

2Q23 CPFL Results

Energy for a more sustainable future

2Q23 CPFL Results

- **EBITDA** of **R\$ 3,054 million (+7.2%)**
- **Net Income** of **R\$ 1,247 million (-1.2%)**
- Net Debt of **R\$ 23.2 billion** and leverage of **1.72x Net Debt/EBITDA**
- Capex of **R\$ 1,201 million**, decrease of **-10.8%**
- Approval of **complementary dividends** in the amount of **R\$ 903 million, R\$ 0.78/share**
- **RGE** tariff revision in Jun-23, with **+1.10%** readjustment for consumers and **+1.20%** increase in **Parcel B**
- **CPFL Piratininga** tariff review, to be held in Oct-23, with **preliminary net RAB** of **R\$ 3.9 billion**
- **CPFL Santa Cruz** was the **Best Distribution Company in Brazil** and **RGE** was the **second best** in **ANEEL Consumer Satisfaction Award**

Video Conference with Simultaneous Translation into English (Bilingual Q&A)

Friday, August 11, 2023 – 11:00 a.m. (BRT), 10:00 a.m. (ET)

Zoom platform – Click here to register:

https://cpfl-br.zoom.us/webinar/register/WN_oZpmY6doQuWbCvHVKQxFZQ#/registration

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MESSAGE FROM THE CEO

We ended another semester with consistent and solid results, reflecting the materialization of all our strategic pillars. In the quarter, we posted EBITDA of R\$3.1 billion, an increase of 7.2%, and Net Income of R\$1.2 billion.

The Generation segment was the biggest contributor to this result. Apart from the effects of the consolidation of Enercan, we had one more quarter with better winds than in the same prior-year period. As a result, power generation by our wind farms increased 12.3%.

In the Transmission segment, we significantly improved our results, capturing synergies while reducing our corporate and operating costs. Revenue also contributed to the results, with the 2022 tariff adjustment increasing the Permitted Annual Revenue (RAP) by 10.1%.

Highlights in the Distribution segment include the benefits brought by tariff reviews at our three largest distributors, with the recognition of assets in the new Regulatory Remuneration Base (BRR) and the maintenance of portion B at CPFL Paulista and RGE, whose processes have already been concluded. In the most recent case – RGE, concluded in June - Net BRR approved by Aneel was R\$11 billion, with an adjustment to portion B of 1.20%.

Still on distributors, I wish to underline the reduction in defaults to close to our historic levels, thanks to lower tariffs and the improvement in real household income. It must also be highlighted that our teams continue to employ all efforts to control default levels. In energy sales, the residential and commercial segments registered remarkable growth of 2.2% and 1.6%, respectively, and remain strong despite the impacts of distributed generation, benefiting mainly from the macroeconomic scenario.

Our investments remain high across all segments. This quarter, we invested a total of R\$1.2 billion, including R\$928 million in the Distribution segment and R\$184 million in the Transmission segment. We have already invested R\$2.3 billion in the first half of the year and our estimated Capex across all businesses of the group is R\$5.2 billion in 2023.

As regards our financial discipline, cash management and optimization of the capital structure, we ended the quarter with leverage of 1.72 times the EBITDA, based on the measurement criterion used in financial covenants, and cash balance of R\$5.3 billion. Another highlight was the approval by the Board of Directors Meeting held today (August 10) of complementary dividends (related to 2022 results) amounting to R\$903 million, or R\$0.78/share, which will be paid by December 31, 2023.

I end this message celebrating our most recent achievements. CPFL Santa Cruz and RGE made us doubly proud at the Aneel Consumer Satisfaction Awards by coming 1st and 2nd, respectively. Such honors motivate us further to constantly seek excellence in the operational

and financial management of our assets, while always focusing on the quality of our processes and being alert to growth opportunities with the potential to generate value for our shareholders. I thank everyone who has been with us and let us move forward together in this journey.

Gustavo Estrella

Chief Executive Officer, CPFL Energia

Indicators (R\$ Million)	2Q23	2Q22	Var.	1H23	1H22	Var.
Load in the Concession Area - GWh	16,416	16,636	-1.32%	34,935	35,160	-0.6%
Sales within the Concession Area - GWh	17,216	17,231	-0.1%	34,906	35,142	-0.7%
Captive Market	9,755	9,912	-1.6%	20,359	20,925	-2.7%
Free Client	7,461	7,319	1.9%	14,547	14,217	2.3%
Gross Operating Revenue	13,646	13,952	-2.2%	27,057	27,377	-1.2%
Net Operating Revenue	9,389	9,324	0.7%	19,228	18,612	3.3%
EBITDA ⁽¹⁾	3,054	2,848	7.2%	6,584	5,491	19.9%
Distribution	1,804	1,848	-2.4%	4,131	3,686	12.1%
Generation	928	757	22.6%	1,865	1,430	30.4%
Transmission ⁽²⁾	260	202	28.8%	489	340	43.8%
Commercialization, Services & Others	62	41	49.4%	100	36	180.0%
Net Income	1,247	1,263	-1.2%	2,898	2,425	19.5%
Net Debt ⁽³⁾	(28,109)	(26,778)	5.0%	(28,109)	(26,778)	5.0%
Net Debt / EBITDA ⁽³⁾	1.72	2.04	-15.5%	1.72	2.04	-15.5%
Investments ⁽⁴⁾	1,201	1,346	-10.8%	2,283	2,558	-10.8%

Notes:

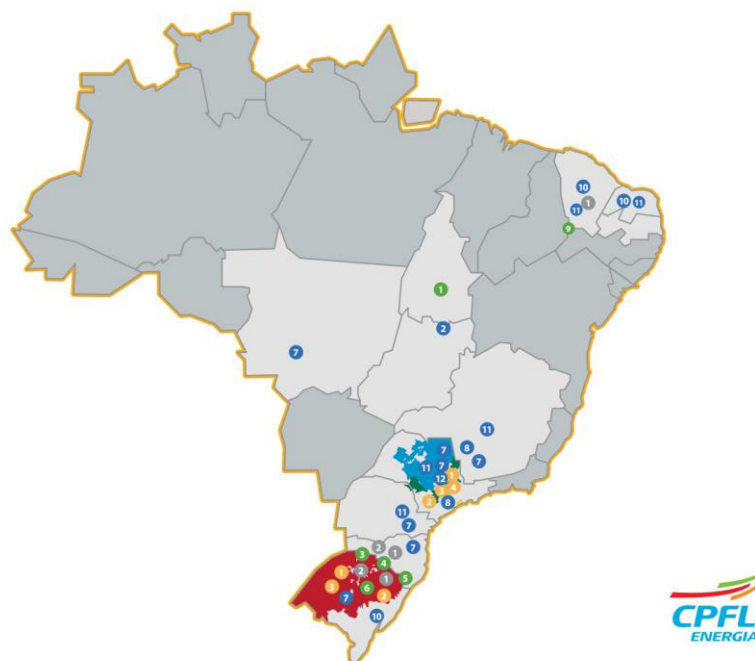
- (1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Resolution no. 156/22. See the calculation in item 3.1 of this report;
- (2) Includes CPFL Transmissão;
- (3) In financial covenants criteria, which considers CPFL Energia's stake in each generation projects and in CPFL Transmissão;
- (4) Does not include special obligations.

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Company Operation

Our Businesses



Shareholders Structure

CPFL Energia is a holding company that owns stake in other companies. State Grid Corporation of China (SGCC) controls CPFL Energia through its subsidiaries State Grid International Development Co. Ltd, State Grid International Development Limited (SGID), International Grid Holdings Limited, State Grid Brazil Power Participações S.A. (SGBP) and ESC Energia S.A.



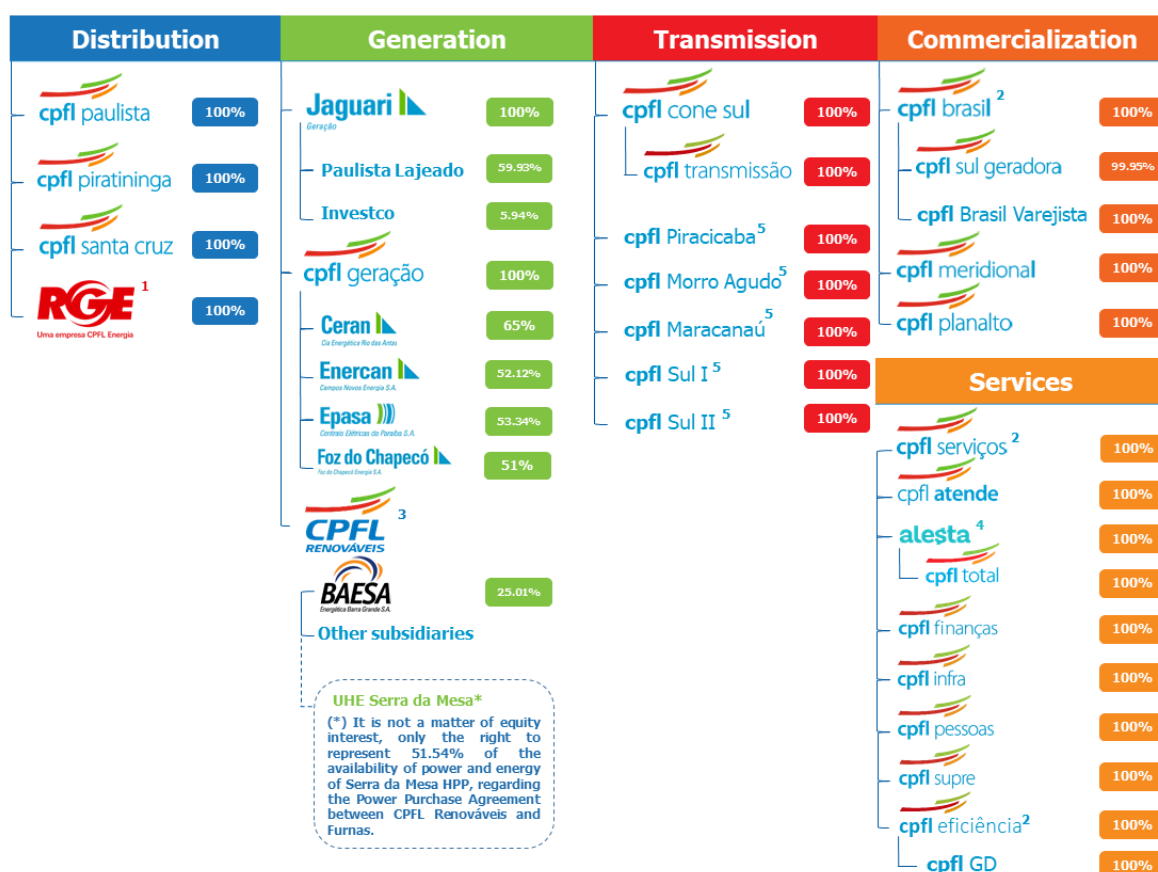
STATE GRID
CORPORATION OF CHINA

83.71%



Free Float

16.29%



Reference date: 06/30/2023

Notes:

(1) RGE is held by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);

(2) CPFL Soluções = CPFL Brasil + CPFL Serviços + CPFL Eficiência;

(3) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);

(4) Alesta is controlled by CPFL Energia (99.99%) and by CPFL Brasil (0.01%);

(5) CPFL Piracicaba, CPFL Morro Agudo, CPFL Maracanaú, CPFL Sul I e CPFL Sul II are consolidated in CPFL Geração.

Corporate Governance

The corporate governance model adopted by CPFL Energia is based on the 4 basic principles of the Brazilian Corporative Government System: transparency, equity, accountability and corporate responsibility.

CPFL's Management is composed by the Board of Directors and the Board of Executive Officers.

The Board of Directors is responsible for the strategic direction of the CPFL Group, consists of 7 members (2 independent members), whose term of office is 2 years, with the possibility of reelection. It has 5 Advisory Committees that assist in the decisions and monitoring of relevant and strategic topics, which, are namely: (i) Audit Committee (non-statutory); (ii) Related

Parties Committee; (iii) People Committee; (iv) Finance and Risk Management Committee; and (v) Strategy, Growth, Innovation and ESG Committee.

The Board of Executives consists of 1 Chief Executive Officer and 8 Vice-Chief Executive Officers, all with term of office of 2 years, with possibility of reelection, whose responsibility is the execution of the strategies of CPFL Energia and its subsidiaries, which are defined by the Board of Directors going along with the corporate governance guidelines.

CPFL Energia has a permanent Fiscal Council, composed of 3 effective members and equal number of alternates, all with 1 year of term of office, with the possibility of reelection, whose function is to perform an independent oversight role from the administrators and with the objective of preserving the value of the organization.

The guidelines and documents on corporate governance are available at the [IR website](#).

Dividend Policy

The CPFL Energia dividend distribution policy determines that the Company should distribute annually as dividends, at least, 50% of the adjusted net income¹. The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies. The Dividend Policy is available at the [IR website](#).

Complementary Dividends declaration

Following our plan to balance growth and yield, management decided to pay complementary dividends, related to 2022 results, in the amount of R\$ 903 million, corresponding to R\$ 0.78/share.

¹ It also establishes the factors that will influence in the amount of distribution, as well as other factors considered relevant for the board of directors and the shareholders. It's also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on equity that may be distributed.

2) OPERATIONAL PERFORMANCE

2.1) Distribution

2.1.1) Load net of losses in the concession area

Load within the Concession Area - GWh						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Captive Market	9,265	9,548	-3.0%	20,258	20,750	-2.4%
Free Client	7,151	7,088	0.9%	14,677	14,410	1.9%
Total	16,416	16,636	-1.3%	34,935	35,160	-0.6%

2.1.2) Sales within the Distributors' Concession Area

Sales within the Concession Area - GWh								
	2Q23	2Q22	Var.	Part.	1H23	1H22	Var.	Part.
Captive Market	9,755	9,912	-1.6%	56.7%	20,359	20,925	-2.7%	58.3%
Free Client	7,461	7,319	1.9%	43.3%	14,547	14,217	2.3%	41.7%
Total	17,216	17,231	-0.1%	100.0%	34,906	35,142	-0.7%	100.0%

Sales within the Concession Area - GWh								
	2Q23	2Q22	Var.	Part.	1H23	1H22	Var.	Part.
Residential	5,156	5,043	2.2%	30.0%	10,801	10,646	1.5%	30.9%
Industrial	6,589	6,669	-1.2%	38.3%	12,730	12,872	-1.1%	36.5%
Commercial	2,931	2,884	1.6%	17.0%	5,967	5,924	0.7%	17.1%
Others	2,540	2,635	-3.6%	14.8%	5,407	5,700	-5.1%	15.5%
Total	17,216	17,231	-0.1%	100.0%	34,906	35,142	-0.7%	100.0%

Notes:

(1) The tables with sales within the concession area by distribution company can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#);

(2) As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

Highlights in the concession area in 2Q23:

- **Residential Segment (30.0% of total sales):** growth of 2.2%, mainly associated with the positive payroll result and the vegetative growth of consumer units. On the other hand, there was an impact related to the increase in distributed generation (DG), in addition to the calendar and temperature effect, which were negative in the quarter;
- **Industrial Segment (38.3% of total sales):** reduction of 1.2%, pressured mainly by the low economic performance in the sector, considering that the industry still presents an unfavorable scenario, which can be seen in the data released for the national industrial production, which closed at -0.1% in the quarter, reflecting the predominance of negative consumption rates in 6 of the 10 sectors with the largest share in our concession area, namely: metallurgy, textile products, metallic products, pulp and paper, non-metallic minerals, in addition to machinery and equipment. Added to this, we had the impact related to the increase in distributed generation (DG);
- **Commercial Segment (17.0% of total sales):** growth of 1.6%, indicating a context of recovery in this segment, which showed improvement in the sectors with greater influence in the concession area, such as retail, wholesale, health and civil construction. Additionally, there was a positive effect of Normative Resolution (REN) Aneel No. 1,000/2021, which deals with the cadastral review of consumer units, especially rural and

public consumers, which receive tariff benefits, re-registering them as commercial in case of non-compliance with the criteria to receive the tariff benefit. Offsetting these effects, we had negative impacts of unfavorable temperature in the quarter, in addition to the increase in distributed generation (DG);

- **Others Segment (14.8% of total sales):** reduction of 3.6%, mainly attributed to the increase in distributed generation (DG), especially in the rural segment and the permissionaires, with emphasis in consumer units located in the state of Rio Grande do Sul. Also highlight is the impact of REN Aneel No. 1,000/2021, as previously explained, the migration of permissionaires to the National Grid, in addition, to the negative effect linked to the high volume of rainfall that occurred in the rural area of the concessionaires located in the state of São Paulo.

In relation to **1H23** highlights:

- **Residential Segment (30.9% of total sales):** growth of 1.5%, mainly reflecting more favorable economic scenario compared to 1H22, combined to the vegetative growth. On the other hand, we have a considerable negative effect related with the increase in DG, in addition to the impacts of temperature and calendar;
- **Industrial Segment (36.5% of total sales):** reduction of 1.1%, due to the low economic performance in the sector, considering that the national industrial production accumulates a decrease of -0.3%. Another point that contributed to the result, was the impact related to the increase in DG;
- **Commercial Segment (17.1% of total sales):** growth of 0.7%, reflecting more positive economic impacts and the re-registrations resulting from REN Aneel No. 1,000/2021, but still pressured from the DG increase, in addition to the negative effect of temperature in the period;
- **Others Segment (15.5% of total sales):** reduction of 5.1%, strongly linked to the accentuated increase in DG, mainly concentrated in the rural segment and permissionaires throughout the concession area, and in large scale in Rio Grande do Sul. Other impacts such as the REN Aneel No. 1,000/2021 effect, the permissionaires migration to the National Grid, slightly negative temperatures and higher rainfall in the rural areas of São Paulo, also contributed to the decrease in this segment.

Sales to the Captive Market - GWh						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Residential	5,156	5,043	2.2%	10,801	10,646	1.5%
Industrial	907	1,022	-11.3%	1,796	1,997	-10.0%
Commercial	1,749	1,845	-5.2%	3,618	3,838	-5.7%
Others	1,942	2,001	-2.9%	4,143	4,444	-6.8%
Total	9,755	9,912	-1.6%	20,359	20,925	-2.7%

Note: The tables with sales within the concession area by distributor can be consulted in the CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

Free Client - GWh						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Industrial	5,682	5,647	0.6%	10,934	10,874	0.5%
Commercial	1,182	1,038	13.8%	2,349	2,086	12.6%
Others	598	634	-5.7%	762	764	-0.3%
Total	7,461	7,319	1.9%	14,045	13,725	2.3%

Note: As of 1Q22, sales in the concession area also include amounts distributed to other concessionaires and permissionaires, which make use of CPFL Energia's grid ("Use D"), so that the amounts from the free market have been changed throughout the historical series.

2.1.3) Losses

The consolidated losses index of CPFL Energia was 8.19% in the 12 months ended in Jun-23, compared to 8.76% in Jun-22, presenting a decrease of 0.57 p.p. Disregarding the effect of the billing calendar in both periods, the decrease would be of 0.74 p.p. (8.80% in Jun-22 vs. 8.06% in Jun-23), indicating the improvement of the indicator, in addition to pointing to a positive perspective for the year.

12M Accumulated Losses ¹						
	Jun-22	Sep-22	Dez-22	Mar-23	Jun-23	ANEEL ²
CPFL Energia	8.76%	8.55%	8.39%	8.44%	8.19%	7.96%
CPFL Paulista	9.05%	8.76%	8.70%	8.49%	8.48%	7.90%
CPFL Piratininga	7.43%	7.47%	7.36%	7.43%	7.39%	6.47%
RGE Sul	9.52%	9.29%	8.86%	9.34%	8.38%	9.16%
CPFL Santa Cruz	7.39%	6.82%	7.08%	7.23%	7.27%	8.30%

Notes:

(1) According to the criteria defined by the Regulatory Agency (ANEEL), except for not considering distributed generation effects (DG). In CPFL Piratininga and RGE, high-voltage customers (A1) were disregarded;

(2) Aneel limit referring to 06/30/2023.

The CPFL Energia group continually seeks to reduce losses, with a high volume of investments in technology, mainly focused on combating non-technical losses, in a robust metering and grid shielding plan in 2023.

The main achievements of 2Q23 were:

- (i) Shielding of electrical borders and internal substations;
- (ii) Mapping of energy losses through microbalances;
- (iii) 112.2 thousand fraud inspections performed in consumer units;
- (iv) Replacement of more than 6.5 thousand obsolete/defective meters for new electronics;
- (v) Visit in 11.0 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (vi) Regularization of 5.2 thousand consumer units, with increase of consumption and without contract;
- (vii) Regularization of 367 clandestine consumer units, most of which having the need of CPFL Energia's grid construction;
- (viii) Market discipline through 56 news in media related to CPFL operations to fight fraud and theft.

2.1.4) SAIDI and SAIFI

The SAIDI (System Average Interruption Duration Index) measures the average duration, in hours, of consumer's interruptions per year and the SAIFI (System Average Interruption Frequency Index) measures the average number of consumer's interruptions per year. These indicators measure the quality and reliability of the electricity supply.

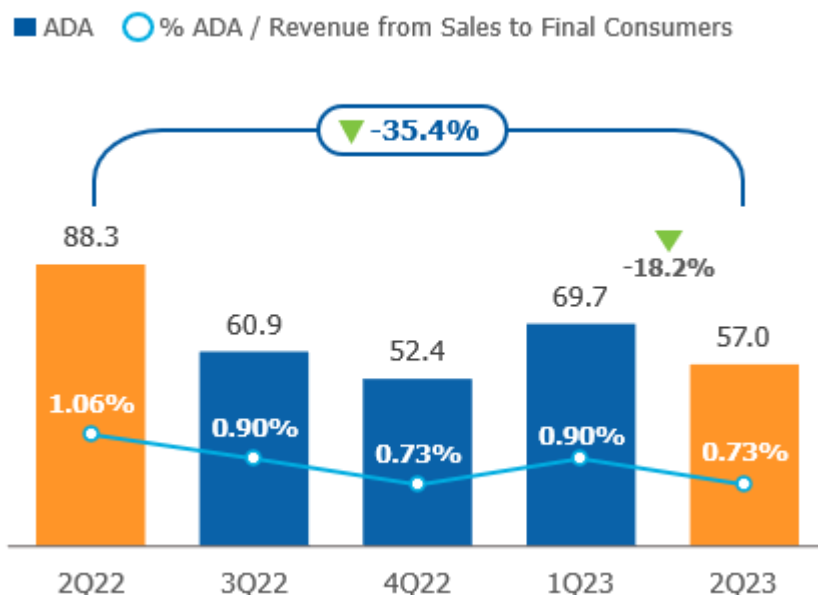
SAIDI Indicators								
Distributor	SAIDI (hours)							
	2019	2020	2021	2022	2Q22	2Q23	Var. %	ANEEL ¹
CPFL Energia	8.83	7.66	7.52	6.76	7.37	5.94	-19.4%	n.d
CPFL Paulista	6.72	6.81	6.21	5.25	5.77	4.90	-15.1%	6.41
CPFL Piratininga	6.49	5.83	5.95	4.95	5.61	4.47	-20.3%	6.02
RGE	14.01	10.83	10.84	10.55	11.23	8.77	-21.9%	10.56
CPFL Santa Cruz	5.56	4.89	5.66	4.74	5.78	4.20	-27.3%	7.98

SAIFI Indicators								
Distributor	SAIFI (interruptions)							
	2019	2020	2021	2022	2Q22	2Q23	Var. %	ANEEL ¹
CPFL Energia	4.93	4.54	4.40	3.88	4.25	3.51	-17.4%	n.d
CPFL Paulista	4.38	4.27	4.24	3.56	3.94	3.30	-16.2%	5.09
CPFL Piratininga	4.34	4.32	4.13	3.65	4.20	3.24	-22.9%	4.97
RGE	6.25	5.27	4.83	4.63	4.82	4.13	-14.3%	7.22
CPFL Santa Cruz	4.25	3.68	4.21	3.22	3.90	2.77	-29.0%	6.55

Note: (1) Aneel limit referring to 2023.

In the consolidated of the distributors, the annualized values of SAIDI and SAIFI in 2Q23 were lower than in 2Q22 (-19.4% and -17.4%, respectively), results that can be attributed to CPFL's continuous search for improvement in its operation, maturation of ADMS operating system, logistical increment, and intensification, both through new investments as in the grid maintenance operation.

2.1.5) Delinquency



In the 2Q23, the ADA registered a reduction of 35.4% (R\$ 31 million) compared to 2Q22, and a reduction of 18.2% (R\$ 13 million) compared to 1Q23.

The ADA/Revenue from Sales to Final Consumers index reached 0.73% in 2Q23, a considerable improvement from 1.06% in 2Q22, standing at the level of the **historical**

average of 0.7% to 0.8%. The factors that led to this behavior are: (i) increase in real payroll, signaling an improvement in macroeconomic indicators; (ii) favorable hydrological scenario.

In 1H23, we had a reduction of 29.0% in ADA (R\$ 51.7 million) compared to 1H22, due to the same factors mentioned above. In the ADA/Revenue from Sales to Final Consumers, the index reached 0.82%, an evolution compared to the 0.99% recorded in 1H22.

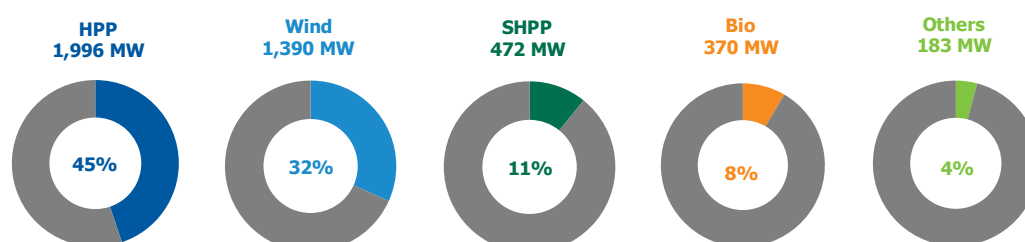
CPFL has been carrying out its collection actions according to the planned plan, as a way of ensuring control of delinquency indicators, with a focus on maintaining volumetry. In addition, we recorded the realization of 649 thousand power cuts in 2Q23, totaling 1,277 thousand power cuts carried out in 2023.

2.2) Generation

2.2.1) Operating Installed Capacity

On June 30th, 2023, the Generation operating installed capacity of CPFL Energia, considering the proportional stake in each project, is of 4,411 MW.

Operating Installed Capacity (MW)



Note: In "Others" consider 1 MW of Solar Generation and 182 MW of TPPs.

The plants in operation totalize 4,411 MW, comprising 8 HPPs (1,996 MW), 49 wind farms (1,390 MW), 46 SHPPs and MHPPs (472 MW), 8 biomass thermoelectric plants (370 MW), 2 TPPs (182 MW) and 1 solar plant (1 MW).

2.2.2) Portfolio (adding projects under construction and under development)

In MW	Portfolio						Total
	TPP	HPP	SHPP/MHPP	Bio	Wind	Solar	
In operation	182	1,996	472	370	1,390	1	4,411
In construction	-	-	28	-	-	-	28
In development	-	-	96	-	1,764	2,539	4,399
Total	182	1,996	596	370	3,154	2,540	8,838

On June 30th, 2023, the project portfolio of Generation segment (considering CPFL Energia's participation in each project) totaled 8,838 MW of installed capacity.

In addition to the projects in operation, we have PCH Lucia Cherobim (28 MW), which is still under construction, and we have wind (1,764 MW), solar (2,539 MW) and SHPP (96 MW) projects under development, totaling a pipeline of 4,399 MW.

Lucia Cherobim SHPP

Lucia Cherobim SHPP, a project located in the state of Paraná, is scheduled to start operating in 2024. In June 2023, the physical progress of the project was 37.55%. Installed capacity is of 28.0 MW and physical guarantee is of 16.6 average MW. The energy was sold under a long-term contract at the 2018 new energy auction (A-6) (price: R\$ 249.96/MWh – Jun-23).

2.3) Transmission

2.3.1) Portfolio Transmission Segment

Portfolio - Transmission Segment											
Concession Contracts	Contract Start Date	Contract End Date	CPFL - T Share	Operation Status	Estimated Delivery	Indice	RAP 2022-2023 (R\$ million)	RAP Expected 2022-2023 (R\$ million)	RAP 2023-2024 (R\$ million)	RAP Expected 2023-2024 (R\$ million)	
CEEE-T	12/31/2002	12/31/2042	100%	Operational	-	IPCA	14	-	1.122	182	-
CEEE-T	12/18/2002	12/18/2032	100%	Operational	-	IGP-M	18	-	21	-	-
CEEE-T	03/31/2021	03/31/2051	100%	Construction	2024	IPCA	10	11	-	-	12
PIRACICABA	02/25/2013	02/25/2043	100%	Operational	-	IPCA	-	-	15	-	-
MARACANAÚ	09/21/2018	09/21/2048	100%	Operational	-	IPCA	-	-	11	-	-
M. AGÚDO	03/27/2015	03/27/2045	100%	Operational	-	IPCA	918	-	19	-	-
SUL I	03/22/2019	03/22/2049	100%	Operational	-	IPCA	22	34	35	-	-
SUL II	03/22/2019	03/22/2049	100%	Operational	-	IPCA	-	43	43	-	2
TESB	07/27/2011	07/27/2041	94%	Operational	-	IPCA	28	14	37	-	6
ETAU	12/18/2002	12/18/2032	10%	Operational	-	IGP-M	57	-	55	-	-
TPAE	11/19/2009	11/19/2039	10%	Operational	-	IPCA	11	-	11	-	-

2.3.2) CPFL Transmissão Indicators

ENS – Unsupplied Energy (MWh)

The Unsupplied Energy (ENS) indicator consists of the analysis of the amount of energy interrupted due to the unavailability of Transmission assets and, therefore, verifies the effective impact of the unavailability for the society. In 2Q23, the ENS totaled 31.08 MWh vs. 236.05 MWh in 2Q22, a decrease of 759%.

This reduction occurred because there was no event responsible for a relevant amount of energy not supplied in 2Q23, while in the same period last year, there were at least 3 events responsible for an ENS greater than 30 MWh.

PVd – Discounted Variable Parcel

The Discounted Variable Portion (PVd) consists of the percentage ratio of the Variable Portion discounts effected on the basis of the Transmitter's Monthly Billing. Such data are made available monthly by the National Electric System Operator (ONS). In 2Q23, PVd totaled 1.74% vs. 0.45% in 2Q22, an increase of 26%.

The variation in the performance of the indicator is justified by two events of unavailability of assets that impacted the quarter. In comparison, the events that occurred in the second quarter of 2022 had a smaller proportion.

3) CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

3.1) Economic-Financial Performance

Consolidated Income Statement - CPFL ENERGIA (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	13,646	13,952	-2.2%	27,057	27,377	-1.2%
Net Operating Revenue	9,389	9,324	0.7%	19,228	18,612	3.3%
Revenue from building the infrastructure	1,147	1,267	-9.5%	2,072	2,309	-10.3%
Net Operating Revenue (ex-rev. from infrastructure)	8,242	8,058	2.3%	17,156	16,303	5.2%
Cost of Electric Power	(4,177)	(4,177)	0.0%	(8,553)	(8,854)	-3.4%
Contribution Margin	4,065	3,881	4.8%	8,603	7,449	15.5%
PMSO	(1,102)	(1,089)	1.2%	(2,156)	(2,058)	4.8%
Other Operating Costs & Expenses	(1,696)	(1,811)	-6.4%	(3,193)	(3,396)	-6.0%
Equity Income	84	127	-34.4%	163	243	-32.7%
EBITDA¹	3,054	2,848	7.2%	6,584	5,491	19.9%
Financial Income (Expense)	(685)	(649)	5.6%	(1,236)	(1,081)	14.4%
Income Before Taxes	1,813	1,725	5.1%	4,252	3,466	22.7%
Net Income	1,247	1,263	-1.2%	2,898	2,425	19.5%

Notes:

- (1) EBITDA is calculated from the sum of net income, taxes, financial results and depreciation/amortization;
- (2) The complete Income Statement can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
2Q23					
EBITDA ¹	1,804	928	260	62	3,054
Financial results	(462)	(160)	(44)	(19)	(685)
Net Income	703	419	150	(25)	1,247
2Q22					
EBITDA ¹	1,848	757	202	41	2,848
Financial results	(367)	(147)	(103)	(31)	(649)
Net Income	796	365	136	(35)	1,263
Variation (%)					
EBITDA ¹	-2.4%	22.6%	28.8%	49.4%	7.2%
Financial results	25.7%	9.0%	-57.6%	-38.1%	5.6%
Net Income	-11.7%	14.8%	9.8%	-28.8%	-1.2%

CPFL Energia - Key financial indicators by business segment (R\$ million)					
	Distribution	Generation	Transmission	Others	Consolidated
1H23					
EBITDA ¹	4,131	1,865	489	100	6,584
Financial results	(807)	(300)	(87)	(42)	(1,236)
Net Income	1,821	872	272	(67)	2,898
1H22					
EBITDA ¹	3,686	1,430	340	36	5,491
Financial results	(655)	(284)	6	(147)	(1,081)
Net Income	1,635	659	284	(153)	2,425
Variation (%)					
EBITDA ¹	12.1%	30.4%	43.8%	180.0%	19.9%
Financial results	23.2%	5.5%	-	-71.5%	14.4%
Net Income	11.4%	32.3%	-4.1%	-56.1%	19.5%

Notes:

(1) The analysis by business segment is presented in chapter 6;

(2) The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access it, [click here](#).

Non-cash effects, extraordinary items and others

We highlight below the non-cash effects, extraordinary items and others of greater relevance observed in the periods analyzed, as a way to facilitate the understanding of the variations in Company's results.

EBITDA effects - R\$ million	2Q23	2Q22	Var.	1H23	1H22	Var.
Adjustments to the concession financial assets (VNR)	273	439	-37.8%	634	744	-14.7%
Legal and judicial expenses	(50)	(86)	-41.5%	(110)	(126)	-13.2%
Assets write-off	(39)	(36)	9.1%	(68)	(57)	20.5%
Other extraordinary items:						
Tariff review effects (RAB reports)	60			196		
EBITDA effects (CPFL Transmissão Consolidation) - R\$ million	2Q23	2Q22	Var.	1H23	1H22	Var.
CPFL Transmissão - EBITDA IFRS (-) Regulatory EBITDA	57	56	2.2%	97	91	5.9%
EBITDA effects (Enercan Consolidation) - R\$ million	2Q23	2Q22	Var.	1H23	1H22	Var.
Enercan - equity and consolidation	200	56	257.5%	404	108	273.6%
Financial results effects - R\$ million	2Q23	2Q22	Var.	1H23	1H22	Var.
Late payment interest and fines	100	141	-28.7%	184	262	-30.0%
Mark-to-market (MTM)	(13)	43	-130.5%	75	32	135.7%

Note: The breakdown of economic-financial performance by business segment can be consulted in CPFL Energia's Historical Information Base, available in the IR website. To access, [click here](#).



The explanations below, as of November 2022, SPE Enercan (HPP Campos Novos) became 100% consolidated, line by line. Until October, it was accounted for through equity income. These effects were not excluded and contribute to the growth of the indicators presented below. For further details about this impact, see chapter 6.3 – Generation Segment.

Operating Revenue

In 2Q23, gross operating revenue reached R\$ 13,646 million, representing a decrease of 2.2% (R\$ 306 million). Net operating revenue reached R\$ 9,389 million in 2Q23, registering an increase of 0.7% (R\$ 65 million).

In 1H23, gross operating revenue reached R\$ 27,057 million, representing a decrease of 1,2% (R\$ 320 million). Net operating revenue reached R\$ 19,228 million in 1H23, registering an increase of 3.3% (R\$ 616 million).

The breakdown of net operating revenue by business segment is presented in the table below:

Net Operating Revenue (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Distribution	7,774	7,751	0.3%	15,989	15,598	2.5%
Generation	1,091	885	23.3%	2,218	1,700	30.5%
Transmission	474	496	-4.4%	874	891	-2.0%
Commercialization	509	549	-7.2%	1,030	1,082	-4.9%
Services	250	265	-5.8%	473	498	-5.0%
Elimination and Others	(709)	(622)	14.0%	(1,356)	(1,158)	17.1%
Total	9,389	9,324	0.7%	19,228	18,612	3.3%

For further details about the revenue variation by segment, see **chapter 6 – Performance of Business Segments**.

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Cost of Electric Power Purchased for Resale						
Itaipu	532	787	-32.5%	993	1,438	-30.9%
PROINFA	104	147	-29.5%	205	317	-35.4%
Auction, Bilateral Contracts and Spot Market	2,668	2,734	-2.4%	5,547	5,599	-0.9%
PIS and COFINS Tax Credit	(296)	(328)	-9.7%	(600)	(648)	-7.4%
Total	3,007	3,340	-10.0%	6,144	6,705	-8.4%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	911	668	36.5%	1,834	1,354	35.5%
Itaipu Transmission Charges	78	66	17.7%	151	129	16.9%
Connection Charges	26	26	2.9%	55	49	11.5%
Charges for the Use of the Distribution System	21	19	9.6%	41	36	13.2%
ESS / EER	261	152	71.3%	589	815	-27.7%
PIS and COFINS Tax Credit	(127)	(93)	36.4%	(262)	(235)	11.4%
Total	1,170	838	39.7%	2,409	2,148	12.1%
Cost of Electric Energy	4,177	4,177	0.0%	8,553	8,854	-3.4%

Cost of Electric Power Purchased for Resale

In 2Q23, the cost of electric power purchased for resale reached R\$ 3,007 million, a reduction of 10.0% (R\$ 333 million), mainly due to:

- (i) Decrease of 32.5% in energy from **Itaipu** (R\$ 256 million), mainly as a result of the exchange variation (-30.7%);
- (ii) Reduction of 2.4% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 66 million);
- (iii) Decrease of 29.5% in **PROINFA** (R\$ 43 million), due to the reduction in the amount of approved funding quotas for the year 2023 and the increase in the level of migration of captive customers to the free market (ACL);

Partially offset by the:

- (iv) Reduction of 9.7% in **PIS and COFINS tax credit** (R\$ 32 million).

In 1H23, the cost of electric power purchased for resale reached R\$ 6,144 million, a reduction of 8.4% (R\$ 561 million), mainly due to:

- (i) Decrease of 30.9% in energy from **Itaipu** (R\$ 445 million), as a result of the exchange variation (-29.1%);
- (ii) Decrease of 35.4% in **PROINFA** (R\$ 112 million), due to the reduction in the amount of approved funding quotas for the year 2023 and the increase in the level of migration of captive customers to the free market (ACL);
- (iii) Reduction of 0.9% in energy purchased in **auctions, bilateral contracts and spot market** (R\$ 52 million);

Partially offset by the:

- (iv) Reduction of 7.4% in **PIS and COFINS tax credit** (R\$ 48 million).

Volume of purchased energy (GWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Itaipu	2,460	2,526	-2.6%	4,893	5,022	-2.6%
PROINFA	225	230	-2.2%	449	448	0.2%
Auction, Bilateral Contracts and Spot Market	13,768	14,005	-1.7%	28,696	29,395	-2.4%
Total	16,453	16,761	-1.8%	34,038	34,865	-2.4%

Average price (R\$/MWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Itaipu	216.12	311.72	-30.7%	203.03	286.39	-29.1%
PROINFA	459.82	637.66	-27.9%	455.89	706.99	-35.5%
Auction, Bilateral Contracts and Spot Market	193.79	195.19	-0.7%	193.29	190.46	1.5%
Total	200.77	218.83	-8.3%	198.15	210.91	-6.1%

Charges for the Use of the Transmission and Distribution System

In 2Q23, charges for the use of the transmission and distribution system reached R\$ 1,170 million, an increase of 39.7% (R\$ 333 million), due to:

- (i) Increase of 33.1% in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system) (R\$ 258 million), mainly due to the adjustments in the Tariff for the Use of the Transmission System (TUST), as from July 2022, in accordance with ANEEL Resolution No. 3,066/22;
- (ii) Increase of 71.3% in **sector charges (ESS/EER)** (R\$ 109 million), mainly due to EER – Reserve Energy Charges, associated with the intensification of the operation of part of the plants contracted under the terms of the 1st Simplified Tender Process – PCS/MME/ANEEL, throughout 2022, whose effects, in the quarterly comparison, appear only in 2Q23;

Partially offset by:

- (iii) Increase of 36.4% in **PIS and COFINS tax credit** (R\$ 34 million).

In 1H23, charges for the use of the transmission and distribution system reached R\$ 2,409 million, an increase of 12.1% (R\$ 261 million), due to:

- (i) Increase of 32.7% in **connection and transmission charges** (basic network, Itaipu

transport, connection, and use of the distribution system) (R\$ 513 million), mainly due to the adjustments in the Tariff for the Use of the Transmission System (TUST), as from July 2022, in accordance with ANEEL Resolution No. 3,066/22;

Partially offset by:

- (ii) Reduction of 27.7% in **sector charges (ESS/EER)** (R\$ 225 million), mainly due to ESS – System Service Usage Charges, due to the lower need to activate thermal power plants, partially offset by the increase of EER – Reserve Energy Charges, associated with the intensification of the operation of part of the plants contracted under the terms of the 1st Simplified Tender Process - PCS/MME/ANEEL, throughout 2022;
- (iii) Increase of 11.4% in **PIS and COFINS tax credit** (R\$ 27 million).

PMSO

PMSO (R\$ million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Personnel	532	499	6.6%	1,023	1,003	2.1%
Material	113	125	-9.0%	238	232	2.9%
Outsourced Services	248	162	53.1%	463	307	2.5%
Other Operating Costs/Expenses	209	303	-31.1%	431	517	-16.5%
<i>Allowance for doubtful accounts</i>	<i>59</i>	<i>92</i>	<i>-35.6%</i>	<i>128</i>	<i>182</i>	<i>-29.7%</i>
<i>Legal and judicial expenses</i>	<i>50</i>	<i>86</i>	<i>-41.5%</i>	<i>110</i>	<i>126</i>	<i>-13.2%</i>
<i>Assets Write-Off</i>	<i>39</i>	<i>36</i>	<i>9.1%</i>	<i>68</i>	<i>57</i>	<i>20.5%</i>
<i>Others</i>	<i>60</i>	<i>90</i>	<i>-32.6%</i>	<i>(126)</i>	<i>(152)</i>	<i>-17.2%</i>
Total PMSO	1,102	1,089	1.2%	2,156	2,058	4.8%

PMSO in 2Q23 reached R\$ 1,102 million, an increase of 1.2% (R\$ 13 million), due to the following factors:

- (i) Increase of 7.2% (R\$ 57 million) in PMSO expenses linked to inflation, due to:
 - a. Increase of 11.6% (R\$ 52 million) in personnel expenses for the CPFL group (except CPFL Transmissão). This increase reflects the salary adjustments resulting from the collective agreements applied in 2022 and the 5.5% increase in the headcount in the Distribution segment, a segment that represents around 65% of the company's workforce;
 - b. Increase of 8.9% (R\$ 24 million) in MSO expenses, such as fleet maintenance (R\$ 16 million), transport (R\$ 6 million), tree pruning (R\$ 3 million), among others. It should be noted that there is a concentration of contractual readjustments of the distribution companies' expenses in the middle of the year, in such a way that these expenses are still influenced by the higher inflation rates of 2022;

Partially offset by:

- c. Reduction of 36.6% (R\$ 19 million) in personnel expenses at CPFL Transmissão, as a result of the headcount reduction in the execution of turnaround in this subsidiary;
- (ii) Increase of 60.5% (R\$ 24 million) in expenses with hardware and software;
- (iii) Increase of 9.1% (R\$ 3 million) in assets write-off;

Partially offset by:

- (iv) Decrease of 41.5% (R\$ 36 million) in legal and judicial expenses, mainly in the Generation and Distribution segments;
- (v) Reduction of 35.6% (R\$ 33 million) in the allowance for doubtful accounts (ADA);
- (vi) Reduction of 6.7% (R\$ 3 million) in expenses related to Capex efforts.

PMSO in 1H23 reached R\$ 2,156 million, an increase of 4.8% (R\$ 98 million), due to the following factors:

- (vii) Increase of 8.0% (R\$ 119 million) in PMSO expenses linked to inflation, due to the following variations, which occurred due to the reasons already explained above:
 - a. Increase of 20.3% (R\$ 99 million) in MSO expenses;
 - b. Increase of 11.3 (R\$ 97 million) in personnel expenses for the CPFL group (except CPFL Transmissão);

Partially offset by:

- c. Reduction of 52.6% (R\$ 76 million) in personnel expenses at CPFL Transmissão;
- (viii) Increase of 39.2% (R\$ 31 million) in expenses with hardware and software;
- (ix) Increase of 20.5% (R\$ 12 million) in assets write-off;
- (x) Increase of 6.0% (R\$ 5 million) in expenses related to Capex efforts;
- (xi) Increase of 4.0% (R\$ 2 million) in collection actions;

Partially offset by:

- (xii) Decrease of 29.7% (R\$ 54 million) in the allowance for doubtful accounts (ADA);
- (xiii) Decrease of 13.2% (R\$ 17 million) in legal and judicial expenses.

Other operating costs and expenses

Other operating costs and expenses						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Costs of Building the Infrastructure	1,091	1,264	-13.7%	2,005	2,304	-13.0%
Private Pension Fund	49	74	-33.8%	93	147	-37.0%
Depreciation and Amortization	556	474	17.4%	1,096	945	16.0%
Total	1,696	1,812	-6.4%	3,193	3,396	-6.0%

EBITDA

In 2Q23, **EBITDA** reached R\$ 3,054 million, registering an increase of 7.2% (R\$ 206 million), with Generation and Transmission segments presenting superior results to those verified in 2Q22.

In 1H23, **EBITDA** reached R\$ 6,584 million, registering an increase of 19.9% (R\$ 1,093 million), with all segments presenting superior results to those verified in 1H22, mainly the Distribution and Generation segments.

EBITDA is calculated according to CVM Resolution No. 156/22 and showed in the table below:

EBITDA and Net Income conciliation (R\$ million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Income	1,247	1,263	-1.2%	2,898	2,425	19.5%
Depreciation and Amortization	556	474	17.4%	1,096	945	16.0%
Financial Result	685	649	5.6%	1,236	1,081	14.4%
Income Tax / Social Contribution	566	463	22.2%	1,355	1,041	30.1%
EBITDA	3,054	2,848	7.2%	6,584	5,491	19.9%

Financial Result

Financial Result (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Revenues	490	573	-14.4%	1,020	1,137	-10.3%
Expenses	(1,176)	(1,222)	-3.8%	(2,256)	(2,217)	1.7%
Financial Result	(685)	(649)	5.6%	(1,236)	(1,081)	14.4%

Managerial Analysis

Financial Result (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Expenses with the net debt	(769)	(873)	-11.9%	(1,605)	(1,566)	2.5%
Late payment interest and fines	100	141	-28.7%	184	262	-30.0%
Mark-to-market	(13)	43	-	75	32	135.7%
Adjustment to the sectorial financial asset/liability	(14)	106	-	67	224	-70.0%
Others financial revenues/expenses	10	(66)	-	42	(33)	-
Financial Result	(685)	(649)	5.6%	(1,236)	(1,081)	14.4%

In 2Q23, the **net financial expense** was of R\$ 685 million, an increase of 5.6% (R\$ 36 million) compared to 2Q22. The items that explain this variation are:

- (i) Reduction of R\$ 120 million in **adjustments to the sectorial financial asset/liability**, going from an income of R\$ 106 million in 2Q22 to an expense of R\$ 14 million in 2Q23, in the monetary adjustment of the sectorial financial asset/liability, due to the balance reduction;
- (ii) Negative variation of R\$ 56 million in **mark-to-market** (non-cash effect), mainly due to the decrease in the risk spread practiced by the market in 2Q23;
- (iii) Reduction of 28.7% (R\$ 40 million) in **late payment interests and fines**, reflecting the reduction in the IPCA index (from 3.18% in 2Q22 to 1.56% in 2Q23) applied on overdue energy bills in 2Q23, the lower delinquency and lower tariffs;

Partially offset by:

- (iv) Decrease of 11.9% (R\$ 104 million) in the **expenses with the net debt** (debt charges net of income from financial investments), reflecting the IPCA reduction in the period, from 3.18% in 2Q22 to 1.56% in 2Q23, partially offset by the higher debt balance and increase in CDI index (from 2.83% in 2Q22 to 3.01% in 2Q23);
- (v) Positive variation of R\$ 76 million in **other financial revenues/expenses**;
 - a. Financial expense, in 2Q22, from the contractual clause of **prepayment of AFD debt** (R\$ 36 million);
 - b. Positive variation of R\$ 21 million in **contingencies monetary adjustment**;
 - c. Increase of R\$ 10 million in **discount on the acquisition of ICMS credits**;

- d. Positive variation of R\$ 9 million in **other revenues**.

In 1H23, the **net financial expense** was of R\$ 1,236 million, an increase of 14.4% (R\$ 156 million) compared to 1H22. The items that explain this variation are:

- (i) Reduction of 70,0% (R\$ 157 million) in **adjustments to the sectoral financial asset/liability**, due to the balance reduction;
- (vi) Reduction of 30.0% (R\$ 79 million) in **late payment interests and fines**, reflecting the reduction in the IPCA index (from 5.55% in 1H22 to 3.00% in 1H23) applied on overdue energy bills in 1H23, compared to 1H22;
- (vii) Increase of 2.5% (R\$ 40 million) in the expenses with the net debt (debt charges net of income from financial investments), reflecting the higher debt balance and increase in CDI index (from 5.36% in 1H22 to 6.44% in 1H23), partially offset by the IPCA reduction in the period, from 5.55% in 1H22 to 3.00% in 1H23;

Partially offset by:

- (viii) Positive variation of R\$ 43 million in mark-to-market (non-cash effect), mainly due to the increase in the risk spread practiced by the market in early 2023;
- (ix) Positive variation of R\$ 76 million in **other financial revenues/expenses**;
 - a. Financial expense, in 2Q22, from the contractual clause of **prepayment of AFD debt** (R\$ 36 million);
 - b. Positive variation of R\$ 25 million in **contingencies monetary adjustment**;
 - c. Increase of R\$ 14 million in **discount on the acquisition of ICMS credits**.

Income Tax and Social Contribution

In 2Q23, **Income Tax and Social Contribution** recorded an increase of 22.2% (R\$ 103 million), due to the effect of 2Q22, referring to tax credits arising from the exchange variation over the settlement of CPFL Transmissão IDB/AFD debts. The effective rate was of 31.2% in 2Q23, compared to 26.8% in 2Q22.

In 1H23, **Income Tax and Social Contribution** recorded an increase of 30.1% (R\$ 313 million), mainly explained by the better operational performance. The effective rate, which was 30.2% in 1H22, went to 31.9% in 1H23.

Net Income

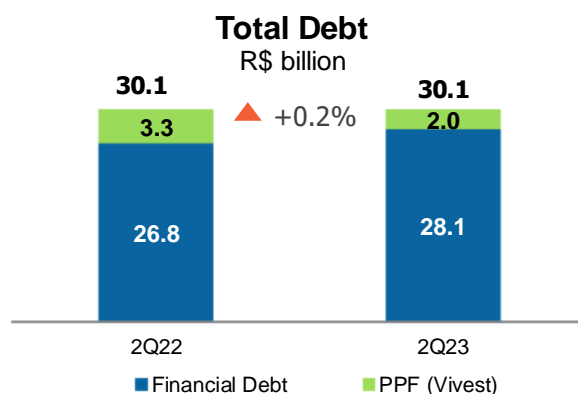
Net income was of R\$ 1,247 million in 2Q23, a decrease of 1.2% (R\$ 16 million). This result reflects the higher net financial expenses, partially offset by the good results obtained in the Generation and Transmission segments.

In 1H23, **net income** was of R\$ 2,898 million, an increase of 19.5% (R\$ 473 million). This result reflects the increase in EBITDA, mainly due to the performance of the Distribution and Generation segments, partially offset by the net financial expenses that was impacted by the adjustment to the sectoral financial asset/liability.

3.2) Indebtedness

3.2.1) Debt (IFRS)

On June 30th, 2023, CPFL Energia's total debt was R\$ 30.1 billion, remaining stable in relation to the previous year.

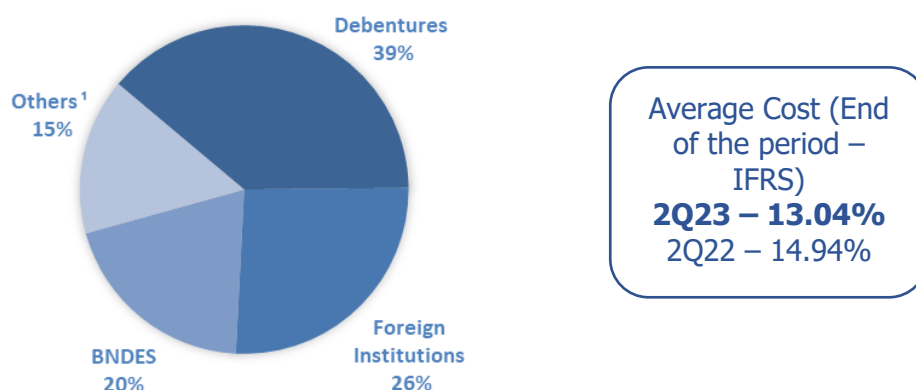


Notes:

(1) Including the mark-to-market (MTM) effect and borrowing costs;

(2) Including the intercompany loan, in the amount of R\$ 2.9 billion, of CPFL Renováveis and CPFL Brasil with SGBP.

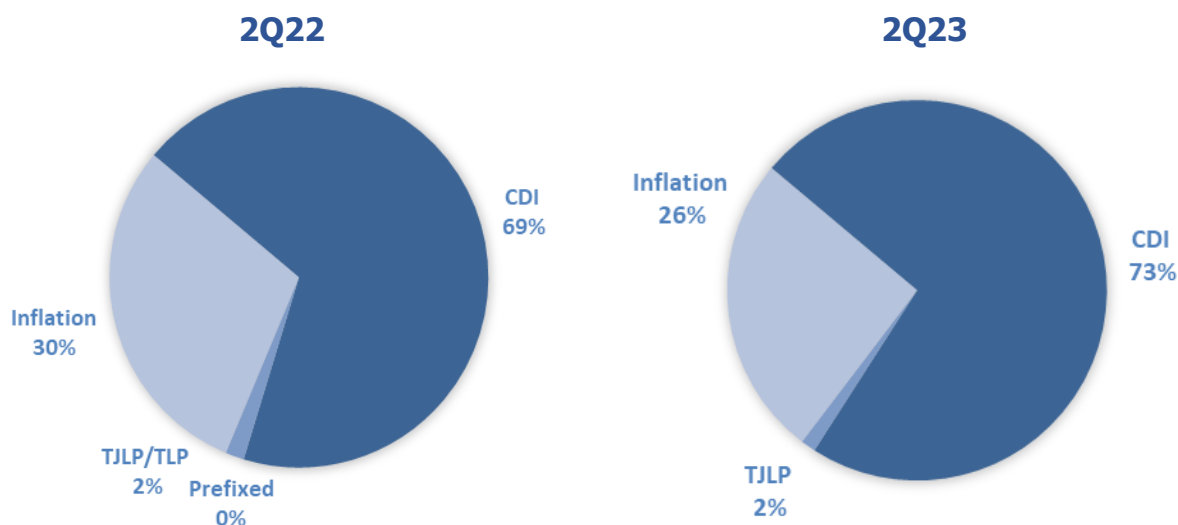
Debt Profile – IFRS



Note: (1) Others: credit lines and intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

The CPFL Group constantly seeks to mitigate any possibility of market fluctuations risk and, for this reason, a share of its debt's portfolio, around R\$ 7.4 billion, is protected by hedge operations. Considering, for instance, foreign loans, which represent almost 25.9% of the total debts (in IFRS), it was contracted swap operations, aiming protection for the foreign exchange and the rate linked to the contract.

Indexation After Hedge 2Q22 vs. 2Q23

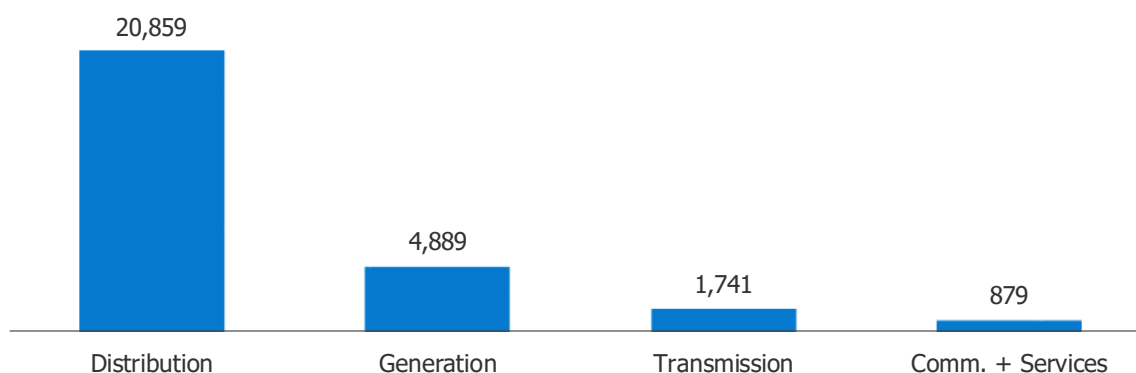


Note: (1) For debts contracted in foreign currency (25.9% of the total in 2Q23), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in IFRS criteria

IFRS R\$ Million	2Q23	2Q22	Var. %
Financial Debt (including hedge)	(28,111)	(26,778)	5.0%
(+) Available Funds	5,276	4,099	28.7%
(=) Net Debt	(22,835)	(22,680)	0.7%

Debt by Segment (R\$ Million – IFRS)



Notes:

- (1) The Generation segment considers CPFL Renováveis, CPFL Geração and Ceran; the Services segment considers CPFL Serviços and CPFL Eficiência.
- (2) Considering the debt's notional, interests and derivatives. Includes the intercompany loans of CPFL Renováveis and CPFL Brasil with SGBP.

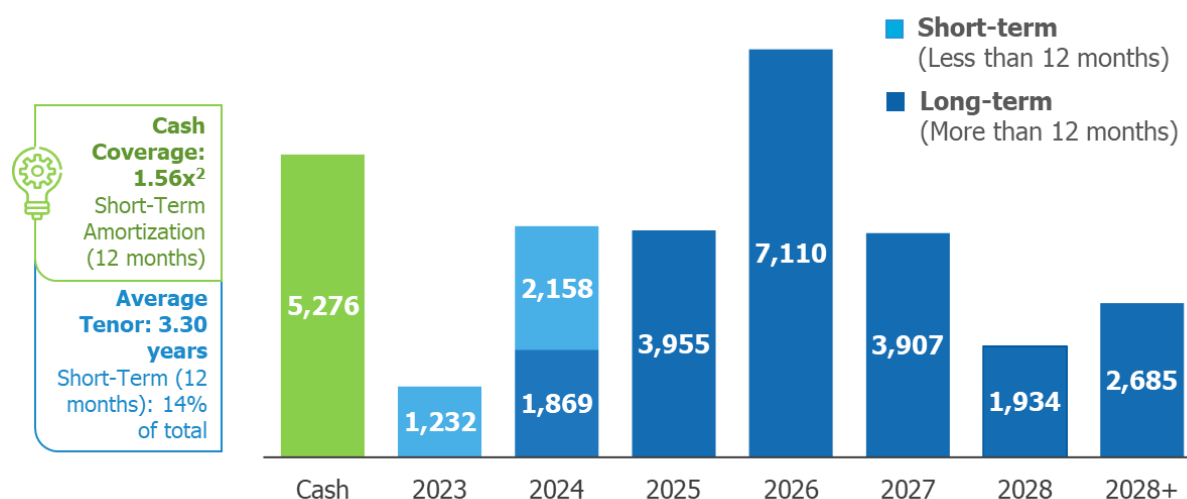
Debt Amortization Schedule in IFRS (June 2023)

The Group CPFL constantly evaluates market opportunities to close deals that enables financial results that meet the company's strategies and policies. Thus, due to CPFL's broad access to several kinds of fundraising in the market, both national and international, different modalities and instruments compose the group's debt portfolio.

The cash position at the end of 2Q23 had a coverage ratio of **1.56x** the amortizations of the next 12 months, which allows the CPFL Group to honor all the amortization commitments until June 2024. The average amortization term based on this schedule is of **3.30 years**.

The debt amortization schedule of the financial debt below considers only the notional of the debts and derivatives.

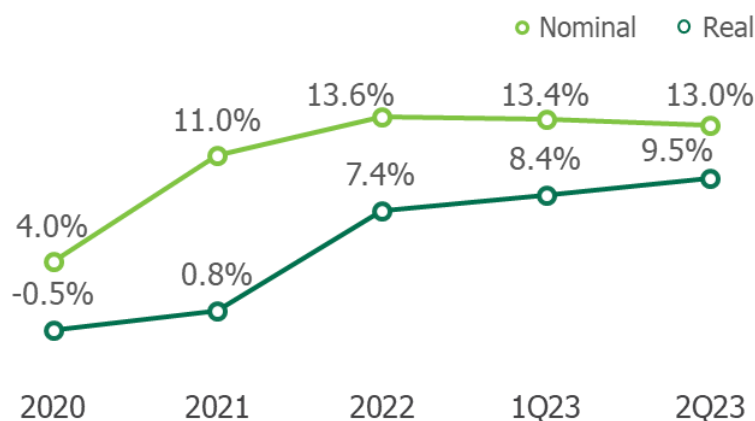
Debt Amortization Schedule (IFRS)



Note:

- (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 28,111 million, should be included charges and the mark-to-market (MTM) effect, cost with funding and intercompany loan;
- (2) Including the intercompany loan of CPFL Renováveis and CPFL Brasil with SGBP;
- (3) It does consider the amount of R\$ 265 million of Marketable Securities, according to covenants criteria.

Gross Debt Cost¹ in IFRS criteria



Note: (1) The calculation considers the average cost in the end of the period, since it better reflects the interest rate variations.

Ratings

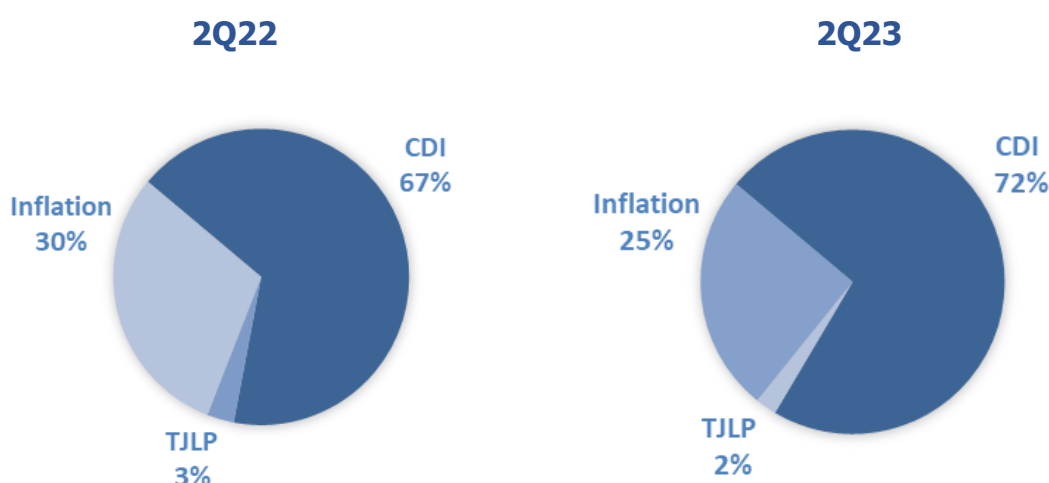
The following table shows the corporate ratings of CPFL Energia.

Ratings of CPFL Energia - Corporate Credit			
Agency	Scale	Rating	Perspective
Standard & Poor's	Brazilian	brAAA	Stable
Fitch Rating	Brazilian	AAA(bra)	Stable
Moody's	Brazilian	Aaa.br	Stable

3.2.2) Debt in Financial Covenants Criteria

Indexation and Debt Cost in Financial Covenants Criteria

Indexation¹ after Hedge² - 2Q22 vs. 2Q23



Notes:

(1) Considers the proportional consolidation of the Generation and CPFL Transmissão assets, in addition to the loan with SGBP;

(2) For debts contracted in foreign currency (25.9% of the total), swap operations were contracted, aiming protection for the foreign exchange and the rate linked to the contract.

Net Debt in Financial Covenants Criteria and Leverage

In the end of the 2Q23, the *Proforma* Net Debt totaled **R\$ 23,193** million, an increase of **1.8%** compared to net debt position at the end of 2Q22, in the amount of **R\$ 22.793** million.

The reconciliation of CPFL Energia's Net Debt/EBITDA indicator, for purposes of calculating financial covenants, is available on CPFL Energia's Historical Information Base, on the IR website. [Click here](#) to access it.

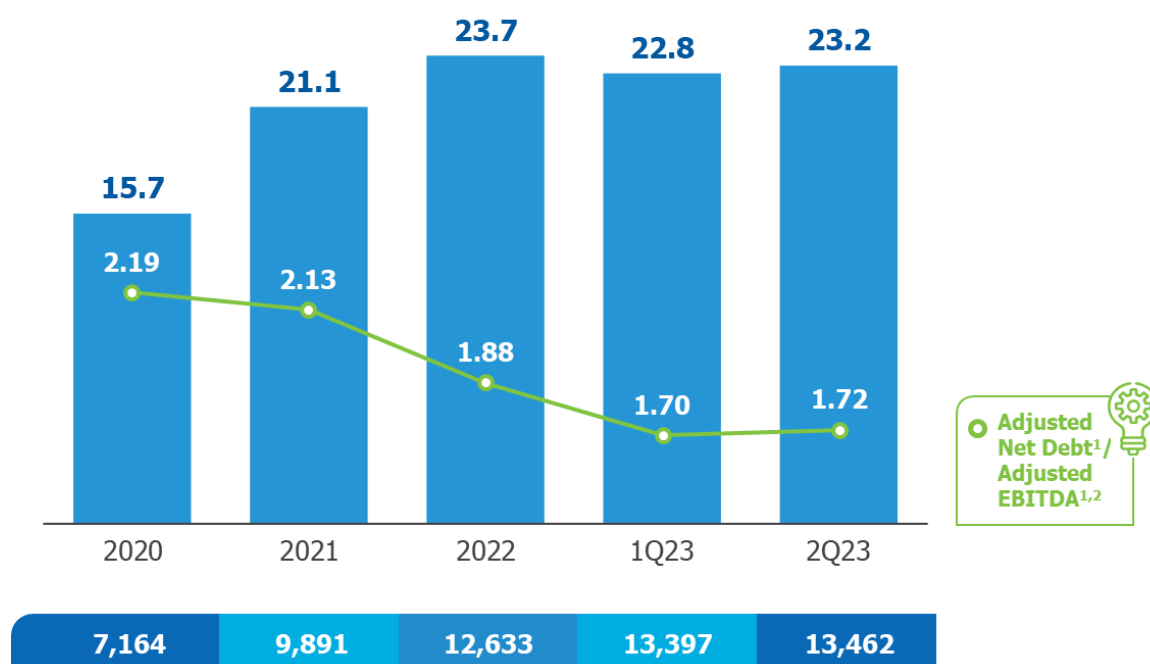
Covenant Criteria - R\$ Million	2Q23	2Q22	Var.%
Financial Debt (including hedge) ¹	(28,596)	(27,455)	4.2%
(+) Available Funds ³	5,403	4,662	15.9%
(=) Net Debt	(23,193)	(22,793)	1.8%
EBITDA Proforma ²	13,462	11,176	20.5%
Net Debt / EBITDA	1.72	2.04	-15.5%

Notes:

- (1) Considers the proportional consolidation of the assets of Generation, in addition to the loan with SGBP.
 (2) Proforma EBITDA in the financial covenants criteria: (a) adjusted according CPFL Energia's stake in each of its subsidiaries; (b) considers the result of the last 12 months of CPFL Transmissão.
 (3) Available Funds already considering Marketable Securities.

Considering that the *Proforma* Net Debt totaled **R\$ 23,193 million** and *Proforma* EBITDA in the last 12 months reached **R\$ 13,462 million**, the ratio *Proforma* Net Debt/EBITDA at the end of 2Q23 reached **1.72x**.

Leverage in financial covenants criteria – R\$ billion



Notes:

- (1) Adjusted for the proportional consolidation of the assets of Geração, as well as considering the loan agreement with SGBP.
 (2) LTM EBITDA, according to financial covenants criteria.

3.3) Investments

3.3.1) Actual Investments

Segment	Investments (R\$ Million)					
	2Q23	2Q22	Var.	1S21	1H22	Var.
Distribution	928	1,137	-18.4%	1,806	2,112	-14.5%
Generation	75	43	74.9%	159	105	52.0%
Commercialization	1	2	-57.2%	1	3	-48.5%
Services and Others ¹	13	10	30.6%	20	14	40.1%
Transmission ²	184	154	19.6%	296	324	-8.4%
Total	1,201	1,346	-10.8%	2,283	2,558	-10.8%

Notes:

(1) Others - basically refers to assets and transactions that are not related to the listed segments;

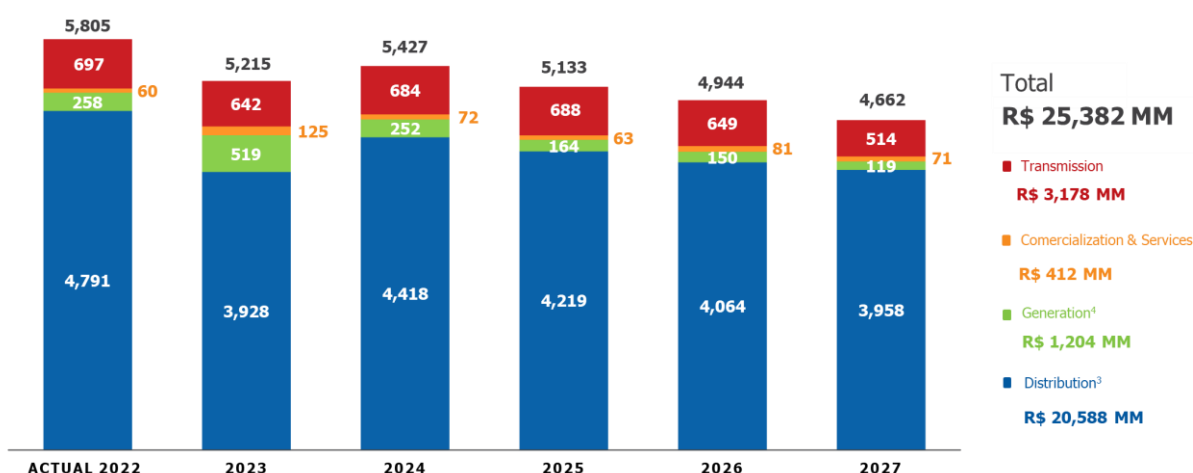
(2) Transmission - Transmission assets do not have fixed assets, the figures in this table are the addition of contractual assets.

In 2Q23, investments were R\$ 1,201 million, a reduction of 10.8% compared to the R\$ 1,346 million registered in 2Q22, due to a slowdown after the effort for the Tariff Review. In 1H23, investments totaled R\$ 2,283 million, a reduction of 10.8% compared to 1H22, in which R\$ 2,558 million in investments were reached.

3.3.2) Investment Forecast

On December 27th, 2022, the Board of Directors of CPFL Energia approved Board of Executive Officers' 2023/2027 Multiannual Plan for the Company, which was previously discussed by the Corporate Finance Committee and Risk Management.

Investment Forecast (R\$ million)¹



Notes:

(1) Constant currency;

(2) Disregard investments in Special Obligations (among other items financed by consumers).

4) STOCK MARKETS

4.1) Stock Performance

CPFL Energia is listed in the B3, in Novo Mercado, segment with the highest levels of corporate governance.

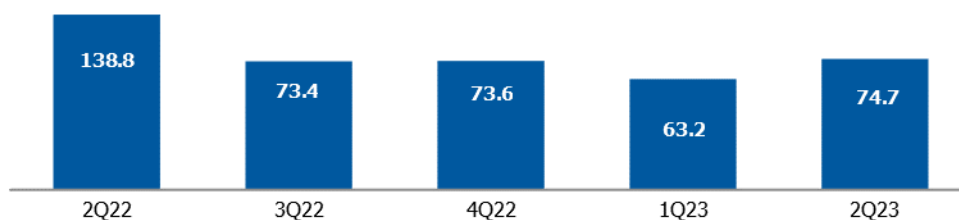
B3			
Date	CPFE3	IEE	IBOV
06/30/2023	R\$ 34.39	91,090	118,087
12/30/2022	R\$ 33.20	78,679	109,735
06/30/2022	R\$ 30.88	78,787	98,542
QoQ	3.6%	15.8%	7.6%
YoY	11.4%	15.6%	19.8%

4.2) Daily Average Volume

The daily average volume trading of CPFL Energia in 2Q23 was R\$ 74.7 million, representing an increase of 18.2% if compared to 1Q23. Compared to the same period in 2022, there was a 46.1% reduction.

Daily Average Volume in the B3

R\$ Million



5) SUSTAINABILITY AND ESG INDICATORS

5.1) ESG Plan 2030


The ESG Plan 2030, launched in November 2022, which updates our old sustainability plan and brings new guidelines and strategies so that we can “provide sustainable, accessible and reliable energy at all times, making people's lives safer, healthier and more prosperous in the regions where we operate”. Our corporate goal is to drive the transition to a more sustainable model of producing and consuming energy, leveraging the positive impacts of our business model on the community and the value chain.


To this end, we have identified four pillars that support the way we conduct our business and execute our strategy: Renewable and smart solutions, Sustainable operations, Society shared value and Safe and reliable business. Within the pillars, we made 23 commitments guided by the United Nations' Sustainable Development Goals (SDGs). The commitments are available on the CPFL Energia [IR website](#).

5.2) Key ESG Indicators aligned to the Plan

Below we list some indicators in line with the ESG Plan 2030.

2Q23

 Renewable & smart solutions					
Theme	Indicator	Unit	2Q23	2Q22	Var.
Renewable energy	Total energy generated by renewable sources	GWh	2,599	3,389	-23.3%
	↳ HPPs (hydro)	GWh	1,089	1,995	-45.4%
	↳ SHPPs and CGHs	GWh	452	453	-0.2%
	↳ Solar	GWh	0.3	0.0	1077.4%
	↳ Wind	GWh	748	666	12.3%
	↳ Biomass	GWh	310	275	12.6%
Smart Grid	Number of installed automatic reclosers	unit	17,168	15,335	12.0%
	% of telemetered load	%	58%	58%	0.2%
Innovation	Investment in innovation (Aneel R&D) in the period	R\$ million	14.8	12.4	19.0%
Decarbonization	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	67	21	219.0%
	Revenue from sales of carbon credits and energy stamps	R\$ million	2.2	7.7	-71.2%

 Sustainable operations					
Theme	Indicator	Unit	2Q23	2Q22	Var.
Circular Economy	Number of refurbished transformers	unit	3,413	2,722	25.4%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	13,232	2,269	483.2%
Eco-Efficiency	Water consumption (administrative buildings)	1,000 m ³	18	25	-26.1%
	Energy consumption (administrative buildings)	MWh	9,337	8,948	4.3%



Society shared value

Theme	Indicator	Unit	2Q23	2Q22	Var.
Digitalization	% de digitalization of customer services	%	91.0%	90.0%	1.1%
	% of bills paid digitally	%	72%	67%	7.0%
	Number of digital bills	million	4.5	4.2	8.1%
Community	Energy efficiency investments in public hospitals (CPFL and RGE in Hospitals)	R\$ million	20.0	10.0	100.0%
	Investment in socio-environmental projects in communities (Instituto CPFL, Energy Efficiency Program for Low Income and Environment)	R\$ million	28.8	31.6	-8.8%
	Number of people benefiting from CPFL Institute social programs in the period	thousand people	886.1	348.8	154.0%
	Number of low-income consumer units benefited by the Energy Efficiency Program (PEE Aneel) in the period	thousand consumer units	2.3	1.8	27.8%
People development and inclusion	Number of training hours	1,000 hours	210.4	206.4	1.9%
Diversity	% of PoC in the company	%	28%	28%	-0.1%
	% of women in leadership positions	%	22%	21%	2.6%
Sustainable Purchases	Critical suppliers evaluated in sustainability criteria	%	90%	89%	1.1%


Notes 1) Consider the professional requalification program





Safe & Reliable business

Theme	Indicator	Unit	2Q23	2Q22	Var.
Health and Safety	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	0.6	1.1	-47.7%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	2.6	5.2	-49.8%
	Number of fatal accidents with the population	number of accidents	0.0	4.0	-100.0%
Ethics	% of employees trained in Ethics and Integrity	%	96%	82%	17.1%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	1	1	-

1H23

 Renewable & smart solutions					
Theme	Indicator	Unit	1H23	1H22	Var.
Renewable energy	Total energy generated by renewable sources	GWh	5,144	5,285	-2.7%
	↳ HPPs (hydro)	GWh	2,171	2,680	-19.0%
	↳ SHPPs and CGHs	GWh	990	873	13.4%
	↳ Solar	GWh	0.6	0.1	328.2%
	↳ Wind	GWh	1,597	1,394	14.5%
	↳ Biomass	GWh	385	337	14.4%
Smart Grid	Number of installed automatic reclosers	unit	17,168	15,335	12.0%
	% of telemetered load	%	58%	58%	0.2%
Innovation	Investment in innovation (Aneel R&D) in the period	R\$ million	22.2	23.3	-4.6%
Decarbonization	Number of projects qualified for the commercialization of carbon credits and renewable energy seals	unit	67	21	219.0%
	Revenue from sales of carbon credits and energy stamps	R\$ million	3.2	10.6	-69.5%

 Sustainable operations					
Theme	Indicator	Unit	1H23	1H22	Var.
Circular Economy	Number of refurbished transformers	unit	6,505	5,085	27.9%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	28,144	3,983	606.6%
Eco-Efficiency	Water consumption (administrative buildings)	1,000 m ³	34	67	-49.0%
	Energy consumption (administrative buildings)	MWh	18,046	18,657	-3.3%

 Society shared value					
Theme	Indicator	Unit	1H23	1H22	Var.
Digitalization	% de digitalization of customer services	%	91.0%	90.0%	1.1%
	% of bills paid digitally	%	71%	67%	6.3%
	Number of digital bills	million	4.5	4.2	8.1%
Community	Energy efficiency investments in public hospitals (CPFL and RGE in Hospitals)	R\$ million	36.7	16.3	124.6%
	Investment in socio-environmental projects in communities (Instituto CPFL, Energy Efficiency Program for Low Income and Environment)	R\$ million	42.9	53.0	-19.1%
	Number of people benefiting from CPFL Institute social programs in the period	thousand people	1,191.0	508.4	134.3%
	Number of low-income consumer units benefited by the Energy Efficiency Program (PEE Aneel) in the period	thousand consumer units	4.7	3.8	23.7%
People development and inclusion	Number of training hours	1,000 hours	304.9	356.2	-14.4%
Diversity	% of PoC in the company	%	28%	28%	-0.1%
	% of women in leadership positions	%	22%	21%	2.6%
Sustainable Purchases	Critical suppliers evaluated in sustainability criteria	%	90%	89%	1.1%

Notes 1) Consider the professional requalification program

**Safe & Reliable business**

Theme	Indicator	Unit	1H23	1H22	Var.
Health and Safety	Accident frequency rate (own employees)	Number of injured * 1MM / hours worked with risk exposure	0.6	1.1	-47.7%
	Accident frequency rate (outsourced)	Number of injured * 1MM / hours worked with risk exposure	2.6	5.2	-49.8%
	Number of fatal accidents with the population	number of accidents	4.0	10.0	-60.0%
Ethics	% of employees trained in Ethics and Integrity	%	96%	82%	17.1%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-
	Number of women in the Board of Directors	number	1	1	-

6) PERFORMANCE OF BUSINESS SEGMENTS

6.1) Distribution Segment

6.1.1) Economic-Financial Performance

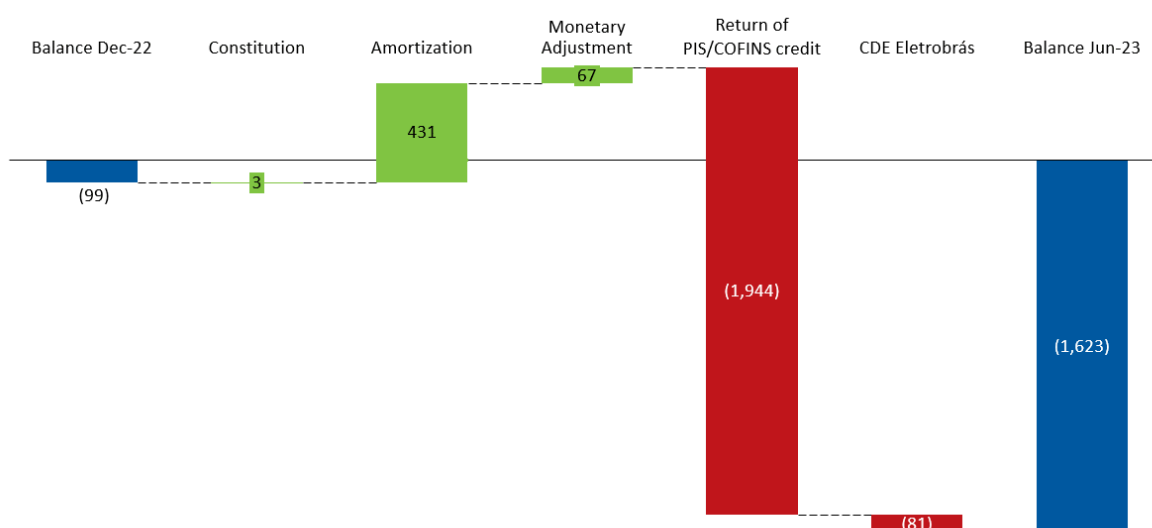
Consolidated Income Statement - Distribution (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	11,785	12,143	-2.9%	23,318	23,926	-2.5%
Net Operating Revenue	7,774	7,751	0.3%	15,989	15,598	2.5%
Cost of Electric Power	(4,092)	(3,934)	4.0%	(8,305)	(8,243)	0.8%
Operating Costs & Expenses	(2,169)	(2,221)	-2.3%	(4,130)	(4,170)	-0.9%
EBIT	1,513	1,596	-5.2%	3,553	3,186	11.5%
EBITDA⁽¹⁾	1,804	1,848	-2.4%	4,131	3,686	12.1%
Financial Income (Expense)	(462)	(367)	25.7%	(807)	(655)	23.2%
Income Before Taxes	1,051	1,228	-14.5%	2,746	2,531	8.5%
Net Income	703	796	-11.7%	1,821	1,635	11.4%

Notes:

- (1) EBITDA (IFRS) is calculated from the sum of net income, taxes, financial result and depreciation/amortization;
 (2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Sectoral Financial Assets and Liabilities

On June 30th, 2023, the balance of sectoral financial assets and liabilities was negative (liability) in R\$ 1,623 million. If compared to December 31st, 2022, there was a variation of R\$ 1,523 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 3 million, mainly due to:

- (i) Over contracting (R\$ 545 million);
- (ii) Basic Network (R\$ 297 million);
- (iii) System Service Charge ("ESS") and Reserve Energy Charge ("EER") (R\$ 196 million);

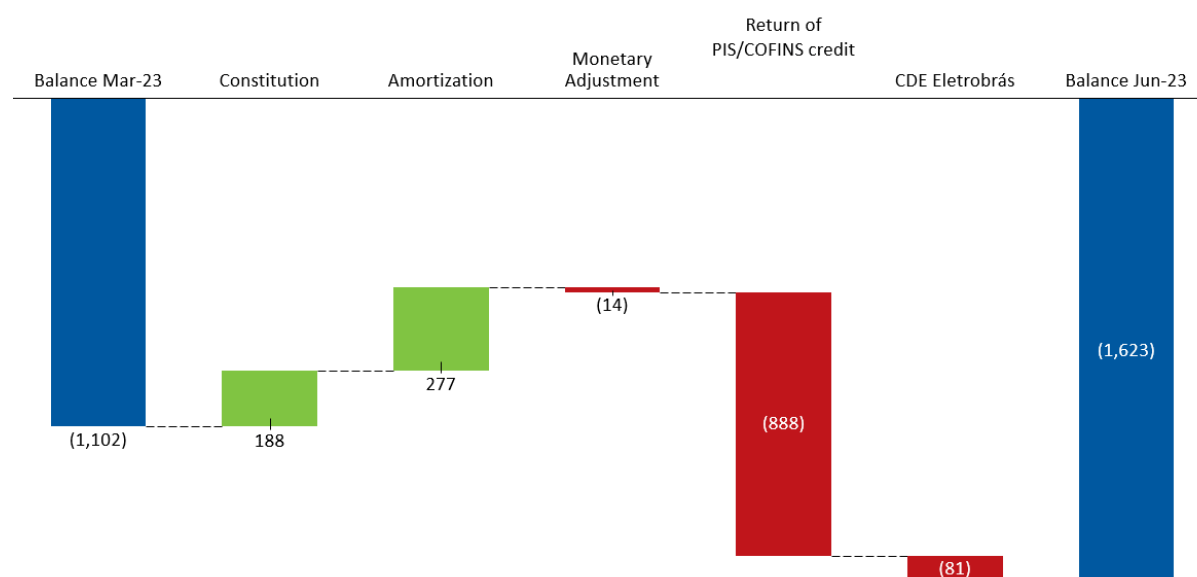
Partially offset by the constitution of liabilities in:

- (iv) Electric energy cost (R\$ 716 million);
- (v) Itaipu costs (R\$ 300 million);
- (vi) Other items (R\$ 19 million).

The amortization was of R\$ 431 million and the monetary adjustment of assets and liabilities totaled R\$ 67 million.

Moreover, in this period, there was the approval of the refund of the PIS/COFINS credit consumers, in the amount of R\$ 1,944 million. In addition, there was a transfer of funds related to CDE Eletrobras, in the amount of R\$ 81 million.

For analysis purposes, below is the graph that demonstrates the movement in the balances of sectoral assets and liabilities, only in 2Q23:



Operating Revenue

Operating Revenue (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue						
Revenue with Energy Sales (Captive + TUSD)	9,218	9,757	-5.5%	18,764	21,013	-10.7%
Short-term Electric Energy	174	123	41.5%	250	214	16.9%
Revenue from Building the Infrastructure of the Concession	976	1,084	-10.0%	1,810	1,997	-9.4%
Sectoral Financial Assets and Liabilities	465	88	427.3%	435	(1,260)	-
CDE Resources - Low-income and Other Tariff Subsidies	463	525	-11.7%	952	995	-4.3%
Adjustments to the Concession's Financial Asset	333	439	-24.1%	830	744	11.6%
Other Revenues and Income	177	153	15.9%	337	295	14.1%
Compensatory Fines (DIC/FIC)	(22)	(26)	-15.0%	(60)	(72)	-17.1%
Total	11,785	12,143	-2.9%	23,318	23,926	-2.5%
Deductions from the Gross Operating Revenue						
ICMS Tax	(1,546)	(1,884)	-17.9%	(2,506)	(4,014)	-37.6%
PIS and COFINS Taxes	(803)	(786)	2.2%	(1,645)	(1,517)	8.4%
CDE Sector Charge	(1,439)	(1,406)	2.4%	(2,785)	(2,842)	-2.0%
R&D and Energy Efficiency Program	(65)	(63)	3.6%	(134)	(129)	3.6%
PROINFA	(84)	(76)	10.9%	(171)	(131)	30.2%
Tariff Flags	-	(167)	-	-	328	-
Others	(11)	(11)	-3.0%	(23)	(22)	3.0%
Total	(3,948)	(4,392)	-10.1%	(7,265)	(8,328)	-12.8%
Net Operating Revenue	7,838	7,751	1.1%	16,053	15,598	2.9%

In 2Q23, gross operating revenue amounted to R\$ 11,785 million, a decrease of 2.9% (R\$ 358 million), due to the following factors:

- (i) Decrease of 5.5% (R\$ 539 million) in **Revenue with Energy Sales** (captive + free clients), due to:
 - a. the reduction in the ICMS tax rate on electricity;
 - b. a negative effect related to the increase in DG, in addition to the impacts of temperature and calendar;
 - c. the adoption of the "hydro scarcity" flag in the month of April of 2Q22, compared to green flag in the three months of 2Q23;
 Partially offset by:
 - d. the positive average tariff adjustment in the distribution companies, in consumer's perception, in the period between 2Q22 and 2Q23 (average increases of 10.98% at RGE, in June 2022, of 14.72% at CPFL Piratininga, in October 2022, of 9.02% at CPFL Santa Cruz, in March 2023, and of 4.89% at CPFL Paulista, in April 2023).
- (ii) Decrease of 10.0% (R\$ 108 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (iii) Decrease of 24.1% (R\$ 106 million) in the adjustments to the **Concession's Financial Assets**, due to the lower IPCA in the period (1.56% in 2Q23 compared to 3.18% in 2Q22) in the amount of R\$ 166 million, partially offset by the extraordinary effects due to the RAB appraisal reports of CPFL Paulista, RGE and CPFL Piratininga (R\$ 60 million);
- (iv) Decrease of 11.7% (R\$ 61 million) in **CDE Resources - Low-income and Other Tariff Subsidies**;

Partially offset by:

- (v) Increase of 427.3% (R\$ 377 million) in the accounting of **Sector Financial Assets**

and Liabilities, due to the net constitution of an asset of R\$ 188 million in 2Q23 and amortization of a liability of R\$ 277 million, compared to the net constitution of liabilities of R\$ 228 million and amortization of a liability of R\$ 317 million in 2Q22;

- (vi) Increase of 41.5% (R\$ 51 million) in **Short-term Electric Energy**, due to a higher volume of energy settled in the CCEE and a higher spot price;
- (vii) Increase of 22.2% (R\$ 28 million) in **other revenues**.

Deductions from the gross operating revenue were R\$ 3,948 million in 2Q23, representing a decrease of 10.1% (R\$ 444 million), due to the following factors:

- (i) Reduction of 12.0% (R\$ 321 million) in **taxes** (ICMS and PIS/COFINS), due to the change in ICMS rate;
- (ii) Decrease of R\$ 167 million in the accounting of **tariff flags**, due to the reclassification of the balance of the tariff flag to Sectorial Financial Assets and Liabilities in Jan-22;

Partially offset by:

- (iii) Increase of 2.4% (R\$ 33 million) in **CDE**, due to the inclusion of the "Hydro scarcity CDE" and "DG CDE";
- (iv) Increase of 6.8% (R\$ 10 million) in the **other items**.

Net operating revenue reached R\$ 7,838 million in 2Q23, representing an increase of 1.1% (R\$ 86 million).

In 1H23, gross operating revenue amounted to R\$ 23,318 million, a decrease of 2.5% (R\$ 608 million), due to the following factors:

- (i) Decrease of 10.7% (R\$ 2,249 million) in **Revenue with Energy Sales** (captive + free clients), due to: (a) the reduction in the ICMS tax rate on electricity; (b) a negative effect related to the increase in DG, in addition to the impacts of temperature and calendar;
- (ii) Decrease of 9.4% (R\$ 187 million) in **Revenue from Building the Infrastructure of the Concession**, which has its counterpart in operating costs;
- (iii) Decrease of 4.3% (R\$ 43 million) in **CDE Resources - Low-income and Other Tariff Subsidies**;

Partially offset by:

- (iv) Variation of R\$ 1,695 million in the accounting of **Sector Financial Assets and Liabilities**, due to the net constitution of an asset of R\$ 3 million in 1H23 and amortization of a liability of R\$ 431 million, compared to the net constitution of liabilities of R\$ 1,426 million and amortization of a liability of R\$ 166 million in 1H22;
- (v) Increase of 11.6% (R\$ 86 million) in the monetary adjustments of the **Concession's Financial Assets**, due to increases in the regulatory asset base with the updating of the reports of the tariff review processes;
- (vi) Increase of 14.1% (R\$ 41 million) in **other revenues**;
- (vii) Increase of 16.9% (R\$ 36 million) in **Short-term Electric Energy**, due to higher spot price.

Deductions from the gross operating revenue were R\$ 7,265 million in 1H23, representing a decrease of 12.8% (R\$ 1,063 million), due to the following factors:

- (i) Reduction of 24.9% (R\$ 1,379 million) in **taxes** (ICMS and PIS/COFINS), due to the change in ICMS rate;
- (ii) Reduction of 2% (R\$ 56 million) in **CDE**, due to the reduction of R\$ 161 million in the CDE Use quota, partially offset by the increase of R\$ 105 million due to the inclusion of the "Hydro scarcity CDE" and "DG CDE".

Partially offset by:

- (iii) Variation of R\$ 328 million in the accounting of **tariff flags**, due to the reclassification of the balance of the tariff flag to Sectorial Financial Assets and Liabilities in Jan-22;
- (iv) Increase of 2.4% (R\$ 33 million) in **CDE**, due to the inclusion of the "Hydro scarcity CDE" and "DG CDE".
- (v) Increase of 15.9% (R\$ 45 million) in the **other items**.

Net operating revenue reached R\$ 16.053 million in 1H23, representing an increase of 2.9% (R\$ 455 million).

Cost of Electric Energy

Cost of Electric Energy (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Cost of Electric Power Purchased for Resale						
Energy from Itaipu Binacional	532	787	-32.5%	993	1,438	-30.9%
PROINFA	104	147	-29.5%	205	317	-35.4%
Auction, Bilateral Contracts and Spot Market	2,656	2,397	10.8%	5,184	4,793	8.2%
PIS and COFINS Tax Credit	(286)	(300)	-4.5%	(571)	(578)	-1.3%
Total	3,005	3,032	-0.9%	5,811	5,970	-2.7%
Charges for the Use of the Transmission and Distribution System						
Basic Network Charges	922	697	32.3%	1,852	1,406	31.7%
Itaipu Transmission Charges	78	66	17.7%	151	129	16.9%
Connection Charges	66	69	-4.4%	133	135	-1.6%
Charges for the Use of the Distribution System	13	11	10.1%	25	22	13.0%
ESS / EER	260	152	71.3%	588	813	-27.7%
PIS and COFINS Tax Credit	(124)	(92)	34.5%	(254)	(232)	9.7%
Total	1,214	903	34.5%	2,494	2,273	9.7%
Cost of Electric Energy	4,219	3,935	7.2%	8,305	8,243	0.8%

Cost of Electric Power Purchased for Resale

In 2Q23, the cost of electric power purchased for resale reached R\$ 3,005 million, a reduction of 0.9% (R\$ 27 million), mainly due to:

- (i) Decrease of 32.5% in **energy from Itaipu** (R\$ 256 million), mainly due to the exchange variation (-30.7%);
- (ii) Decrease of 29.5% in **PROINFA** (R\$ 43 million) due to the reduction in the amount of the approved funding quotas by Aneel for the year 2023 and the increase in the level of migration of captive clients to the free market (ACL);

Partially offset by the:

- (iii) Increase of 10.8% in energy purchased in **auctions, bilateral contracts and spot**

- market** (R\$ 259 million), mainly due to the higher average price (+13.6%);
- (iv) Decrease of 4.5% in **PIS and COFINS tax credit** (R\$ 14 million).

In 1H23, the cost of electric power purchased for resale reached R\$ 5,811 million, a reduction of 2.7% (R\$ 159 million), mainly due to:

- (i) Decrease of 30.9% in **energy from Itaipu** (R\$ 445 million), mainly due to the exchange variation, that reduced the average price of this energy by 29.1%;
- (ii) Decrease of 35.4% in **PROINFA** (R\$ 112 million);

Partially offset by the:

- (iii) Increase of 8.2% in **energy purchased in auctions, bilateral contracts and spot market** (R\$ 391 million), mainly due to the higher average price (+12.2%);
- (iv) Decrease of 1.3% in **PIS and COFINS tax credit** (R\$ 7 million).

Volume of purchased energy (GWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Energy from Itaipu Binacional	2,460	2,526	-2.6%	4,893	5,022	-2.6%
PROINFA	225	230	-2.2%	449	448	0.2%
Auction, Bilateral Contracts and Spot Market	10,832	11,105	-2.5%	22,281	23,113	-3.6%
Total	13,517	13,861	-2.5%	27,623	28,582	-3.4%

Average price (R\$/MWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Energy from Itaipu Binacional	216.12	311.72	-30.7%	203.03	286.39	-29.1%
PROINFA	459.82	637.66	-27.9%	455.89	706.99	-35.5%
Auction, Bilateral Contracts and Spot Market	245.19	215.85	13.6%	232.67	207.40	12.2%
Total	222.32	218.71	1.6%	210.38	208.87	0.7%

Charges for the Use of the Transmission and Distribution System

In 2Q23, charges for the use of the transmission and distribution system reached R\$ 1,214 million, representing an increase of 34.5% (R\$ 311 million), due to:

- (i) Increase of 31.0% (R\$ 238 million) in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system), mainly due to the adjustments in the Tariff for the Use of the Transmission System (TUST), as from July 2022, in accordance with ANEEL Resolution No. 3,066/22;
- (ii) Increase of 71.3% (R\$ 108 million) in **sector charges (ESS/EER)**, mainly due to of EER – Reserve Energy Charges. The variation of this charge was due to the intensification of the operation of plants contracted under the terms of the 1st Simplified Tender Process - PCS/MME/ANEEL, whose effects, in the quarterly comparison, reflect significantly in 2Q23;

Partially offset by:

- (iii) Increase of 34.5% (R\$ 32 million) in **PIS and COFINS tax credit**.

In 1H23, charges for the use of the transmission and distribution system reached R\$ 2,494 million, representing an increase of 9.7% (R\$ 221 million), due to:

- (i) Increase of 27.7% (R\$ 469 million) in **connection and transmission charges** (basic network, Itaipu transport, connection, and use of the distribution system), mainly due to the adjustments in the Tariff for the Use of the Transmission System (TUST);

Partially offset by:

- (ii) Decrease of 27.7% (R\$ 225 million) in **sector charges (ESS/EER)**, the variation of the ESS – System Service Charge was due to the improvement of the energy scenario perceived in 1H23, causing the systemic costs to be minimized, compared to 1H22, due to improved hydrological conditions. This effect was partially offset by the increase in the EER – Reserve Energy Charge, associated with the start-up of part of the contracted plants under the terms of the 1st Simplified Tender Process - PCS/MME/ANEEL, whose effects, in view of the half-yearly comparison, appear only in 1H23;
- (iii) Increase of 9.7% (R\$ 23 million) in **PIS and COFINS tax credit**.

PMSO

PMSO (R\$ million)						
(R\$ million)	2Q23	2Q22	%	1H23	1H22	%
Personnel	330	280	17.9%	621	534	16.1%
Material	69	74	-6.7%	149	139	7.2%
Outsourced Services	278	241	15.8%	539	461	17.0%
Other Operating Costs/Expenses	194	234	-16.9%	373	423	-11.7%
<i>Allowance for doubtful accounts</i>	57	88	-35.4%	127	178	-29.0%
<i>Legal and judicial expenses</i>	47	61	-24.0%	81	93	-12.8%
<i>Assets write-off</i>	45	36	23.9%	75	62	20.7%
<i>Others</i>	46	48	-4.3%	91	90	1.4%
Total PMSO	871	828	5.3%	1,682	1,557	8.0%

In 2Q23, **PMSO** reached R\$ 871 million, an increase of 5.3% (R\$ 44 million), due to the following factors:

- (i) Increase of 11.9% (R\$ 67 million) in PMSO expenses linked to inflation:
 - a. increase of 17.9% (R\$ 50 million) in Personnel, explained not only by the salary adjustments in accordance with the collective labor agreement based on inflation², but also due to the increase in headcount (+5.5%);
 - b. increase of 6.1% (R\$ 17 million) in MSO: outsourced services (R\$ 5 million), transportation (R\$ 4 million), tree pruning (R\$ 3 million), reading and delivery of bill (R\$ 2 million), among others;
- (ii) Increase of 53.9% (R\$ 17 million) in expenses with hardware and software;
- (iii) Increase of 23.9% (R\$ 9 million) in assets write-off;

Partially offset by:

- (iv) Reduction of 35.4% (R\$ 31 million) in the allowance for doubtful accounts (ADA);
- (v) Reduction of 24.0% (R\$ 15 million) in legal and judicial expenses;
- (vi) Reduction of 6.7% (R\$ 3 million) in expenses with the grid and substations maintenance, related to Capex efforts.

In 1H23, PMSO reached R\$ 1,682 million, an increase of 8.0% (R\$ 125 million), due to the

² The dates of the last salary adjustments of the distribution companies took place between June and November 2022, reflecting the higher inflation practiced in that period.

following factors:

- (i) Increase of 13.4% (R\$ 143 million) in PMSO expenses linked to inflation, due to:
 - a. increase of 16.1% (R\$ 86 million) in Personnel expenses, due to the factors already explained above in 2Q23;
 - b. increase of 10.6% (R\$ 57 million) in MSO expenses. It should be noted that there is a concentration of contractual adjustments of the expenses of the distribution companies in the middle of the year, in such a way that these expenses are still influenced by the higher inflationary indexes of 2022.
- (ii) Increase of 41.2% (R\$ 28 million) in expenses with hardware and software;
- (iii) Increase of 20.7% (R\$ 13 million) in assets write-off;
- (iv) Increase of 6.0% (R\$ 5 million) in expenses with the grid and substations maintenance, related to Capex efforts;

Partially offset by:

- (v) Reduction of 29.0% (R\$ 52 million) in the allowance for doubtful accounts (ADA);
- (vi) Reduction of 12.8% (R\$ 12 million) in legal and judicial expenses, mainly due to the higher volume of civil and labor lawsuits.

Other operating costs and expenses

Other operating costs and expenses						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Costs of Building the Infrastructure	976	1,084	-10.0%	1,810	1,997	-9.4%
Private Pension Fund	31	58	-47.1%	61	116	-47.1%
Depreciation and Amortization	278	238	16.7%	549	472	16.4%
Total	1,284	1,380	-6.9%	2,420	2,585	-6.4%

EBITDA

EBITDA totaled R\$ 1,804 million in 2Q23, a decrease of 2.4% (R\$ 43 million), mainly explained by the reduction of the monetary adjustment to the concession's financial assets, impacted by the lower IPCA index in the period.

In 1H23, **EBITDA** totaled R\$ 4,131 million, an increase of 12.1% (R\$ 445 million), explained by the positive adjustments of the distribution companies, lower ADA and reduction of legal and judicial expenses.

EBITDA is calculated according to CVM Resolution No. 156/22 and showed in the table below:

Conciliation of Net Income and EBITDA (R\$ million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Net income	703	796	-11.7%	1,821	1,635	11.4%
Depreciation and Amortization	292	252	15.8%	578	500	15.5%
Financial Results	462	367	25.7%	807	655	23.2%
Income Tax /Social Contribution	348	433	-19.6%	925	896	3.3%
EBITDA	1,804	1,848	-2.4%	4,131	3,686	12.1%

EBITDA by Distribution Company

EBITDA by Distributor						
Distribution	2Q23	2Q22	Var.	1H23	1H22	Var.
CPFL Paulista	667	798	-16.5%	1,746	1,484	17.7%
CPFL Piratininga	342	303	12.8%	701	651	7.6%
RGE	719	676	6.4%	1,537	1,411	8.9%
CPFL Santa Cruz	77	70	9.1%	147	140	5.4%
EBITDA	1,804	1,848	-2.4%	4,131	3,686	12.1%

Note: The Income Statement by company can be consulted in the CPFL historical information base, available in the IR website. To access it, [click here](#)

CPFL Paulista's EBITDA was negatively impacted by the reversal of part of the extraordinary effect recorded in 1Q23, related to RAB's final report (-R\$ 64 million). In RGE and CPFL Piratininga, Ebitda suffered a positive effect due to the records of the final (R\$ 77 million) and preliminary (R\$ 47 million) RAB appraisal reports, respectively.

The other effects, mentioned in the explanation above, are common to all distributors.

Financial Result

Financial Result (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Revenues	390	483	-19.3%	842	883	-4.6%
Expenses	(852)	(851)	0.1%	(1,650)	(1,538)	7.3%
Financial Result	(462)	(367)	25.7%	(807)	(655)	23.2%

Managerial Analysis

Financial Result (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Expenses with the net debt	(559)	(618)	-9.5%	(1,162)	(1,086)	6.9%
Late payment interest and fines	98	141	-30.2%	182	262	-30.6%
Mark-to-market	(11)	24	-	61	12	-
Adjustment to the sectoral financial asset/liability	(14)	106	-	67	224	-70.0%
Other financial revenues/expenses	25	(21)	-	45	(67)	-
Financial Result	(462)	(367)	25.7%	(807)	(655)	23.2%

In 2Q23, the **net financial expense** was of R\$ 462 million, an increase of 25.7% (R\$ 94 million), if compared to 2Q22. The items that explain this variation are:

- (i) Variation of R\$ 120 million, from a revenue of R\$ 106 million to an expense of R\$ 14 million, in **adjustment to the sectoral financial asset/liability**, due to the reduction of the existing active balance in 2Q22 compared to 2Q23;
- (ii) Reduction of 30.2% (R\$ 43 million) in **late payment interest and fines**, reflecting the reduction of the IPCA index (from 3.18% in 2Q22 to 1.56% in 2Q23) over bills, the lower average bill, and lower delinquency, if compared to 2Q22;
- (iii) Negative variation of R\$ 35 million in **mark-to-market** (non-cash effect), partially offsetting the positive effect of 1Q23, mainly due to the lower risk spread practiced by the market in this comparison;

Partially offset by:

- (iv) Decrease of 9.5% (R\$ 59 million) in the **expenses with the net debt** (debt charges, net of income from financial investments), reflecting the reduction of the IPCA index

in the period, from 3.18% in 2Q22 to 1.56% in 2Q23, partially offset by the increase in the CDI in the period, from 2.83% in 2Q22 to 3.01% in 2Q23, and a higher debt balance;

- (v) Positive variation of R\$ 21 million in **other financial revenues/expenses**;
- (vi) Positive variation of R\$ 15 million in **tax credits update**;
- (vii) Positive variation of R\$ 10 million in **the discount on the acquisition of ICMS credits**.

In 1H23, the financial result recorded a **net financial expense** of R\$ 807 million, an increase of R\$ 152 million if compared to 1H22. The items that explain this variation are:

- (i) Variation of R\$ 157 million, from a revenue of R\$ 224 million to an expense of R\$ 67 million, in **adjustment to the sectoral financial asset/liability**, due to the reduction of the existing active balance in 1H22 compared to 1H23;
- (ii) Reduction of 30.6% (R\$ 80 million) in **late payment interests and fines**, reflecting the reduction of the IPCA index between the periods, and lower delinquency;
- (iii) Increase of 6.9% (R\$ 75 million) in the **expenses with the net debt** (debt charges, net of income from financial investments), mainly due to the increase in the CDI index (from 5.36% in 1H22 to 6.44% in 1H23) and higher debt balance;

Partially offset by:

- (iv) Positive variation of R\$ 66 million in **other financial revenues and expenses**;
- (v) Positive variation of R\$ 49 million in **mark-to-market** (non-cash effect), mainly due to the higher risk spread practiced by the market, especially in early 2023;
- (vi) Positive variation of R\$ 25 million in **tax credits update**;
- (vii) Positive variation of R\$ 14 million in the **discount on the acquisition of ICMS credits**;
- (viii) Reduction of R\$ 7 million in **expenses with contingency updates**.

Income Tax and Social Contribution

In 2Q23, **Income Tax and Social Contribution** recorded a decrease of 29.6% (R\$ 85 million), mainly explained by the variation in the income before taxes. The effective rate went from 35.2% in 2Q22 to 33.1% in 2Q23.

In 1H23, **Income Tax and Social Contribution** recorded an increase of 3.31% (R\$ 30 million), mainly explained by the variation in the income before taxes. The effective rate went from 35.4% in 1H22 to 33.7% in 1H23.

Net Income

Net income totaled R\$ 703 million in 2Q23, a decrease of 11.7% (R\$ 93 million), due to the reduction in EBITDA and the worsening in the financial result, caused by higher expenses with net debt and negative variation in the monetary adjustment of the sectoral financial asset.

In 1H23, **net income** was R\$ 1,821 million, an increase of 11.4% (R\$ 186 million). This result reflects the increase in EBITDA, partially offset by a higher net financial expense.

6.1.2) Tariff Events

Reference dates

Tariff Revision					
Distributor	Periodicity	Next Revision	Cycle	Tariff Process Dates	Expiration of Concessions
CPFL Piratininga	Every 4 years	October 2023	6 th PTRC	October 23 rd	October 23, 2028
CPFL Santa Cruz	Every 5 years	March 2026	6 th PTRC	March 22 nd	July 07, 2045
CPFL Paulista	Every 5 years	April 2028	6 th PTRC	April 8 th	November 20, 2027
RGE	Every 5 years	June 2028	6 th PTRC	June 19 th	November 06, 2027

Annual Tariff Adjustments and Tariff Reviews in 2022 and 2023

Annual Tariff Adjustments (ATAs)			Periodic Tariff Reviews (PTRs)	
Description	CPFL Piratininga	CPFL Santa Cruz	CPFL Paulista	RGE
Ratifying Resolution	3,128	3,178	3,183	3,206
Adjustment	21.07%	5.64%	3.36%	1.67%
Parcel A	14.47%	3.24%	0.89%	6.79%
Parcel B	2.03%	1.17%	0.19%	0.43%
Financial Components	4.57%	1.23%	2.28%	-5.55%
Effect on consumer billings¹	14.72%	9.02%	4.89%	1.10%
Date of entry into force	10/23/2022	03/21/2023	04/08/2023	06/19/2023

Note (1): the effect on consumer billing is also impacted by the financial components removed in the last tariff revision or adjustment.

6.2) Commercialization and Services Segments

Economic-Financial Performance

Consolidated Income Statement - Commercialization Segment (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	608	651	-6.5%	1,228	1,256	-2.2%
Net Operating Revenue	509	549	-7.2%	1,030	1,082	-4.9%
Cost of Electric Power	(484)	(539)	-10.2%	(990)	(1,113)	-11.1%
Operating Costs & Expenses	(18)	(16)	16.7%	(34)	(29)	17.8%
EBIT	7	(6)	-	6	(60)	-
EBITDA¹	8	(5)	-	9	(58)	-
Financial Income (Expense)	(24)	(55)	-56.7%	(54)	(103)	-47.9%
Income Before Taxes	(17)	(61)	-72.3%	(48)	(163)	-70.8%
Net Income	(17)	(60)	-72.0%	(48)	(146)	-98.5%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

Consolidated Income Statement - Services Segment (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	274	288	-4.9%	518	541	-4.4%
Net Operating Revenue	250	265	-5.8%	473	498	-5.0%
Operating Costs & Expenses	(199)	(219)	-9.2%	(390)	(405)	-3.6%
EBIT	51	46	10.3%	83	94	-11.1%
EBITDA¹	64	55	14.6%	109	112	-3.3%
Financial Income (Expense)	3	1	183.4%	7	1	376.1%
Income Before Taxes	54	47	14.5%	90	95	-5.5%
Net Income	41	36	12.4%	69	71	-2.7%

Note: (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

6.3) Generation Segment



As of November 2022, SPE Enercan (HPP Campos Novos) became 100% consolidated, line by line. Until October, it was accounted by equity. These effects were not eliminated and contribute to the growth of the indicators presented below.

Consolidated Income Statement - Generation Segment (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	1,190	956	24.5%	2,425	1,839	31.9%
Net Operating Revenue	1,091	885	23.3%	2,218	1,700	30.5%
Cost of Electric Power	(128)	(114)	12.3%	(262)	(254)	3.1%
Operating Costs & Expenses	(337)	(325)	3.9%	(678)	(624)	8.6%
EBIT	626	446	40.1%	1,278	822	55.6%
Equity income	83	126	-34.1%	160	241	-33.5%
EBITDA¹	928	757	22.6%	1,865	1,430	30.4%
Financial Income (Expense)	(160)	(147)	9.0%	(300)	(284)	5.5%
Income Before Taxes	548	426	28.9%	1,138	778	46.3%
Net Income	419	365	14.8%	872	659	32.3%

Notes:

(1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization.

(2) The complete Income Statement can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Operating Revenue

In 2Q23, the **Gross Operating Revenue** reached R\$ 1,190 million, an increase of 24.5% (R\$ 234 million). The **Net Operating Revenue** was of R\$ 1,091 million, registering an increase of 23.3% (R\$ 206 million).

The main factors that affected the net operating revenue were:

- (i) Increase of 25.3% (R\$ 240 million) in the **Electric Energy Supply**:
 - a. Increase of R\$ 276 million due to **Enercan consolidation**;
 - b. Decrease of R\$ 36 million in the **Electric Energy Supply**.

Partially offset by:

- (ii) Increase of 39.4% (R\$ 28 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS):
 - a. Increase of R\$ 32 million due to **Enercan consolidation**;
 - b. Decrease of R\$ 4 million in the **Deductions from Operating Revenue**;
- (iii) Decrease of R\$ 6 million in **Other Revenues**.

In 1H23, the **Gross Operating Revenue** reached R\$ 2,425 million, an increase of 31.9% (R\$ 586 million). The **Net Operating Revenue** was of R\$ 2,218 million, registering an increase of 30.5% (R\$ 518 million).

The main factors that affected the net operating revenue were:

- (i) Increase of 33.3% (R\$ 605 million) in the **Electric Energy Supply**:

- a. Increase of 30.3% (R\$ 551 million) due to **Enercan consolidation**;
- b. Increase of 3.0% (R\$ 54 million) in the **Electric Energy Supply**;

Partially offset by:

- (ii) Increase of 49.0% (R\$ 68 million) in **Deductions from Operating Revenue**, mainly due to taxes (PIS/COFINS):
 - a. Increase of 48.0% (R\$ 66 million) due to **Enercan consolidation**;
 - b. Increase of 1.0% (R\$ 2 million) in the **Deductions from Operating Revenue**;
- (iii) Decrease of R\$ 18 million in **Other Revenues**;
- (iv) Decrease of R\$ 1 million in **Energy Sales to Final Consumers**.

Cost of Electric Power

Cost of Electric Energy - R\$ Million						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Energy Purchased in the Spot Market	21	15	44.3%	44	80	-44.5%
Bilateral Contracts, ACR and ACL	44	63	-31.0%	93	152	-38.8%
ACR / ACL GSF Solution	-	-	-	-	(49)	-100.0%
PIS and COFINS Tax Credit	(3)	(5)	-34.2%	(7)	(12)	-39.2%
Cost of Electric Power Purchased for Resal	62	74	-15.6%	130	171	-23.9%
Basic Network Charges	55	29	88.4%	109	61	78.0%
Connection Charges	4	3	22.9%	8	6	26.8%
Charges for the Use of the Distribution System	11	10	14.7%	22	19	18.2%
ESS/EER	0	0	-	0	0	-
PIS and COFINS Tax Credit	(4)	(1)	159.4%	(7)	(3)	139.8%
Distribution System Usage Charges	66	40	63.0%	132	83	58.2%
Cost of Electric Energy	128	114	12.3%	262	254	3.1%

In 2Q23, the Cost of Electric Energy was of R\$ 128 million, representing an increase of 12.3% (R\$ 14 million), compared to 2Q22, due to:

- (i) Increase of 63.0% (R\$ 25 million) in **Distribution System Usage Charges**, net of taxes:
 - a. Increase of 50.1% (R\$ 20 million) due to **Enercan consolidation**;
 - b. Increase of 12.9% (R\$ 5 million) in **Distribution System Usage Charges**;
- (ii) Increase of 44.3% (R\$ 7 million) in the cost with **energy in the spot market**:
 - a. Increase of R\$ 8 million due to **Enercan consolidation**;
 - b. Decrease of R\$ 1 million in the cost with **energy in the spot market**;
- (iii) Decrease of 34.2% (R\$ 2 million) in **PIS and COFINS Tax Credit** relate to the energy purchased, despite **Enercan consolidation** (+R\$ 1 million).

Partially offset by:

- (iv) Decrease of 31.0% (R\$ 20 million) in the cost with energy purchased in **bilateral contracts, regulated (ACR) and free market (ACL)**, despite **Enercan consolidation** (+R\$ 11 million).

In 1H23, the Cost of Electric Energy was of R\$ 262 million, representing an increase of 3.1% (R\$ 8 million), compared to 1H22, due to:

- (i) Increase of 58.2% (R\$ 49 million) in **Distribution System Usage Charges**, net of taxes:
 - a. Increase of 52.4% (R\$ 40 million) due to **Enercan consolidation**;
 - b. Increase of 5.8% (R\$ 9 million) in **Distribution System Usage Charges**;
- (ii) Increase of 44.4% (R\$ 14 million) in the cost with **energy in the spot market**:
 - a. Increase of 42.9% (R\$ 13 million) due to **Enercan consolidation**;
 - b. Increase of 1.5% (R\$ 1 million) in the cost with **energy in the spot market**;
- (iii) Decrease of 39.2% (R\$ 5 million) in **PIS and COFINS Tax Credit** relate to the energy purchased, despite **Enercan consolidation** (+R\$ 2 million).

Partially offset by:

- (iv) Decrease of 38.8% (R\$ 59 million) in the cost with energy purchased in **bilateral contracts, regulated (ACR) and free market (ACL)**, despite **Enercan consolidation** (+R\$ 18 million).

Volume of purchased energy (GWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Energy Purchased in the Spot Market	240	612	-60.8%	487	939	-48.2%
Bilateral Contracts, ACR and ACL	728	440	65.4%	1,690	1,616	4.5%
Total	968	1,052	-8.0%	2,176	2,555	-14.8%

Average price (R\$/MWh)	2Q23	2Q22	Var.	1H23	1H22	Var.
Energy Purchased in the Spot Market	89.30	24.30	267.5%	90.71	32.56	178.6%
Bilateral Contracts, ACR and ACL	59.98	143.86	-58.3%	55.11	94.16	-41.5%
Total	67.25	74.35	-9.5%	63.07	71.53	-11.8%

PMSO

PMSO Consolidated						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Personnel	41	39	5.2%	82	79	3.9%
Material	12	11	15.1%	22	19	14.8%
Outsourced Services	69	56	24.2%	127	104	22.1%
Other Operating Costs/Expenses	(5)	34	-	20	53	-61.2%
<i>Asset Write-off</i>	(4)	0	-	(5)	(0)	-
<i>GSF Risk Premium</i>	5	6	-12.7%	11	12	-12.9%
<i>Legal and judicial expenses</i>	(24)	1	-	(24)	1	-
<i>Others</i>	18	27	-34.5%	39	39	0.1%
Total PMSO	118	139	-15.4%	252	255	-1.3%

In 2Q23, PMSO was of R\$ 118 million, a decrease of 15.4% (R\$ 22 million) compared to 2Q22. This decrease is mainly due to:

- (i) Variation of R\$ 39 million in **Other Expenses**, mainly due to a reversion of R\$ 29 million in **Legal and judicial expenses**;

Partially offset by:

- (ii) Increase of 24.2% (R\$ 13 million) in **Outsourced Services** mainly due to the increase in expenses with maintenance of hardware/software (R\$ 4 million), maintenance of

machinery and equipment (R\$ 3 million) and Enercan consolidation (R\$ 3 million);

- (iii) Increase of 7.3% (R\$ 4 million) in expenses with **Personnel and Material**, highlighting Enercan consolidation (R\$ 1 million) and higher headcount.

In 1H23, PMSO was of R\$ 252 million, a decrease of 1.3% (R\$ 3 million) compared to 1H22. This decrease is mainly due to:

- (i) Reduction of R\$ 32 million in **Other Expenses**, mainly due to a reversion of R\$ 29 million in **Legal and judicial expenses**;

Partially offset by:

- (ii) Increase of 22.1% (R\$ 23 million) in **Outsourced Services** mainly due to the increase in expenses with maintenance of the electrical system, equipment and buildings (R\$ 9 million), Enercan consolidation (R\$ 5 million) and maintenance of hardware/software (R\$ 3 million);
- (iii) Increase of 6.1% (R\$ 6 million) in expenses with **Personnel and Material**, highlighting Enercan consolidation (R\$ 3 million) and higher headcount.

Other operating costs and expenses

Other operating costs and expenses						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Private Pension Fund	0	1	-71.6%	0	2	-94.8%
Depreciation and amortization	177	142	24.6%	342	283	20.8%
Amortization of Concession Intangible	42	42	0.0%	84	84	0.1%
Total	219	185	18.5%	426	369	15.4%

Equity Income

Equity Income (R\$ Million)						
	2Q23	2Q22	Var. %	1H23	1H22	Var. %
Projects						
Barra Grande HPP	1	(2)	-	3	(1)	-
Campos Novos HPP	-	56	-100.0%	-	108	-100.0%
Foz do Chapecó HPP	63	50	26.9%	121	91	32.3%
Epasa TPP	20	22	-10.8%	37	43	-14.1%
Total	84	126	-33.8%	160	241	-33.4%

Notes:

- (1) Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45;
- (2) The complete Income Statement of the projects can be consulted in the CPFL historical information base, available in the IR website, to access it, [click here](#).

Below are the main variations of each project:

Barra Grande:

Equity Income (R\$ Million)						
BARRA GRANDE	2Q23	2Q22	Var. %	1H23	1H22	Var.%
Net Revenue	14	21	-32.5%	29	42	-30.3%
Operating Costs / Expenses	(8)	(12)	-31.9%	(15)	(24)	-38.1%
Deprec. / Amortization	(4)	(4)	1.7%	(7)	(7)	0.2%
Net Financial Result	(1)	(8)	-88.6%	(3)	(13)	-74.6%
Income Tax	(0)	1	-	(1)	1	-
Net Income	1	(2)	-	3	(1)	-

In 2Q23, the net revenue decreased 32.5% (R\$ 7 million), mainly due to tariff reduction, while the operating costs and expenses decreased 31.9% (R\$ 4 million) due to purchased energy volume and price reduction. There was a net financial expense of R\$ 1 million, a decrease of 88.6% (R\$ 7 million), mainly due to lower expenses with UBP, which are adjusted by IGP-M.

In 1H23, the net revenue decreased 30.3% (R\$ 13 million), mainly due to tariff reduction, while the operating costs and expenses decreased 38.1% (R\$ 9 million) due to purchased energy volume and price reduction. There was a net financial expense of R\$ 3 million, a decrease of 74.6% (R\$ 9 million), mainly due to lower expenses with UBP, which are adjusted by IGP-M.

Campos Novos:

Equity Income (R\$ Million)						
CAMPOS NOVOS	2Q23	2Q22	Var. %	1H23	1H22	Var.%
Net Revenue	-	121	-100.0%	-	236	-100.0%
Operating Costs / Expenses	-	(28)	-100.0%	-	(55)	-100.0%
Deprec. / Amortization	-	(7)	-100.0%	-	(14)	-100.0%
Net Financial Result	-	(0)	-100.0%	-	(3)	-100.0%
Income Tax	-	(29)	-100.0%	-	(56)	-100.0%
Net Income	-	56	-100.0%	-	108	-100.0%

As of November 2022, SPE Enercan (HPP Campos Novos) became 100% consolidated, line by line. Until October, it was accounted by equity income.

Foz do Chapecó:

Equity Income (R\$ Million)						
FOZ DO CHAPECÓ	2Q23	2Q22	Var. %	1H23	1H22	Var.%
Net Revenue	159	146	9.1%	320	289	10.7%
Operating Costs / Expenses	(36)	(25)	42.7%	(72)	(64)	12.0%
Deprec. / Amortization	(13)	(14)	-2.6%	(26)	(28)	-4.7%
Net Financial Result	(10)	(29)	-66.5%	(34)	(57)	-39.5%
Income Tax	(34)	(26)	31.9%	(64)	(47)	36.1%
Net Income	63	50	26.9%	121	91	32.3%

In 2Q23, net revenue increased 9.1% (R\$ 13 million), due to increase in the volume and price of energy supplied. The operating costs and expenses increased 42,7% (R\$ 11 million) in the period mainly due to purchased energy volume and charges adjustment. In the net financial expense, there was a decrease of 66.5% (R\$ 20 million), mainly due to lower expenses with UBP, which are adjusted by IGP-M and IPCA, partially offset by higher debt expenses.

In 1H23, net revenue increased 10.7% (R\$ 31 million), due to increase in the volume and price of energy supplied. The operating costs and expenses increased 12,0% (R\$ 8 million) in the period mainly due to purchased energy volume and charges adjustment. In the net financial expense, there was a decrease of 39.5% (R\$ 22 million), mainly due to lower expenses with UBP, which are adjusted by IGP-M and IPCA, partially offset by higher debt expenses.

Epasa:

EPASA	Equity Income (R\$ Million)					
	2Q23	2Q22	Var. %	1H23	1H22	Var.%
Net Revenue	42	40	4.0%	83	79	5.1%
Operating Costs / Expenses	(9)	(7)	16.9%	(21)	(13)	64.9%
Deprec. / Amortization	(12)	(12)	2.2%	(25)	(24)	2.2%
Net Financial Result	4	4	-9.9%	9	7	25.1%
Income Tax	(4)	(3)	26.6%	(9)	(7)	25.6%
Net Income	20	22	-10.8%	37	43	-14.1%

In 2Q23, net revenue increased R\$ 2 million and the operating costs and expenses were up by R\$ 1 million, due to annual readjustments to revenue and tariff. There was a net financial income of R\$ 4 million, lower than the previous year, due to the lower cash balance.

In 1H23, net revenue increased R\$ 4 million and the operating costs and expenses were up by R\$ 8 million, due to higher volumes of generation. There was a net financial income of R\$ 9 million, higher than the previous year, due to higher CDI.

EBITDA

In 2Q23, **EBITDA** was of R\$ 928 million, an increase of 22.6% (R\$ 171 million), mainly due to 100% accounting of Enercan and better performance of wind generation.

In 1H23, **EBITDA** was of R\$ 1,865 million, an increase of 30.4% (R\$ 435 million), mainly due to 100% accounting of Enercan and better performance of wind generation.

EBITDA and Net Income conciliation (R\$ million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Income	419	365	14.8%	872	659	32.3%
Depreciation and Amortization	219	184	19.0%	426	367	16.0%
Financial Result	160	147	9.0%	300	284	5.5%
Income Tax / Social Contribution	129	60	114.1%	266	118	124.5%
EBITDA	928	757	22.6%	1,865	1,430	30.4%

Financial Result

Financial Result (IFRS - R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Financial Revenues	56	41	38.1%	97	70	38.5%
Financial Expenses	(217)	(188)	15.4%	(398)	(355)	12.1%
Financial Result	(160)	(147)	9.0%	(300)	(284)	5.5%

In 2Q23, the financial result was a **net financial expense** of R\$ 160 million, an increase of 9.0% (R\$ 13 million), mainly due to a negative variation of MTM (R\$ 24 million) and other financial expenses (R\$ 19 million), partially offset by lower expenses with net debt (R\$ 29 million).

In 1H23, the financial result was a **net financial expense** of R\$ 300 million, an increase of 5.5% (R\$ 16 million), mainly due to the MTM (R\$ 9 million) and other financial expenses (R\$ 16 million), partially offset by lower expenses with net debt (R\$ 9 million).

Income Tax and Social Contribution

In 2Q23, the income tax and social contribution item registered a negative result of R\$ 129 million, compared to R\$ 60 million in 2Q22, which is explained mainly by the better operational performance of the segment in the period.

In 1H23, the income tax and social contribution item registered a negative result of R\$ 266 million, compared to R\$ 118 million in 1H22, which is explained by the same factors that had an impact in the quarter.

Net Income

In 2Q23, **net income** was R\$ 419 million, an increase of 14.8% (R\$ 54 million), mainly reflecting the increase in the EBITDA, partially offset by the higher Income Tax and Social Contribution of the period.

In 1H23, **net income** was R\$ 872 million, an increase of 32.3% (R\$ 213 million), explained by the same factors that had an impact in the quarter.

6.4) Transmission Segment

IFRS Economic-Financial Performance (CPFL Transmissão + 5 projects)

Consolidated Income Statement - Transmission Segment (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	540	567	-4.7%	1,003	1,029	-2.5%
Net Operating Revenue	474	496	-4.4%	874	891	-2.0%
Cost of Electric Power	-	-	-	-	-	-
Operating Costs & Expenses	(229)	(307)	-25.3%	(417)	(578)	-27.9%
EBIT	245	189	29.5%	457	314	45.8%
EBITDA¹	260	202	28.8%	489	340	43.8%
Financial Income (Expense)	(44)	(103)	-57.6%	(87)	6	-
Income Before Taxes	202	87	131.1%	373	321	16.1%
Net Income	150	136	9.8%	272	284	-4.1%

Notes:

- (1) EBITDA is calculated from the sum of net income, taxes, financial result and depreciation/amortization;
- (2) The complete Income Statement can be consulted on CPFL Energia's Historical Information Base, available on the IR website. To access it, [click here](#);
- (3) Since 1Q22, the Transmission segment began to include CPFL Cone Sul, holding company of CPFL Transmissão.

6.4.1) Regulatory Themes

Periodic Tariff Revision ("PTR")

ANEEL's Dispatch No. 402, dated February 14, 2023, postponed the 2023 Periodic Tariff Revision (PTR) of the Annual Revenue Requirement (ARR) of the transmission concessionaires, extended pursuant to Law No. 12,783/2013 and partially postponed the scope of the 2023 PTR of the ARR of the bided transmission concessionaires, with regard to Reinforcements and Improvements, for July 1, 2024, maintaining only the Review of revenues offered in the Auction for transmission companies tendered with PTR in 2023.

Ordinance MME 120/2016 – RBSE

In order to regulate and operationalize the guidelines of Law No. 12,783/2013, regarding the payment of non-depreciated existing assets on May 31, 2000 ("RBSE"), the Ministry of Mines and Energy ("MME") issued Ordinance No. 120, on April 20, 2016. According to the aforesaid Ordinance, ANEEL issued REN No. 762 of February 21, 2017, defining, in its article 2, that the capital cost of electric power transmission concessionaires would be composed of portions of remuneration and regulatory reintegration quota.

However, in April 2017, some users of the transmission system ended up opposing in court against the payment of the share of equity remuneration ("ke") owing to the transmitters, aiming to suspend the effects on their tariffs, obtaining favorable injunctions.

Since July 2017, the Company received remuneration for existing RBSE transmission assets in May 31, 2000, referring to Concession Contract no. 055/2001, through its ARR. The payment of the parameter ("ke") was not made until the reversal of the suspensive judicial decisions, which occurred at the end of 2019. Therefore, in the tariff process following the recognition of this right (in July 2020), ANEEL included the payment of these suspended amounts ("ke") to the transmitters in the PTR processes of its ARRs.

In the readjustment REH of the 2021/2022 cycle, ANEEL proceeded with the recalculation of the debt balance, constituted by the cost of capital remunerated at the equity cost rate ("ke") until the date of the beginning of the effective payment (July 1st of 2020).

Concomitant with the 2021/2022 cycle, ANEEL implemented the "reprofiling" of the payment of the Basic Network Existing System "RBSE" Financial Component within 8 years (cycles from 2020/2021 to 2027/2028), ensuring the net present value of the operation.

In May 2021, requests for reconsideration were submitted, alleging material errors, to the detriment of the ANEEL Approval Resolution, cycle 2021/2022, which dealt with the "reprofiling". In June 2022 and April 2023, ANEEL's Technical Superintendence proposed a Technical Note about the request for reconsideration. Since then, CPFL and the other affected Transmitters have worked together, via ABRATE, demonstrating that the methodological choice adopted in 2020 by the Agency is valid. The matter still depends on the deliberation of the Collegiate Board of ANEEL.

In the 2023 readjustment, RBSE's financial component reached the last level of adjustments due to the reprofiling.

Annual Tariff Adjustment ("ATA")

The Permitted Annual Revenue (ARR) is the remuneration that the transmission companies receive for the provision of the electric power transmission service from the entry into commercial operation of the facilities, as provided in the concession agreement.

The ARR is divided into Basic Network of New Facilities (RBNI), Basic Network Existing System (RBSE), Bidded Basic Network (RBL) and Connection to Transmission System Revenue (CCT), the details of which are presented below, with revenue growth due to the variation of the IPCA and the entry into operation of reinforcement and improvement projects.

- (i) RBNI: new facilities of the Transmission, which started operating from January 2013;
- (ii) RBSE: undepreciated assets from May 2000 to the end of December 2012, defined in the Annex to Resolution No. 166, of May 31, 2000, validated by Law No. 12,783/13. RBNI and RBSE represents the two sets of assets that generate the largest portion of the ARR for contract 055/2001 (CEEE-T);
- (iii) RBL: revenue from the tendered contracts;
- (iv) Connection to Transmission System Revenue (CCT): remuneration that the transmitter receives from users connected to the Other Transmission Facilities (DITs) for the provision of the transmission service. The DITs are composed, for example, of transmission lines, buses, power transformers and substation equipment, not part of the Basic Network.

According to REH No. 3,216/2023, for the cycle from 07/01/2023 to 06/30/2024, the revenue (ARR) added to the adjustment portion (PA) **of the Concession Agreement No. 055/2001 (CEEE-T)** totalizes about R\$ 1.07 billion, net of PIS and COFINS, highlighting:

- (i) Monetary adjustment of the 2021/2022 cycle (IPCA), totaling R\$ 36.7 million;
- (ii) Reprofiling of the financial component of PRT MME 120/2016 (RBSE), with a positive impact of R\$ 150.2 million;
- (iii) Discount of the Adjustment Portion (PA) in the amount of R\$ 53.2 million, whose

negative impact is mainly due to the return of revenue received in advance in the 2022/2023 cycle;

- (iv) Expansions of facilities, entry into operation of new reinforcements, sectioning of lines and improvements, carried out during the 2022/2023 cycle, increased the transmission company revenue by R\$ 3.3 million.

Tariff Adjustment Cycle 2023/2024								
REH 3067/2022 (*)	Earned Resources (REH 3067/22)	Correction (IPCA)	Low	Project Energization	RBSE	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
933.60	1.19	36.68	(2.92)	3.28	150.19	1,122.02	(53.17)	1,068.85

Note: (*) Approved values not considering the Adjustment Portion – PA.

The revenue related to **Concession Agreement No. 080/2002 (CEEE-T LT P. Médici – Pelotas 3)** totalizes R\$ 20.99 million, highlighting:

- (i) Reduction of R\$ 1 million due to the IGP-M monetary adjustment M of -4.47% for the period;
- (ii) Discount of the Adjustment Portion in the order of R\$ 446 thousand, referring to the return of revenue received in advance in previous cycles.

Tariff Adjustment Cycle 2023/2024				
REH 3067/2022 (*)	IGP-M	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
22.44	(1.00)	21.44	(0.45)	20.99

Note: (*) Approved value disregarding the Adjustment Portion (AP).

In addition, the revenue related to **Concession Agreement No. 001/2011 (TESB)** added to the Adjustment Portion totalizes R\$ 31.2 million, net of PIS and COFINS, highlighting:

- (i) Inflow of new revenues in the amount of R\$ 8.2 million;
- (ii) Discount of the Adjustment Portion in order of R\$ 6.0 million, whose negative impact is mainly due to the discounts provided in REN No. 905/2020 for installations classified as RBF or DITC that entered into commercial operation with their own non-impeding pendency and for the return of revenue received in advance in the 2022/2023 cycle.

Tariff Adjustment Cycle 2023/2024					
REH 3067/2022 (*)	IPCA	Project Energization	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
27.92	1.10	8.21	37.23	(6.03)	31.20

Note: (*) Approved value disregarding the Adjustment Portion (AP).

The **Concession Agreement No. 003/2013 (CPFL Transmissão PIRACICABA)** went through the Periodic Tariff Review of the revenue offered in the Auction, with a repositioning index of 7.87%. However, in the tariff adjustment, only the IPCA was applied to the revenue,

which, added to the Adjustment Portion, totalizes R\$ 15.17 million, net of PIS and COFINS, highlighting:

- (i) Discount of the Adjustment Portion in the order of R \$ 255 thousand, due to the return of revenue received in advance in the 2022/2023 cycle;
- (ii) Monetary adjustment.

Tariff Adjustment Cycle 2023/2024				
REH 3067/2022 (*)	IPCA	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
14.84	0.58	15.43	(0.25)	15.17

Note: (*) Figures considering Adjustment Parcel – PA.

The revenue related to **Concession Agreement No. 020/2018 (CPFL Transmissão MARACANAÚ)** added to the Adjustment Portion totalizes R\$ 10.5 million, net of PIS and COFINS, highlighting:

- (i) Discount of the Adjustment Portion in the order of R\$ 193 thousand, due to the return of revenue received in advance in the 2022/2023 cycle;
- (ii) Monetary adjustment by IPCA.

Tariff Adjustment Cycle 2023/2024				
REH 3067/2022 (*)	IPCA	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
10.26	0.40	10.66	(0.19)	10.47

Note: (*) Approved value disregarding the Adjustment Portion (AP).

The revenue related to **Concession Agreement No. 006/2015 (CPFL Transmissão MORRO AGÚDO)** added to the Adjustment Portion totalizes R\$ 18.7 million, net of PIS and COFINS, highlighting:

- (i) Discount of the Adjustment Installment in the order of R\$ 392 thousand, due to the return of revenue received in advance in previous cycles;
- (ii) Monetary adjustment by IPCA.

Tariff Adjustment Cycle 2023/2024				
REH 3067/2022 (*)	IPCA	REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
18.34	0.72	19.06	(0.39)	18.67

Note: (*) Approved value disregarding the Adjustment Portion (AP).

The **Concession Agreement No. 005/2019 (CPFL Transmissão SUL I)** was energized in the 2022/2023 cycle, starting to receive revenue in December 2022. The revenue added to the Adjustment Portion totalizes R\$ 34.2 million, net of PIS and COFINS, highlighting:

- (i) Discount of the Adjustment Portion in the order of R\$ 682 thousand, due to the return of revenue received in advance in the 2022/2023 cycle.

Tariff Adjustment Cycle 2023/2024		
REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
34.86	(0.68)	34.17

Note: (*) Approved value disregarding the Adjustment Portion (AP).

Concession Agreement No. 011/2019 (CPFL Transmissão SUL II) was energized and began to realize revenue in September 2022. In the 2023/2024 cycle, the revenue added to the Adjustment Portion totalizes R\$ 40.8 million, net of PIS and COFINS, highlighting:

- (i) Discount of the Adjustment Portion in the order of R\$ 2.4 million, due to the return of revenue received in advance in previous cycles and the discounts provided for in REN No. 905/2020 for installations classified as RBF or DITC that entered into commercial operation with their own non-impeding pendency.

Tariff Adjustment Cycle 2023/2024		
REH 3216/2023 (*)	Adjustment Portion	REH 3216/2023
43.19	(2.41)	40.77

Note: (*) Figures considering Adjustment Parcel – PA.

In relation to the **Concession Agreement nº 004/2021 (CEEE-T Cachoeirinha 3)**, the transmission company will receive the ARR for the provision of the public transmission service scheduled for 2024, in the amount of R\$ 11.5 million, to be readjusted from start-up of assets.

6.4.2) CPFL Transmissão

6.4.2.1) Regulatory Results

Disclaimer:



This chapter contains the regulatory results (Regulatory Financial Statements prepared for Aneel, the electricity sector regulatory agency), therefore, is merely for the purpose of analyzing the regulatory/management performance, following the market practices for transmission businesses.

So it does not work as an official report from the Company to the Brazilian Securities and Exchange Commission (CVM), which strictly and rigidly follows the IFRS international accounting standards.

The figures have not been audited and are still subject to change.

Regulatory Income Statement - CPFL Transmissão (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Gross Operating Revenue	326	290	12.2%	639	577	10.9%
Net Operating Revenue	263	226	16.4%	515	451	14.4%
Operating Costs & Expenses	(124)	(128)	-3.5%	(248)	(296)	-16.4%
Equity Income	1	1	5.7%	2	1	91.5%
EBITDA	167	125	33.7%	324	210	54.0%
Financial Result	(42)	(71)	-40.7%	(84)	39	-
Earnings Before Taxes	98	27	261.3%	186	195	-4.6%
Net Earnings	83	105	-20.8%	152	208	-26.9%

Operating Income

Operating Revenue - CPFL Transmissão (R\$ Million)						
Revenue from Use of the Electricity Grid	2Q23	2Q22	Var.	1H23	1H22	Var.
Concession Contract 055/2001	311	281	10.7%	610	558	9.4%
Concession Contract 080/2002	5	5	14.1%	11	10	11.6%
Concession Contract 004/2021	-	-	-	-	-	-
TESB	9	5	101.4%	18	9	98.1%
Regulatory Charges	(33)	(38)	-12.5%	(66)	(74)	-10.3%
Gross Revenue	326	290	12.2%	639	577	10.9%
Deductions from Revenue	(63)	(64)	-2.5%	(124)	(126)	-1.8%
Net Revenue	263	226	16.4%	515	451	14.4%

In 2Q23, **gross operating revenue** reached R\$ 326 million, an increase of 12.2% (R\$ 35 million), due to the tariff readjustment of the 2022/2023 cycle of concession contracts 055 and 080. The regulatory charges, which are part of billed revenue, together with tariff subsidies, decreased by 12.5% (R\$ 5 million) in the quarter. Deductions from revenue reached R\$ 63 million in 2Q23, decrease of 2.5%. The **net operating revenue** reached R\$ 263 million, an increase of 16.4%.

In 1H23, **gross operating revenue** reached R\$ 639 million, an increase of 10.9% (R\$ 63 million), due to the tariff readjustment of the 2022/2023 cycle of concession contracts 055 and 080. The regulatory charges decreased by 10.3% (R\$ 63 million) while deductions from revenue had a reduction of 1.8%. The **net operating revenue** reached R\$ 515 million in 1H23, an increase of 14.4%.

O&M Costs and Expenses – PMSO and Depreciation/Amortization

PMSO and Depreciation/Amortization						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Personnel	(36)	(50)	-28.7%	(68)	(140)	-51.0%
Material	(1)	(1)	60.9%	(2)	(2)	-8.3%
Outsourced Services	(18)	(16)	7.2%	(34)	(31)	10.3%
Private Pension Entity	(15)	(17)	-8.8%	(31)	(34)	-7.5%
Others	(28)	(18)	50.1%	(57)	(34)	67.9%
PMSO	(97)	(102)	-4.7%	(193)	(241)	-19.8%
Depreciation and Amortization	(27)	(26)	1.7%	(55)	(55)	-1.3%
TOTAL	(124)	(128)	-3.4%	(248)	(296)	-16.3%

PMSO totaled R\$ 97 million in 2Q23, a decrease of 4.7% (R\$ 5 million) compared to 2Q22, mainly due to the following factors:

- (i) Decrease in expenses with Personnel, due to the reduction in headcount (R\$ 14 million);

Partially offset by:

- (i) Increase in Others (R\$ 9 million), mainly due to an increase in judicial contingency provisions.

In 2Q23, **Depreciation and Amortization** reached R\$ 27 million, a decrease of 1.7% (R\$ 1 million) compared to 2Q22.

PMSO in the 1H23 totaled R\$ 193 million, a decrease of 19.9% (R\$ 48 million) compared to 1H22, mainly due to these factors:

- (i) Decrease in expenses with Personnel due to the reduction in headcount and the expenses with the Retirement Incentive Program (PIA) in 2022 (R\$ 71 million);

Partially offset by:

- (ii) Increase in Others (R\$ 23 million) especially due to a lower volume of provision reversals and a decrease in other operational revenues.

In 1H23, **Depreciation and Amortization** reached R\$ 55 million, a decrease of 1.3% (R\$ 1 million) compared to 1H22.

Equity Income

Equity Income (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Projects						
TPAE	-	-	-	-	-	-
ETAU	1	1	12.9%	2	1	92.8%
Total	1	1	12.9%	2	1	92.8%

EBITDA

EBITDA and Net Income conciliation (R\$ million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Net Income	83	105	-20.8%	152	208	-26.9%
Depreciation and Amortization	27	26	1.7%	55	55	-1.3%
Financial Result	42	71	-40.7%	84	(39)	-
Income Tax / Social Contribution	14	(78)	-	34	(13)	-
EBITDA	167	125	33.7%	324	210	54.0%

In 2Q23, **Regulatory EBITDA** was of R\$ 167 million, an increase of 33.7% (R\$ 42 million), due to a combination of better operational result, mainly due to the RAP readjustment for the 2022/2023 cycle, in addition to the reduction in operating expenses.

In 1H23, the **Regulatory EBITDA** was of R\$ 324 million, an increase of 54.0% (R\$ 114 million), for the same reasons as mentioned above.

Financial Result

Financial Result (R\$ Million)						
	2Q23	2Q22	Var.	1H23	1H22	Var.
Revenue	26	28	-7.3%	46	154	-70.1%
Expenses	(68)	(99)	-31.3%	(130)	(115)	13.2%
Financial Result	(42)	(71)	-40.7%	(84)	39	-

In 2Q23, the financial result was a **net financial expense** of R\$ 42 million, a reduction of 40.07% if compared to 2Q22, chiefly due to:

- (i) Financial expense arising from the contractual clause for prepayment of debt with AFD - non-recurring effect in 2Q22 (R\$ 36 million);
- (ii) Pre-payment of debt in foreign currency with IDB and AFD, reducing expenses with exchange rate adjustment (R\$ 34 million);

Partially offset by:

- (iii) Increase in the expenses with debt (R\$ 26 million), indexed to CDI;
- (iv) Other effects (R\$ 13 million).

In 1H23, the financial result was a **net financial expense** of R\$ 84 million, an increase of R\$ 123 million if compared to a net financial revenue of R\$ 39 million registered in the 1H22, chiefly due to:

- (i) Decrease in revenues linked to exchange variation due to the debt in foreign currency (R\$ 62 million);
- (ii) Increase in expenses with debt (R\$ 68 million), mainly due to the debentures issued by the Company indexed to CDI.

Income Tax and Social Contribution

In 2Q23, Income Tax and Social Contribution item registered a negative result of R\$ 14 million, compared to a positive result of R\$ 78 million in 2Q22. This difference was mainly due to a non-recurring event that happen in 2Q22, the recognition of tax credit arising from the treatment of exchange rate variation after the discharge of foreign financing. In addition to it, a better operational result took to an increase in taxes.

In 1H23, Income Tax and Social Contribution item registered a negative result of R\$ 34 million compared to a positive result of R\$ 13 million in 1H22, consequence of a better result in 2023, and the impact of tax credit arising from the treatment of exchange rate variation occurred in 1H22.

Net Income

In 2Q23, **net income** reached R\$ 83 million, decrease of 20.8% (R\$ 22 million) compared to a net income of R\$ 105 million registered in 2Q22, explained by a better result in 2Q23, beyond a positive effect of tax credit in 2Q22, which were not repeated in 2Q23.

In 1H23, **net income** reached R\$ 152 million, decrease of 26.9% (R\$ 56 million) compared to a net income of R\$ 208 million registered in 1H22, explained for the same reasons quoted above.

6.4.3) Key Differences – Regulatory vs. IFRS

Revenue: As per IFRS, revenues from investments made during the concession period are recognized through the cash flow of the contractual asset, which is remunerated at the estimated rate of the projects. In regulatory accounting, investments are treated as property, plant and equipment, and depreciated over their life cycle, with revenue booked through the billing process, during the concession term, similar to perceived revenue in operating cash flow.

Cost of Construction: Under IFRS, infrastructure installation costs that refer to the investment amounts made, considering the manpower used, are recognized in results. Does not exist in regulatory accounting.

Depreciation: Under IFRS, assets related to the concession are classified as contractual assets or financial assets. Under IFRS, property, plant and equipment comprises assets belonging to the Company and not linked to the concession. In regulatory accounting, the concession asset is considered property, plant and equipment and is depreciated over its life cycle.

Other Expenses (Provisions): Under IFRS, Contractual Assets are measured at fair value and losses related to the impairment of assets that comprise them must be recognized in results. This loss is calculated through future investments linked to obligations, which, according to discounted cash flow, would not be recoverable during the concession period due to the delay in works that result in the reduction of expected RAP. In regulatory accounting, the rule of fair value measurement is not applicable.

Income Tax/Social Contribution: The difference between corporate and regulatory Income Tax/Social Contribution expenses is due to the respective differences in their calculation bases.

7) ATTACHMENTS

The tables contained in this chapter in previous versions of CPFL Energia's Earnings Release are available in Excel format, in the CPFL Energia Historical Information Base, available on the IR website. [Click here](#) access the file.

If you have any doubts, please [Contact IR](#).