
Transmission Losses (+)	193,220	123,973	317,193
Losses from Itaipu (+)	115,668	89,879	205,548
Short Term Sales (-)	-954,491	-693,036	-1,647,526
Short Term Adjustments (-)	75,906	230,185	306,091
Total Losses	**1,187,473**	**676,703**	**1,864,177**
MCSD New Energy Assignment (+)	102,592	373,780	476,371
MVE (Surplus Commercialization Mechanism)	-1,323,732	-985,094	-2,308,826
Total Sales	**-1,221,140**	**-611,315**	**-1,832,455**
Required Energy	**19,943,245**	**12,597,311**	**32,540,557**
Wholesale Supply	44,570	0	44,570
Retail Supply	7,587,012	6,122,408	13,709,420
Losses and Differences	1,383,390	1,440,849	2,824,239
Energy in Transit	8,487,194	4,216,259	12,703,453
Total Energy Distributed	**17,502,166**	**11,779,516**	**29,281,682**

[1] Bilateral Agreements and Short-Term Purchases. Note: Energy balance considers metered energy.

Losses

Accumulated Losses in the Last 12 Months (GWh or %)	EDP São Paulo						EDP Espírito Santo					
	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	ANEEL	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	ANEEL
Input of Energy in Grid (A)	17,362	17,239	17,258	17,348	17,371		11,666	11,659	11,717	11,832	11,814	
Total (B+C)	1,434	1,431	1,420	1,423	1,370		1,482	1,451	1,422	1,429	1,421	
Total	8.26%	8.30%	8.23%	8.20%	7.89%	6.76%	12.70%	12.45%	12.13%	12.08%	12.03%	12.19%

Total losses were down for both distribution companies, reaching yearend at 7.91% for EDP SP, down 0.39 p.p., and 11.95% for EDP ES, down 0.50 p.p., YoY in each case. For both distribution companies, the decrease in technical losses reflects the energization of new substations, placing EDP ES 0.24 p.p. below the ANEEL target.

The decreasing path that the indicators show is the outcome of a continued improvement strategy, together with intensified loss-combat actions, mainly associated with grid armoring technologies. IN the year, the Company invested BRL 442.7 million in loss-combat projects, allocating the funds to replacement meters, field inspections, distribution grid armoring by means of BTZero technology, meter armoring in popular buildings, tele-metering devices installation and maintenance.

Quality Indicators

The distribution companies' quality indicators remained below the regulatory targets set by Aneel as a result of the improvement actions involving preventive maintenance and the use of digital platforms for field teams.

At EDP SP, the decrease is the result of the maintenance and replacement of reconnection equipment and automatic fuse boxes for the medium voltage customer base.

At EDP ES, the decrease is a result of: (i) operational startup of new substations; (ii) new feeders at the existing substations, enabling increased flexibility for the grids that the Company operates; and (iii) maintenance plans carried out over the course of the year.

It is worth emphasizing that the DEC represents 70% of the Q Component, which makes up the X Factor, used to calculate the Annual Tariff Adjustment (X Factor = Pd+Q+T). This is a method used by ANEEL to encourage the quality of the service provided, thus, the reduction of the DEC brings a substantial increase to the Company in Parcel B.

ANEEL Annual Regulatory Target for 2022

EDP SP: DEC 7.05 / FEC: 5.22

EDP ES: DEC: 9.05 / FEC: 6.41

5.2 Transmission

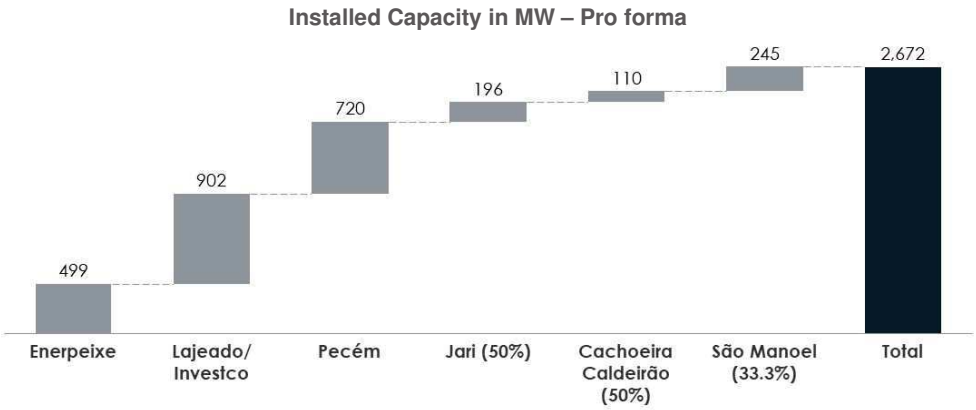
The Transmission portfolio includes 7 lots, 5 of which are commercially operational, with Net RAP was BRL 635.4 million and Regulatory EBITDA was BRL 536.1 million. Evolution of the RAP over the year is due to the scaled operational startup of the transmission lots, in addition to the annual tariff revision had in June for the 2022-2023 cycle.

Funding in the transmission segment for construction purposes amount so far to BRL 3.1 billion, with leverage of approximately 85%.

5.3 Generation

Installed Capacity

The Company has 2.7 GW in installed capacity and 1.8 GW in backup energy.

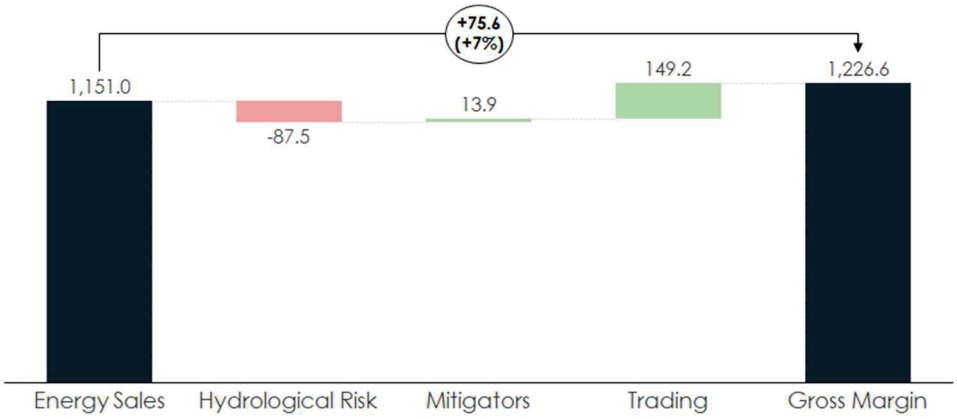


Integrated Energy Management

To mitigate hydrological risk, the company manages its energy portfolio in concerted operations between Hydro Generation and Trading, acting on energy purchase and sale transactions. The year has been marked by improved hydrology, leading to increased reservoir levels. The low growth of the demand for energy and the expansion of renewable sources like solar and wind, in addition to increased micro- and mini- distributed generation, contributed to reducing the need for dispatching from hydro sources, with a direct impact on GSF, which has remained below expected levels, and on PLD, which remained at levels close to the floor price. To reduce the effects of this scenario, the Company embraced the strategy of allocating energy, with a 23.8% in the fiscal year. The adopted mitigators protected the portfolio from the effects of average GSF, which was 85.4% in the fiscal year, in addition to the low PLD of BRL 59.0/MWh (Submarket SE/CO).

Although the favorable hydrological conditions had a positive impact on the plant´s balance sheet in 2022, the maintenance of conditions of low PLD values and, consequently, the low prices practiced in the market may have both positive and negative impacts on the revenues of hydroelectric generators in the electricity sector, depending on the energy balance resulting from the GSF or verified secondary and the contract portfolio composition.

Energy Impact on Generation and Trading (BRL million)

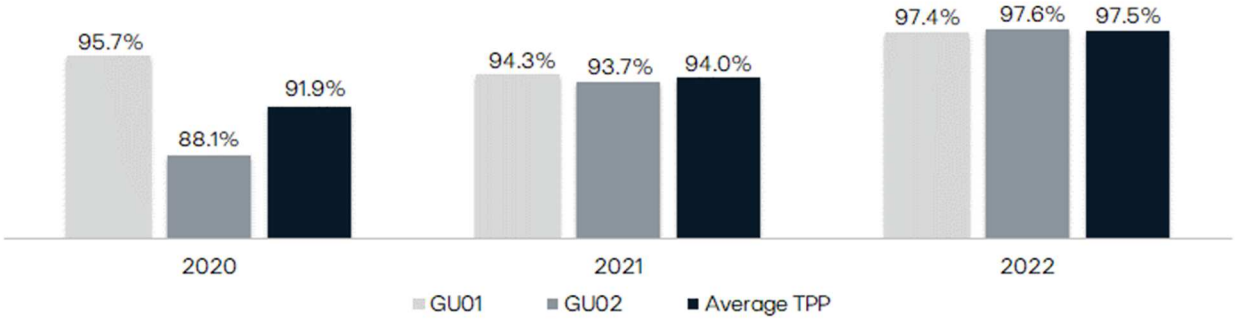


Note: Hydrological Risk considers MRE, PLD and GSF. Mitigators consider hedge, free energy, re-contracting, and energy purchases for mitigation purposes.

Pecém Uptime

The Plant's average uptime was 97.6%, due to the scheduled maintenance stop for the generator units in May. There has been no dispatching since December 2021 because of the improved hydrological scenario.

In December, EDP produced the first green hydrogen molecule in the Pecém Thermal Power Complex. The plant is a Research & Development pilot that is part of the Company's energy transition pledges. Investment in the project has been BRL 42 million and includes a solar power plant with 3 GWh in capacity.



5.3 Trading

The volume of energy traded was 17,836 GWh, up 21.4%, due to market trading opportunities and lower prices, a product of the continued favorable hydrological scenario, higher reservoir levels, realized load below estimates and the low market credit risk. In addition to the larger customer portfolio and the maintained integrated portfolio hedging strategy.

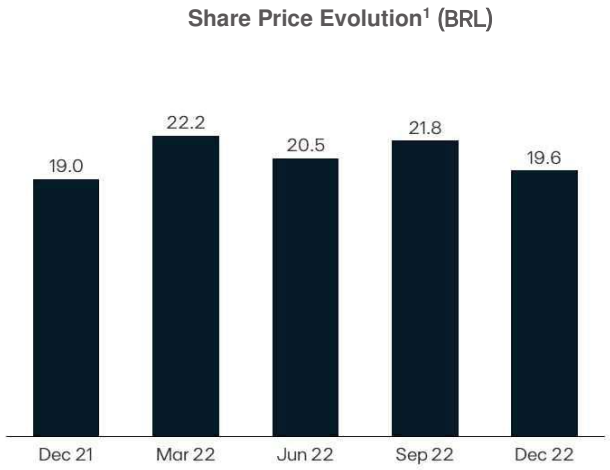
5.4 Retail and Wholesale

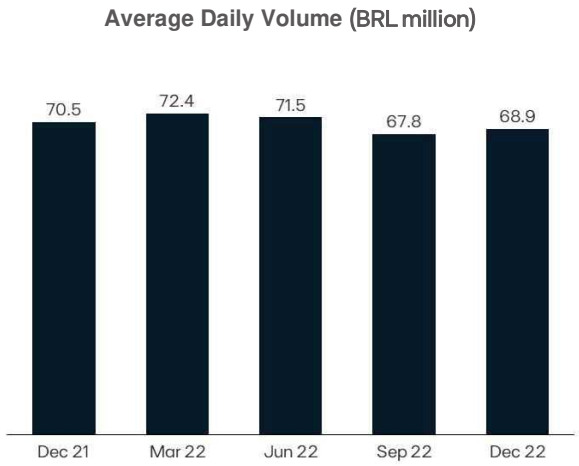
The volume of energy sold was 1,420 GWh, up 905 GWh, due to the larger customer portfolio and new agreements executed, in addition to increase migration of customers from the captive to the free market, boosted by reduced short-term prices on the spot market. It is worth emphasizing that there has been an increase arising from maintaining the strategy for renewal of customers in the existing portfolio, and regulatory changes as provided in MME Ordinance No. 50, aimed at customers with lower energy consumption.

6. Stock Markets

6.1 Share Perfomance

As of December 29, the Company's market cap was BRL 11.4 billion, with its shares trading at BRL 19.62, down 4.8% in the quarter, underperforming the Ibovespa (-0.3%) and the IEE (0.2%). In the fiscal year, the Company's shares gained 9.6%, whereas the Ibovespa was up 4.7% and the IEE 3.1%. The Company's shares were traded on every day the stock market was open for business, totaling 194.1 million shares in the quarter and 809.7 million shares in the year. Daily average was 3.24 million shares. The fiscal year's financial volume was BRL 17.5 billion, for a daily average of BRL 70.1 million.





[1] Considers adjustment s for proceeds until 01/02/2023

6.2 Capital Stock

As of December 29, the Company's capital stock was fully represented by 581,165,268 common nominative shares. Out of the total shares, 239,991,267 made up the free float, in line with the B3 Novo Mercado Listing Regulations, 15,186,053 shares were held in treasury, and 261,954 were allocated to the executive Long-Term Incentive plan.

6.3 Dividends

On December 28, the Company's Board of Directors approved payment of Interest on Shareholder' Equity in the amount of BRL 651.2 million, equivalent to BRL 1.15 per share. In addition, the Company will submit to the Annual General Meeting (AGM) to be held April 11, 2023, total dividends in the amount of BRL 153.2 million, equivalent to BRL 0.27 per share, for a total BRL 1.42 per share.

7. ESG in Sustainability Performance

EDP Brasil's commitment to Ethical and Sustainable Development lies at the heart of its actions, which is why the Company has for 17 years been listed in the Business Sustainability Index ("Índice de Sustentabilidade Empresarial" – ISE) and, more recently, in the Carbon-Efficient Index ("Índice Carbono Eficiente" - ICO2), both of the B3. In the 2022/2023 ISE portfolio, EDP Brasil placed first in the ISE's overall rankings for the second consecutive year, ahead of the 69 other companies that make up the ISE portfolio. In addition, EDP Brasil maintained its "Leading" rating according to the Carbon Disclosure Project ("CDP") – Climate index, scoring an "A-".

Aside from its in-house pledges, such as the 2021-2025 Strategic Plan, EDP Brasil upholds its pledge to contribute to nine out of the 17 Sustainable Development Goals ("SDG") of the United Nations Organization ("UN").

7.1 ESG Indicators

EDP Brasil's environmental, social and governance indicators are disclosed quarterly in the Company's ESG Performance Reports, as well as in the Annual Report. For additional details on EDP Brasil's performance in 2022 and the fiscal year's main cases and highlights, view the Annual Sustainability Report.

7.2 ESG Pledge Highlights

Environmental

EDP Brasil has since 2021 maintained its Circular Economy Program, which uses a systemic approach to implement circular resource flows to regenerate, retain or add value to the materials and equipment needed for its operations, in such a manner as to ensure effective use of resources by proposing circular business solutions and models. Some projects within the general topic of the circular economy include the circularity of waste associated with transmission construction works, the re-use of ashes from the Pecém TPP, the use of vegetable oil in Distribution transformers, and the development of proofs of concept to enable increasing the circularity of other materials.

Solar generation will be among EDP Brasil's strategic growth segments until 2025, by which time the Company aims to reach 1 GW in installed capacity for this generation mode. EDP Brasil's investment in solar energy is one of the Company's responses to the climate crisis, consolidating our role in the Brazilian electric energy sector's energy transition.

After the 2021 announcement of the Monte Verde solar farm (in the state of Rio Grande do Norte), EDP Brasil announced in 2022 a second large-scale solar farm. Similarly executed in partnership with EDP Renováveis, the EDP Group's global vehicle for renewables, the Novo Oriente Solar

Farm will have 255 MWac in installed capacity and will be built in Ilha Solteira (state of São Paulo). Between 40% and 50% of the new farm's generation are already contracted by anchor customers with long-term power purchase agreements.

Social

The year 2022 was marked by positive results from the Inclusion and Diversity Program vis-à-vis the agenda's goals. Hiring diversity reached yearend at 62.9% vs. the 55% that had been set as a goal. The goals for women and African-Brazilians in leadership roles also reached the original targets, at 20.7% and 16.2%, respectively (goals at 20% and 15%). Another period highlight was the Electrician Schools for trans individuals in the states of São Paulo and Espírito Santo. Over the duration of the three-month program, participants gained access to comprehensive professional training provided by SENAI, in addition to potential hiring upon graduation. The program is a pioneering initiative in the electric energy industry and reaffirms EDP Brasil's commitment to strengthening inclusion and diversity within the Group.

Also in 2022, EDP Brasil partnered with Atento to launch the Iluminando Oportunidades ("Lighting Up Opportunities") program, which focuses on job opportunities for the homeless. The program aimed to train 20 individuals experiencing vulnerable conditions through consumer relations training, which is Atento's area of operations. The program launch took place at the Portuguese Language Museum, in São Paulo. In addition to the commencement lecture, students attended a guided tour of the space. Training took place over two weeks and each student earned a R$ 400 support allowance. Recruitment for the program was active through social programs (the Caminhos Project, led by father Julio Lancellotti, the Cisarte space, and the SP Invisível NGO) which approached individuals in their networks who matched the required behavioral and technical profiles.

Governance

In its 17th consecutive year as a listed company in the B3's ISE, EDP Brasil placed first in the overall rankings for the second consecutive year. The company increased its score from the previous year, with 2.13 points, outperforming the industry's average on five dimensions: human capital (where it was also named a benchmark), corporate governance and senior management, social capital, the environment, and climate change. Performance in these rankings, which help guide investors in their decision-making as concerns ESG practices, reaffirms the recognition of EDP's leading role as a benchmark for the environmental, social and corporate governance pillars worldwide.

7.3 Innovation

EDP Brasil is committed to anticipating industry trends, such as de-carbonization, digitalization and de-centralization, to foster the energy transition in Brazil. Innovation plays a strategic role in this process, and the trends mentioned before are pillars that drive the Company's actions, assisting in the pursuit of solutions. In 2021, the EDP Group once again consolidated its commitment to innovation and announced to the market that it intended to invest approximately € 1 billion globally by 2025. In 2022, approximately R$ 256 million were invested in innovation in Brazil, equivalent to approximately 1.6% of Net Revenues, up 17% YoY. By 2025, EDP Brasil plans to be investing 3% of Net Revenues.

The innovation area was created in 2016 and has been since committed to fostering new ways to transform the Brazilian electric energy industry. From the recognition of employees' ideas to investment in startups and small businesses, the area acts to make sure that innovation takes place end-to-end and creates tangible business results. In addition, EDP has been recognized for the third consecutive year as the electric energy industry's most innovative company by the Valor Inovação Awards and has been named a highlight by 100 Open Startups.

Since 2021, EDO Brasil's innovation area has been working with a focus on two pillars – management and business development – embracing a new operations model that aims to improve upon innovation management techniques and results, enhancing its interaction with the outside ecosystem and crystalizing internal actions within the Company.

The new operations model us supported by four strategic dimensions: integrated platform, results management, innovation factory, and high-impact transformation. These dimensions align with sound actions and investment in the innovation and communication culture, which are important activities that promote the visibility and consistency of the area's initiatives.

Innovative Culture

Based on an integrated journey, employees are encouraged to learn methodologies and tools to apply innovation in their everyday routines and develop projects on all innovation horizons, recognizing those that dedicate to the promotion of an innovative environment. We believe that innovation at EDP Brasil may come from anywhere and anyone, which is how we know how crucial it is to foster an Innovative Culture.

Our investments have been targeted at the creation of a major innovation journey, one driven by an ambition to foster new ways of thinking and acting to transform the Brazilian electric energy industry. To this end, we created We are Innovation, We are Play ("Somos Inovação, Somos Play"), a new innovation journey that embraces the in-house ecosystem and every employee in it, acting on fronts from the innovation training to the development of intrapreneurial projects, in addition to recognizing employees for their contributions to the innovation process.

By means of a partnership with innovation school Conquer, EDP developed an innovation training course that it will offer to train 100% of its employees.

Management

1. Integrated platform: intended to increase programs and events action by creating a pioneering innovation hub in Brazil aimed at integrating multiple initiatives, promoting integrated and aligned programs to create additional value both within and without the Company, fostering a journey to encourage the end-to-end innovative culture, and strengthening the Company's reputational strategy, reinforcing EDP Brasil's position as an innovation leader.

2. Innovation management system: in 2020, we unified EDP Brasil's innovation investments into a single platform, enabling centralizing tracking of each area's investments and of projects under way. Innovex (Innovation Expenditure) is the indicator that collects the entire budget devoted to innovation, be the investment internal or through R&D investments through ANEEL or other incentivized sources. The budget is set annually and for each prioritized idea a source of investments is set according to the relevant nature. The results of this survey are shared periodically with

executives and employees, containing information on the number of projects under way within the corporation, investments made, objectives, timetables, innovation types, funding sources, expected results, and other information. The survey is quarterly and stands as a key tool to managing the Company's innovation investment management and strategic direction.

Business Development

1. Innovation Factory: since 2021, the Innovation Factory has been operating in concert with the Business Units ("Unidades de Negócio" – UNs) and corporate areas. Its purpose is to develop new business and innovative solutions capable of improving upon products, services, processes and operations, in addition to providing internal support to EDP Ventures's investees to accelerate strategic opportunities for the Company and the market.

The Innovation Factory's working model is led by the Innovation Partners, innovation experts who work together with each team's areas to map challenges and opportunities and establish connections with the entrepreneurial ecosystem, expediting solutions and results. They are present in the everyday business of the Business Units to understand their challenges and develop projects and partnerships with a clear focus on the problems that require solutions.

Each Innovation Partner has specific action plans and clearly defined development phases for projects and periodic deliveries. This aims to implement a structured process for innovation projects to take place in an increasingly quick and uniform way.

The experts team also supports mapping innovation ideas from all employees, and has the authority to carry out strategic market calls, challenges, hackathons and datatowns, in addition to disclosing trends reports and producing competitive maps that support the Business Units' creation of new product and service offerings. They also provide knowledge and funding for the development of pilots that seek out startups and small businesses to generate connections and medium- and long-term connections through open innovation initiatives, such as the Starter Business Acceleration and Free Electrons programs, in addition to strategic calls for the ecosystem.

2. High-impact transformation: to further promote high-impact innovation projects in the industry, the Innovation area created a cell dedicated to assessing potential businesses, attempting to create opportunities for related markets and foster additional gains and business expansion. The team identifies, monitors and evaluates the main trends with the potential to impact the industry, as well as consumers' views of different products and services. Finally, each project may be realized through direct involvement or partnerships with firms in different segments to accelerate the development of new products, services and business models.

EDP Ventures

Since 2018, through EDP Ventures Brasil, EDP Brasil has been making venture capital investments in startups, focusing on businesses at an initial state in mature businesses. EDP Brasil was a pioneer on this front among large multinationals in Brazil, becoming the first initiative dedicated to investing corporate funds among companies in the Brazilian electric energy industry, with funds for allocation to startups active in eight innovation domains: renewable energy, smart grids, energy storage, digital innovation (blockchain, IoT, big data, virtual reality), distributed generation, green hydrogen, e-mobility, and de-carbonization of the use of energy. Eight startups have already received investments in Brazil, with over R$36 million invested in the past four years: Delfos IM (artificial intelligence for predictive maintenance in renewable energy plants), Dom Rock (Big Data & Analytics), Fractal Engenharia (hydrological risk man agent and output optimization); Voltbras (e-station management technology), Colab (popular engagement app for efficient public administration and qualification of distribution demands), Clarke Energia (digital energy management for tariff migration), Time Energy (Internet of Things company for energy efficiency purposes) and Bluesol (solar franchise business model).

In addition, the evolution of the investments portfolio takes account of other indicators of positive social impact. In this fiscal year, for example, there has been a 20% increase in the number of jobs created by the investee startups, and a 35% increase in the percentage share of women in the companies, bearing witness to the Company's pledge to invest in startups aligned with the best practices.

7.4 Strategy and Management

EDP Brasil is committed to excellence in terms of the ESG pillars and believes in sustainability as the key value of its integrated business strategy. To enable changing tomorrow, one must act in the present, as upheld by the global positioning of the EDP Group, *Changing Tomorrow Now*. For additional details, view https://www.edp.com/pt-pt/changing-tomorrow-now.

Thus, our 2021-2025 Strategic Plan drives our future vision, providing for unprecedented acceleration of the Company's growth in renewable energies, even considering our successful track record as leaders of the energy transition. Four dimensions drive the 2021-2025 Strategic Plan: Leading a Fair Energy Transition, Commitment to Protecting the Environment, Positive Impact on Society, and Strong Governance Framework.

For additional details, view https://www.edp.com/pt-pt/edp/atualizacao-estrategia-2021-2025.

Management tools

The goals management system, named "Goals Triangle", was designed to meet the Company's strategic objectives and measures the performance of the Business Units and Platforms (Business Unit groups for standardized evaluation in all of the Company's geographies). It is structured based on three dimensions, with definite weights and targets, as shown in the model below:

- **Added Value:** Financial indicators that show the Company's situation based on accounting results. This set represents 60% of the performance management system.
- **Future-ready people and organization:** Monitors employee-related indicators, such as well-being, diversity, inclusion and safety – in addition to tracking the development of innovation initiatives and new skills for increased productivity. The purpose of the indicators on this dimension is to make sure that employees are equitably treated within the processes in which they are involved, and that their needs align with those of the business. This set represents 20% of the performance management system.

- **ESG Excellence:** Monitors environmental, suppliers development, climate change, socio-environmental action, compliance, and risk management indicators, all of which are connected with EDP Brasil's actions on the environmental conservation and climate-change combat plane, among other sustainability-related topics. These actions are controlled based on indicators and goals. This set represents 20% of the performance management system.

Goals tracking and governance involves two important processes: (i) monthly critical review of indicators (Monthly Forum); and (ii) annual review, both of which conducted with the leaders and the Executive Board.

Any suggestions or directions are provided as responses to the teams, thereby establishing a virtuous circle of improvement and learning.

7.5 Customers Relations

EDP Brasil's culture integrates values and commitments involving its customers, business partners, people, communities and the environment, carrying out several actions to achieve service excellence, improving access to services in such a manner as to make them increasingly simple and comprehensive.

EDP Brasil makes available several customer service channels equipped with digital technology and artificial intelligence, such as Virtual Store, EDP Online App, ChatBot, WhatsApp and Video-service. To ensure quality service, it also has in place a modern Phone Service Center, with a team of 350 to provide appropriate, efficient and agile service, in addition to cutting-edge infrastructure and technology. The Center operates 24 hours a day, seven days a week, and is toll-free.

EDP Brasil evaluates customer satisfaction by means of indicators shown in the annual surveys carried out by industry entities like ABRADEE and ANEEL.

The Company constantly strives to reduce the rate of accidents involving electricity in the communities. To this end, in addition to investing in education campaigns that provide guidance on the safe use of energy, it has prepared a complete map of the main causes of accidents and developed several action plans. A highlight initiative is the Playing with Kites ("Brincando com Pipas") project in partnership with the EDP Institute, which aims to build awareness among children and youths about the risks of playing close to the power lines. As a result, there has been a decrease in the number of grid events leading to disconnection in the communities, and the empowerment of children and youths in the matter. Other regular initiatives are Operation Summer ("Operação Verão"), whose actions involve tools for automated service routing, the repositioning of team support bases, and partnerships with city halls, Civil Defense, Fire Departments, and Police Departments.

For in-person service in the states of São Paulo and Espírito Santo, the concession holder has personal service stores distributed among the municipalities within its concession area. Some stores also have in place self-service devices (totems and tablets).

In 2020, EDP Comercializadora ("Trading") launched a structural project in partnership with specialized consulting firms to revising internal processes in an effort to foster customer service excellence and thereby consolidate recurring revenues for the coming years. By implementing technologies, strategies and operational models to meet the industry's new regulatory changes, the Trading company aims to put customers at the heart of the business and thereby strengthen its position as an innovative company ready for the market's new challenges.

7.6 People Management

EDP Brasil's vision includes the appreciation and respect for our legacy and actions carried out in the resent, in line with the construction of a sustainable path into the future. Our ambition lies in being a leading company for Brazil's energy transition and, to accelerate these objectives, we further reinforced our We are EDP ("Somos EDP) program. Somos EDP consolidates our organizational culture, reinforcing the values of being a unique and plural organization that promotes the diversity of all stakeholders, building the required pillars to generate high employee engagement and well-being. In addition, the program acts to promote ethical and transparent processes that aim for business efficiency. The program further develops an agenda that meets the needs of our customers and of society, driven by the Company's values. Thus, EDP Brasil, as a more integrated, fluid and global organization, connects different publics and disseminates a people-centric culture that aims to reach every employee. With over 3,000 employees, there have been 469 hires and 486 terminations in 2022.

Diversity, a major strategic organizational pillar for the Company, achieved results where 50% of employees come from underrepresented groups, and the intersectionality among them is valued. Women and African-Brazilians hold 20% and 16% of leadership positions, respectively. In addition, in this year more than R$ 1 million were invested in development programs and R$ 600 thousand in skills-building programs. Particular emphasis is due on industry-pioneering initiatives, such as the delivery of the first affirmative electrician school for trans individuals in the states of Espírito Santo and São Paulo.

The year's organizational climate survey underscored the high employee engagement, keeping Brazil as EDP Brasil as an overall highlight, with 91% engagement and 92% survey response rate.

EDP Brasil has made a priority of its employees' well-being, creating initiatives to provide a better balance between their work and personal lives. The hybrid work model was implemented with 50% on-site and 50% remote attendance. For employees working the hybrid model, the company adopted Short Fridays, which consist in a weekly offsetting for all hybrid-model employees, who can enjoy shorter hours on Fridays. To further encourage balancing these actions, we created a portfolio of best practices to enable employees to become protagonists in pursuit of quality of life. In addition, we encourage actions associated with the Golden Rules, ensuring making sure that employees take their lunch hours and limiting meeting hours to between 9:00 a.m. and 17:00 p.m., with respect to specific and exceptional cases.

On the development front, we reinforced the narrative where each employee is the protagonist of their own journey. To this end, we invested in learning platforms such as Campus Online and Degreed, a platform that enables all employees to consume or create different training programs on various areas of interest beyond topics of development for their duties. The Degreed platform relies on artificial intelligence that enables self-

evaluation of skills and also makes available to managers instruments that allow evaluating skills by position and team. We also delivered programs that encourage diversity and inclusion within our organization, such as the +Inclusion ("+Inclusão") and Women Connection ("Conexão Mulheres") programs and the beginning of the Black Connections ("Conexões Pretas") program, as well as continued key actions like Affinity Groups, LGBTQIAP+ Sensitivity Building, and Black Awareness.

Another program that covers EDP Brasil's objectives involves volunteer work, a program that connects the company with employees and the community. The program operates based on three pillars: emergency causes, professional inclusion, and socio-environmental transformation, in addition to making room for volunteers to bring actions to the Company in an initiative called My Cause ("Minha Causa"). There were 2,985 attendances over the course of the year, with 1,576 unique volunteer employees, equivalent to 47% of employees engaged in volunteer actions. The program benefitted 32 social organizations and more than 10,800 people, considering welfare and skills-building initiatives. The Crossing Stories ("Cruzando Histórias") project is also a highlight, with 40 attending volunteers that supported 130 women. Another striking action was the Solidary Kilometer ("Km Solidário"), with 280 participating volunteers that donated 9,300 kilometers hiked to social projects; as a matching measure, EDP donated 1,000 saplings of native trees to the Ipê Institute.

Considering employee experience in every stage of their careers, EDP has in place a Retirement Incentive Program ("Programa de Incentivo à Aposentadoria" – PIA). Solid and with voluntary adherence, the program caters to employees who devoted lengthy periods of time to the Company's growth and development, providing distinctive termination terms and guidance for the post-employment phase.

7.7 Awards and Recognitions

EDP Brasil stood out for earning the following awards over the year: (i) 1st place in the general ranking of the B3 Business Sustainability Index (ISE B3) for the second consecutive time; (ii) for the third consecutive year, winner of the Valor Inovação Brasil 2022 Award as the most innovative company in the electric energy industry; (iii) Época 360° Award for best company in the electric energy industry, with particular emphasis on the Innovation, ESG/Socio-environmental, ESG/Governance, Future Vision, People, and Financial Performance categories; (iv) Best company in the Electric Energy industry, Guia Exame's Melhores do ESG 2022 (v) EDP Espírito Santo named 7th best distribution company in the national category, 3rd best distribution company in the southeast region in the regional and socio-environmental responsibility categories, and 2nd best in performance evolution categories by the Abradee Awards (Brazilian Electric Energy Distribution Companies Association; (vi) EDP São Paulo named 2nd best distribution company in Brazil for management quality by the Abradee Award (Brazilian Association of Electric Energy Distribution Companies); (vii) Peixe and Lajeado HPPs named by ANEEL as the two best hydro plants in Brazil according to the Regulatory Self-Assessment Statement and ANEEL's Operational Performance; (viii) Nine-time winner of the Anefac Transparency Award (National Executives Association) for accounts; (ix) Innovation leader in the Top 100 Open Corps rankings.

8. Independent Auditors

Pursuant to CVM Instruction No. 23, of February 25, 2021, the Company retained KPMG Auditores Independentes (KPMG) to provide auditing services in connection with its financial statements, as well as to review interim statements for fiscal year 2022. KPMG is not responsible for auditing metered energy values, customers, and other non-financial quantitative information.

In 2022, KPMG and its affiliates provided no services in addition to independent auditing in excess of 5% of the contract's amount. The Company's action policy, as well as that of the other member companies of the EDP Group – Energias do Brasil, in connection with the retainer of non-auditing services with the auditing firm is based on the principles that maintain the independence of independent auditors. According to internationally accepted principles, these include: (i) auditors shall not audit their own work; (ii) auditors shall not perform managerial functions with their clients; and (iii) auditors shall not promote a client's interests.

9. Financial Statements

As required by Art. 27 of CVM Instruction No. 80/22, as amended, we hereby declare that we have reviewed and are in agreement with the financial statements and with the Independent Audit Report on the Financial Statements for the fiscal year ending December 31, 2022. The Financial Statements were prepared in accordance with the accounting practices in force in Brazil and under the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

ANNUAL SOCIAL BALANCE SHEET | IBASE FORM

EDP Brasil

1 - Basis for Calculations	2022 (R$ thousands)			2021 (R$ thousands)		
Net revenues (NR)			17,287,656.00			18,874,154.00
Operating income (OI)			3,417,364.00			3,816,994.00
Gross payroll (GP)			504,628.09			453,352.34
2 - Internal Social Indicators	R$ thousands	% of GP	% of NR	R$ thousands	% of GP	% of NR
Meals	64,941.57	12.87%	0.38%	52,748.06	11.64%	0.28%
Mandatory social charges	128,422.82	25.45%	0.74%	111,388.54	24.57%	0.59%
Private pension	6,803.05	1.35%	0.04%	5,933.59	1.31%	0.03%
Health	50,234.19	9.95%	0.29%	44,519.66	9.82%	0.24%
Occupational Health and Safety	-	0.00%	0.00%	-	0.00%	0.00%
Education	-	0.00%	0.00%	-	0.00%	0.00%
Culture	-	0.00%	0.00%	-	0.00%	0.00%
Transportation	9,674.23	1.92%	0.06%	9,704.20	2.14%	0.05%
Professional skills and development	4,256.31	0.84%	0.02%	5,325.19	1.17%	0.03%
Day care or day-care support	2,679.29	0.53%	0.02%	2,151.55	0.47%	0.01%
Profit-sharing	64,670.23	12.82%	0.37%	44,351.80	9.78%	0.23%
Voluntary Resignation Program - PDV	-	0.00%	0.00%	-	0.00%	0.00%
Other	5,437.98	1.08%	0.03%	4,599.16	1.01%	0.02%
Total - Internal social indicators	**337,119.67**	**66.81%**	**1.95%**	**280,721.75**	**61.92%**	**1.49%**
3 - External Social Indicators	R$ thousands	% of OI	% of NR	R$ thousands	% of OI	% of NR
Education	2,917.90	0.09%	0.02%	3,544.00	0.09%	0.02%
Culture	9,544.00	0.28%	0.06%	8,621.00	0.23%	0.05%
Health and sanitation	336.20	0.01%	0.00%	5,695.00	0.15%	0.03%
Sports	2,736.40	0.08%	0.02%	2,390.00	0.06%	0.01%
Hunger combat and food safety	65.00	0.00%	0.00%	868.00	0.02%	0.00%
Other	1,256.00	0.04%	0.01%	1,926.00	0.05%	0.01%
Total contributions to society	**16,855.50**	**0.49%**	**0.10%**	**23,044.00**	**0.60%**	**0.12%**
Taxes (ex- social charges)	-	0.00%	0.00%	-	-	-
Total - External social indicators	**16,855.50**	**0.49%**	**0.10%**	**23,044.00**	**0.60%**	**0.12%**
4 - Environmental Indicators	R$ thousands	% of OI	% of NR	R$ thousands	% of OI	% of NR
Corporate production-/operations-related investments	253,998	7.43%	1.47%	164,668	4.31%	0.87%
Investments in external programs and/or projects	-	-	-	-	-	-
Total environmental investments*	**253,998.34**	7.43%	1.47%	**164,668.42**	4.31%	0.87%
Concerning the establishment of "annual goals" to minimize waste and overall production/operations consumption, and increase the effective use of natural resources, the company	■ has no goals in place ☐ 0-50% compliant ☐ 51-75% compliant ☐ 76 - 100% compliant			■ has no goals in place ☐ 0-50% compliant ☐ 51-75% compliant ☐ 76 - 100% compliant		
5 - Personnel Indicators	2022			2021		
Headcount at yearend	3,337			3,274		
No of hires in the fiscal year	465			410		
No of outsourced employees	8,626			13,588		
No of interns	155			146		
No of employees more than 50 years old	342			354		
No of women working at the company	770			752		
% of leadership positions held by women	21%			19%		
No of African Brazilians working at the company**	1,057			789		
% of leadership positions held by African Brazilians**	16%			12%		
No of disabled or special needs individuals	70			66		
6 - Material information concerning the exercise of corporate citizenship	2022			2021		
Ratio of highest to lowest compensation paid	47.22			47.86		
Total number of occupational accidents***	28.00			13.00		
The social and environmental projects that the company carries out defined by:	( ) senior managers	(x) senior and line managers	( ) all employees	( ) senior managers	(x) senior and line managers	( ) all employees
Workplace safety and health standards defined by:	(x) senior and line managers	( ) all employees	( ) all + Cipa	(x) senior and line managers	( ) all employees	( ) all + Cipa
As for freedom to associate, right to collective bargaining, and internal worker representation, the company:	( ) not involved	(x) abides by WLO standards	( ) incentivizes and abides by WLO	( ) not involved	(x) abides by WLO standards	( ) incentivizes and abides by WLO
Private pension covers:	( ) senior managers	( ) senior and line managers	(x) all employees	( ) senior managers	( ) senior and line managers	(x) all employees
Profit-sharing covers:	( ) senior managers	( ) senior and line managers	(x) all employees	( ) senior managers	( ) senior and line managers	(x) all employees
For supplier selection, the same ethics and social and environmental responsibility standards that the company embraces:	( ) are disregarded	( ) are suggested	(x) are required	( ) are disregarded	( ) are suggested	(x) are required
Concerning employee participation in volunteer work programs, the company:	( ) is not involved	( ) is supportive	(x) organizes and encourages	( ) is not involved	( ) is supportive	(x) organizes and encourages
Total number of consumer complaints and criticism: (internal, with procon, with the courts)	Company:	Procon:	Courts:	Company:	Procon:	Courts:
	41,714	4,451	4,539	40,799	1,811	5,240
% of complaints and criticism addressed or solved:	Company:	Procon:	Courts:	Company:	Procon:	Courts:
	99.43%	99.00%	68.50%	99.50%	99.50%	69.17%
Total added value for allocation (R$ thousands):	**10,229,717.00**			**10,448,788.00**		
Added Value Allocation (AVA):	government: 61% shareholders: 9% employees: 6% retained: 3% third parties: 21%			government: 58% shareholders: 8% employees: 5% retained: 15% third parties: 14%		

7 - Additional Information
N/A - Not Applicable.

***Note**: Investments in external programs and/or projects are booked together with operational/production investments

****Note:** Consolidation of the indicator has been amended to reflect the IBGE's definition of the category as the sum of Black and Brown individuals

*****Note:** The indicator only considers own employees (accidents with or without medical leave)

KPMG Auditores Independentes Ltda.
Rua Verbo Divino, 1400 - Parte, Chácara Santo Antônio,
CEP 04719-911, São Paulo - SP
Caixa Postal 79518 - CEP 04707-970 - São Paulo - SP - Brasil
Telefone 55 (11) 3940-1500
kpmg.com.br

Independent Auditor's Report in the Individual and Consolidated Financial Statements

To the Shareholders, Board of Directors and Management of
EDP - Energias do Brasil S.A.
São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of EDP - Energias do Brasil S.A. ("the Company"), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2022, the statements of income and other comprehensive income, changes in shareholder´s equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the EDP - Energias do Brasil S.A. as at December 31, 2022, and of its individual and consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

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

(1) ***Impairment of non-financial assets* related to the Pecem Cash Generating Unit (See explanatory notes 3.7, 4.24, 18, 23 and 24 to individual and consolidated financial statements)**
The subsidiary of Company Porto do Pecém Geração de Energia S.A. identified indicators of devaluation of its non-financial assets and performed the test of reduction to recoverable value as required by CPC 01, this devaluation generated the provision for reduction to recoverable value in the total amount of R$1,206,209, with R$833,576 referring to the reduction in the book value of assets of the subsidiary Porto do Pecém plus the reduction in the value of deferred taxes R$85,795 as well as the reduction of the fair amounts recognized in the Company at the time of the acquisition of 100% of the shares of the subsidiary Porto do Pecém in the amount of R$286,838. The subsidiary evaluates the recovery of the book value of its cash generating units ("UGCs"), based on its value in use using the cash flow method, considering certain key assumptions.

This theme was considered as one of the main audit issues due to the degree of judgment involved and the impact that any changes in these assumptions could have on the value of these assets in the individual and consolidated financial statements.

How our audit conducted this matter
Our audit procedures included, among others, the evaluation of the design and implementation, as well as the effectiveness test of key internal controls related to the preparation of cash flow projections prepared by the Company and approved by the board. With the help of our corporate finance experts, we assess the reasonableness of the main assumptions of cash flow, comparing them with historical data and market information, as well as evaluating modeling for the purpose of accurately counting cash flow. In addition, we held discussions with the Company and compared it with historical information. We also evaluate the Company's disclosures in the individual and consolidated financial statements.

Based on the evidence obtained through the above procedures, we consider that the recoverable value of non-financial assets, as well as related disclosures, are acceptable in the context of the individual and consolidated financial statements for the year ended December 31, 2022, taken as a whole.

KPMG

(2) Business combination - acquisition EDP Transmissão Goiás S.A. (See explanatory notes 3.4., 4.7 and 18.1 to consolidated financial statements)

The wholly-owned subsidiary of Companhia Pequena Central Hidrelétrica SL S.A. concluded on February 7, 2022 the process of acquiring control of EDP Transmissão Goiás S.A. (new name of Celg Transmissão S.A.), a company that operates in the energy transmission segment. This transaction represented a *business combination and was* accounted for by the application of the acquisition method. The application of the acquisition method requires, among other procedures, that the Company determine the date of effective acquisition of the control, the fair value of the transferred consideration, the fair value of the acquired assets and liabilities assumed and the calculation of the Capital Gains registered as Intangible – Concession Right. Such procedures involve a high degree of subjectivity and the need for fair value estimates based on assumptions related to the future performance of the acquired business that are subject to a high degree of uncertainty. In view of the above, we consider this matter as a main audit issue.

How our audit conducted this matter

Our audit procedures included, among others, the reading of the documents that formalized the operation, such as contracts and minutes, in order to obtain the evidence that supported the determination of the date of acquisition of the control (previous conditions obtained). With the help of our corporate finance specialists (i) we analyze the methodology used to determine the fair value of acquired assets and assumed liabilities, (ii) we evaluate the reasonableness of the assumptions used and the calculations made, compending on historical data and market information, and (iii) we recalculated the determination of the value of the operation based on the assumptions used by the Company. We also assess whether disclosures in the individual and consolidated financial statements consider all information relevant.

Based on the evidence obtained through the above procedures, we consider that the balances related to the acquisition EDP Transmissão Goiás S.A., as well as the related disclosures, are acceptable in the context of the consolidated financial statements for the year ended December 31, 2022, taken as a whole.

(3) Recognition of revenue from unbilled supply in distributors (See notes 7 and 33 to consolidated financial statements)

Part of the energy sales revenues of distributors is calculated monthly by estimating the amounts of energy supplied to consumers, not yet billed at the reporting date, due to the time lag between the date of the last reading of the meters and the year-end. As of December 31, 2022, the estimated amount of sales of electricity supplied to consumers and unbilled totaled R$504,981 thousand in the consolidated financial statements. The recognition of said revenue involves a significant judgment by the distributors of the Company to estimate the energy volume consumption supplied and its allocation to the different classes of consumers, the loss rate and the current tariff.

This matter was considered one of the key audit matters due to the relevance of the amounts and significant judgments involved in the consumption estimate, that may impact the amount of revenues and accounts receivable in the individual and consolidated financial statements.

How our audit addressed this matter
Our audit procedures included evaluating the design and implementation, as well as the effectiveness test of key internal controls related to determining the amount of unbilled supply revenue. We evaluated the main assumptions used by the Company's subsidiaries, such as technical and non-technical loss rates, actual energy load distributed in the month and average tariff. Furthermore, we evaluated the data used in the calculation of the estimate made by the Company's subsidiaries and recalculated the unbilled supply revenue. We also evaluated the Company's disclosures related to consolidated financial statements.

During our audit, we have identified adjustments that would affect the measurement of unbilled supply revenue, which were not recorded since they were considered immaterial. Based on the evidence obtained through the procedures summarized above, we have considered that the balances related to recognition of revenue from non-billed supply, as well as related disclosures, are acceptable in the context of consolidated financial statements for the year ended December 31, 2022, taken as a whole.

(4) Recognition and measurement of future energy purchase and sale operations classified as derivative financial instruments - (See Notes 15, 33 and 38.1 to the consolidated financial statements)
The subsidiaries EDP Trading Comercialização e Serviços de Energia S.A. and EDP Smart Energia Ltda. have operations for the purchase and sale of future energy and said operations fall within the definition of derivative financial instruments in accordance with CPC 48 (IFRS 9). Changes in the fair value of energy purchase and sale agreements between the date of the respective agreements and December 31, 2022 are recorded in the balance sheet and income (loss) of invested companies. The fair value of said derivatives is estimated based on an observable price, and, in part, using valuation techniques, which consider: (i) projected settlement prices for differences (PLD), (ii) energy reference prices (forward curve), and (iii) discount rate. Whenever the fair value at initial recognition for these agreements differs from the transaction price, a fair value gain or loss is recognized in profit or loss for the year.

This matter was considered one of the key audit matters due to the relevance of the amounts and significant judgments involved in the fair value estimate in the mark-to-market of the derivative financial instrument, which may impact the values of derivative financial instruments recorded in the consolidated financial statements.

How our audit addressed this matter
Our audit procedures included evaluating the design and implementation, as well as the effectiveness test of key internal controls related to determining the fair value in the mark-to-market of the derivative financial instrument (purchase and sale of future energy). With the help of our financial instrument experts, we evaluated the reasonableness of the main assumptions used in the calculation of the fair value of derivative financial instruments, such as (i) projected settlement prices for differences (PLD), (ii) energy reference prices (forward curve), and (iii) discount rate, comparing with available and observable information and other observable external data used by the by the company's subsidiaries to measure the fair value of derivative financial instruments. We also carry out an independent valuation, recalculating the fair value of the contracts. Moreover, we held discussions with the Company and compared them with historical information projected with the completion of purchases and sales already incurred. Evaluate the Company's disclosures in the consolidated financial statements.

Based on the evidence obtained through the procedures summarized above, we consider the recognition and measurement of future energy purchase and sale operations classified as derivative financial instruments, as well as the related disclosures, in the context of the consolidated financial statements for the year ended 31 December 2022, taken as a whole.

Other matters - Statements of value added
The individual and consolidated statements of value added (DVA) for the year ended December 31, 2022 consolidated prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added. In our opinion, the statements of value added have been prepared fairly, in all material respects, in accordance with the criteria determined by this Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report
Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

São Paulo, February 27, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP-027685/O-0 'F' SP
Original report in Portuguese signed by
Daniel A. da S. Fukumori
Contador CRC 1SP245014/O-2

KPMG Auditores Independentes Ltda., uma sociedade simples brasileira, de responsabilidade limitada e firma-membro da organização global KPMG de firmas-membro independentes licenciadas da KPMG International Limited, uma empresa inglesa privada de responsabilidade limitada.

KPMG Auditores Independentes Ltda., a Brazilian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.