



AXIA ENERGIA

Distribution of reserves with a bonus issue of redeemable shares

Rio de Janeiro, November 27, 2025, Centrais Elétricas Brasileiras S/A – AXIA Energia informs that, on this date, its Board of Directors (BoD) approved the calling of an Extraordinary General Meeting (EGM), to be held on December 19, 2025.

The management's proposal aims to allow the distribution of part or all of the Company's profit reserves, which totaled R\$ 39.9 billion in 3Q25. In order to preserve financial flexibility and investment capacity, avoid shareholder dilution, and at the same time safeguard the economic rights of preferred shares regarding dividends, the structure of the transaction provides for, among other measures:

1. the creation of a new class of preferred shares, redeemable and/or convertible into common shares until 2031 ("PNC"), which will be distributed to all shareholders in proportion to their ownership interest in the share capital; and
2. the creation of a new class of preferred shares that are immediately and mandatorily redeemable ("PNR") for holders of Class A and Class B preferred shares ("PNA" and "PNB"), in order to enable the payment of the 10% dividend premium to which preferred shareholders are entitled in relation to common shareholders ("Premium").

Characteristics of Class C preferred shares (PNC)

- Mandatorily convertible into common shares on a 1:1 basis until 2031, according to the schedule in Table 2
- Redeemable, at the discretion of the BoD, at the market price of the common shares at any time and in any proportion
- Voting rights (one share, one vote) without restrictions
- 100% tag-along rights
- Same economic rights as common shares ("ON") with respect to dividends
- Extinction of the share class when 100% converted and/or redeemed

Considering the voting rights of the PNCs, the poison pill provisions in the Bylaws are being adjusted to refer to the concentration of voting capital, rather than only common shares.

Conversion of PNA and PNB shares and distribution of the shares to preferred shareholders:

- a) Conversion of each PNA share into 1 Class A1 preferred share (PNA1) + 1 PNR share
- b) Conversion of each PNB share into 1 Class B1 preferred share (PNB1) + 1 PNR share

The PNA1 and PNB1 shares will also be created with the same rights as the PNA and PNB shares, respectively, plus the right to 100% tag-along.

Table 1: Shareholding composition after conversions, PNR redemption, and bonus issuance

Today	After EGM	After PNR redemption and bonus issuance
Common share class (ON)	ON	ON + PNC
PNA share class	PNA1 + PNR	PNA1 + PNC
PNB share class	PNB1 + PNR	PNB1 + PNC

PNCs to be issued:

$$\text{Number of PNC shares to be issued} = \frac{\text{VC}}{\text{value assigned at issuance}}$$

Each shareholder will receive PNC shares in proportion to their ownership in the total share capital.

Redemption value of PNR shares

$$\text{Value of PNR share} = 10\% \times \frac{\text{VC}}{\text{TS}}$$

VC = total amount to be capitalized through the bonus issuance of PNC shares;

TS = total number of shares issued by the Company before the EGM, including treasury shares;

“To enable the bonus issuance of PNC shares, without impairing the Company’s current flexibility for future capital increases, Management has proposed to the EGM an amendment to the authorized capital limit. The total amount to be capitalized and the final number of PNC shares to be issued will be set by the Board of Directors prior to the date of the EGM, so that all shareholders are informed of the amount to be granted in PNCs and the amount to be paid as redemption of the PNRs.

The PNC preferred shares will have a schedule of automatic and mandatory conversion through 2031 (Table 2), and the Board of Directors may advance the conversion at any time and in any amount.

Table 2: Schedule of automatic and scheduled conversion of PNC shares into common shares (ON)

Year	Volume of PNCs outstanding	Minimum conversion volume
2025	total PNCs (issuance date)	-
2026	96% of PNCs	4% of PNCs
2027	92% of PNCs	4% of PNCs
2028	88% of PNCs	4% of PNCs
2029	84% of PNCs	4% of PNCs
2030	80% of PNCs	4% of PNCs
2031	-	80% of PNCs

The Board of Directors may also decide, at any time and in any amount, to redeem the PNCs at the prevailing market price of the common shares (ON). In such case, the Company will disclose the decision and establish a procedure that allows PNC shareholders to opt for conversion into common shares instead of being redeemed.

PNC shares may be mandatorily redeemed if a shareholder or group of shareholders exceeds certain thresholds of voting capital concentration, as set forth in the proposal, with the aim of preserving the dispersed ownership structure.

Finally, to equalize the rights of the PNA1, PNB1, and PNC shares, AXIA Energia proposes granting 100% tag-along rights to common shares (ON).

The proposal reinforces AXIA Energia’s commitment to value creation and disciplined capital allocation, in line with best corporate governance practices.

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