

Management Report

Dear Shareholders,

In compliance with the law and the Bylaws of CPFL Energia S.A. ("CPFL Energia" or "Company"), the Management of the Company hereby submits to you the Management Report and financial statements of the Company, along with the reports of the independent auditor and Fiscal Council for the fiscal year ended December 31, 2024. All comparisons herein are made with consolidated figures for fiscal year 2023, except when specified otherwise.

1. Opening remarks

In 2024, we witnessed one of the greatest climate tragedies in history in the state of Rio Grande do Sul. We had heavy rainfall and flooding in nearly all municipalities within our concession area, with repercussions on our distribution, generation, and transmission assets. Given the magnitude of this event, we had minor impacts on our results, which demonstrates the resilience of our assets and businesses in the face of an adverse scenario. We also observed periods of intense heat all over Brazil, resulting in a significant increase in consumption from the residential and commercial segments, while the industry also returned to showing healthy results; all of this contributed to the healthy results of the Distribution segment.

The Generation segment continued to face challenges, given the greater complexity faced by the National Electricity System Operator (ONS) in operating the electricity system due to the expansion of intermittent renewable sources, notably distributed solar generation. In this context, thermoelectric plants had to be dispatched to meet demand peaks, while wind farms in the Northeast region had to be disconnected from the grid, in the so-called *curtailment*.

The CPFL Energia group continued to actively pursue sustainable growth in its segments, investing R\$5.8 billion in the year to further improve the performance of its distribution assets, by extending the networks and deploying new technologies in order to continue offering top quality services to its clients. It also made investments in plant maintenance and retrofitting projects at the transmission networks to achieve excellence in operational management. Also in relation to investments, it is important to highlight the completion of the construction of the Lucia Cherobim SHPP, located in the state of Paraná, with 28.0 MW of installed capacity; the start of operations took place in early 2025.

The outlook for the coming years continues highly positive. In late 2024, the Board of Directors of CPFL Energia approved the Group's new 2025-2029 Investment Plan, which entails the allocation of R\$29.8 billion to existing businesses, notably R\$24.7 billion to the distribution segment and R\$3.7 billion to the transmission segment.

It is also worth highlighting the update of the 2030 ESG Plan. In its 1st version, the Plan had 23 commitments organized into 4 pillars. In the annual update, which is carried out in an integrated manner with the Company's Strategic Planning, an important step was taken, with the addition of the **24th commitment - Climate Resilience**, with the objective of addressing the strategy to cope with climate events. The aim is to establish climate



adaptation plans for the generation, transmission, and distribution businesses, strengthening the resilience of our assets until 2030.

Financial discipline, which has always been a hallmark of CPFL Energia, once again guides our capital allocation decisions. In relation to the 2023 results, we paid dividends of R\$3.2 billion to shareholders in the period between April and December 2024.

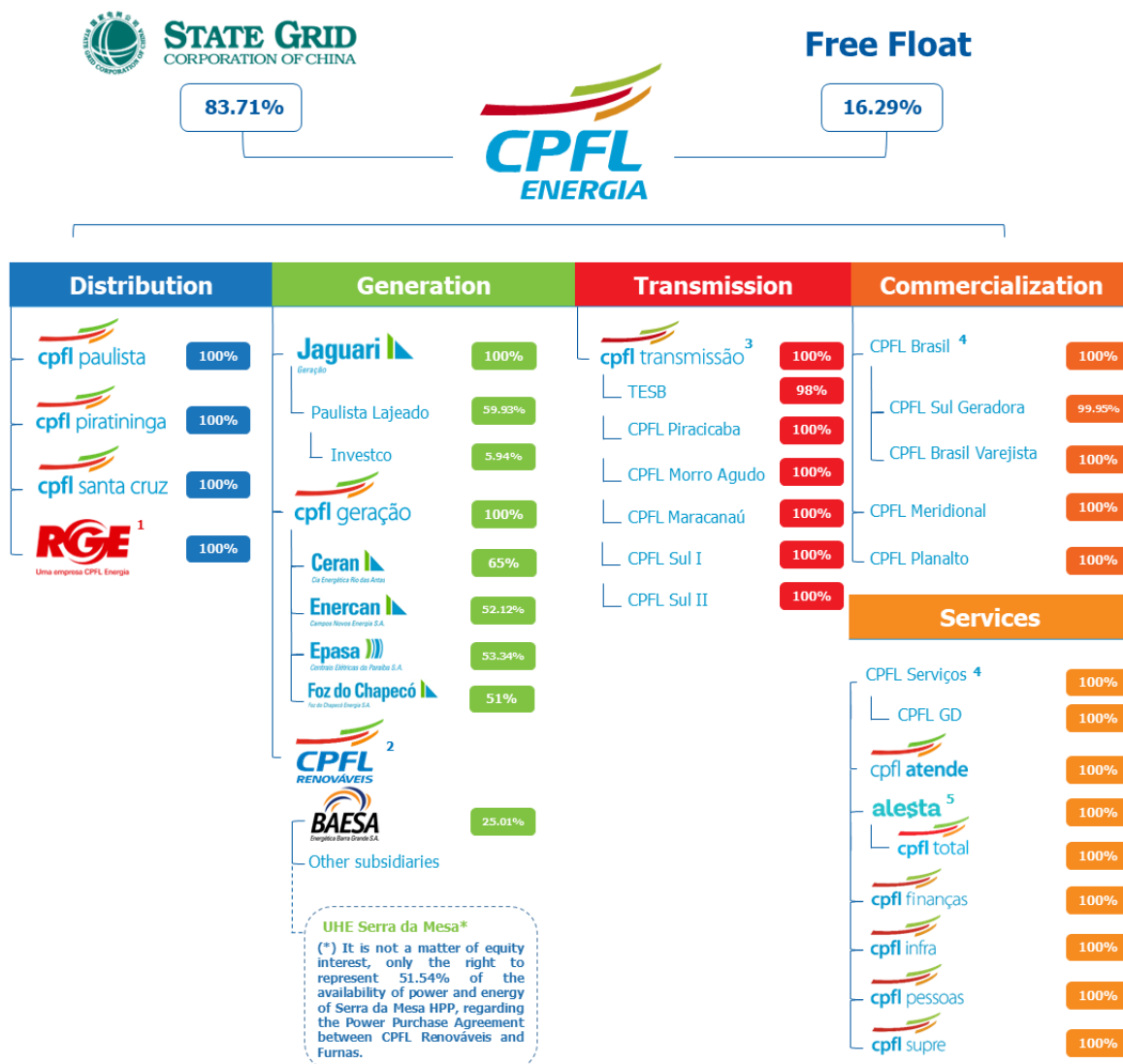
Finally, this year, the CPFL Energia group continued with the implementation of innovation, digitalization, and new technologies in its business operations, aiming for greater efficiency and cost reduction, always aligned with the developments in Brazil's regulatory and economic scenario in its markets.

The management of CPFL Energia reaffirms its commitment and confidence to the shareholders, clients, partners, society and other stakeholders, and thanks all CPFL Group employees for the results achieved.

For 2025, we remain optimistic about the advances in Brazil's electricity sector and are confident in our business platform, which is based on the pillars that have supported our operations for over 100 years. We remain firm and confident that we are prepared to face the challenges to come, as well as to take advantage of the good opportunities that will arise, always focusing on the best result for our shareholders and other stakeholders.

Shareholders' Structure (simplified)

CPFL Energia is a holding company that owns stake in other companies:



Reference date: 12/31/2024

Notes:

- (1) RGE is controlled by CPFL Energia (89.0107%) and CPFL Brasil (10.9893%);
- (2) CPFL Renováveis is controlled by CPFL Energia (49.1502%) and CPFL Geração (50.8498%);
- (3) CPFL Transmissão is controlled by CPFL Brasil (100%);
- (4) CPFL Soluções = CPFL Brasil + CPFL Serviços;
- (5) Alesta is controlled by CPFL Energia (99.99%) and by CPFL Brasil (0.01%).

Comments on the macroeconomic and regulatory scenario

Macroeconomic scenario

The year 2024 began with the expectation that U.S. inflation would converge towards its target at a faster pace. This hope was dashed in the first half of the year due to a persistently strong labor market and less favorable inflation figures. Weaker labor market data and inflation figures as of July led the FED to cut rates to 4.25%-4.50% annually by the end of 2024.

However, from mid-October onwards, candidate Donald Trump emerged as the favorite to win the U.S. presidential election, with campaign pledges with potential inflation trends. This factor, combined to the release of economic data indicating that the slowdown in U.S. activity and inflation was happening more slowly than expected, prompted caution in the FED's decisions regarding the continuation of its interest rate-cutting cycle. As a result, expectations for interest rate cuts in 2025 were reduced, contributing to the strengthening of the dollar, which has also benefited from the stronger growth of the U.S. economy.

In Brazil, 2024 was marked by positive surprises in the pace of economic growth.

Despite a drop in the grain harvest compared to 2023 (a record year), due to climatic factors, stronger growth stemmed from a combination of: (i) an extraordinary payment of R\$ 90 billion in court-ordered payments at the end of 2023; (ii) a boost in regional government cash flow in 2023, creating room for increased spending in 2024, an election year; (iii) the continued positive momentum in the labor market, supported by favorable dynamics in the construction sector; and (iv) improvements in the credit market.

Starting with the last factor, the credit market benefited from the reduction in the benchmark interest rate (Selic) which began in 2023 and extended into the first half of 2024; non-bank credit had a strong year, driven by the issuance of debentures. Credit to households also reaped the benefits from the *Desenrola* program, implemented at the end of 2023.

The expanded income base saw a real increase of around 7% in 2024, even after two years of substantial growth in 2022 and 2023. Part of this rise was due to increased employment, but real average wages also grew significantly, driven by both the real increase in the minimum wage and a historically low unemployment rate (below the natural unemployment rate). Formal employment also expanded throughout the year, ending 2024 with a net job creation of approximately 1.4 million positions.

Among fiscal stimuli, it is worth noting that the R\$ 90 billion payment of court-ordered debts at the end of 2023 represented an injection of about 0.8% of GDP into the economy. Additionally, the spending by regional governments, in an election year, along with the revival of the *Minha Casa, Minha Vida* program, helped boost the construction sector. The federal government also allocated around 0.2% of GDP in resources to the state of Rio Grande do Sul following the climatic tragedy that affected the state. Despite significant losses, reconstruction efforts ended up strengthening the expansion of the construction sector as well as the consumer goods industry (especially durable goods).

The evolution of government finances was a central theme throughout the year. Initiatives to use public funds for program implementation (with less transparency), statements unfavorable to fiscal adjustment and the announcement of a fiscal package in November, which included an increase in the income tax exemption threshold, raised doubts about

the government's commitment to maintaining public finance stability. This led to a further rise in longer-term interest rates and a sharp depreciation of the currency.

The real depreciated significantly in 2024, partly due to a more turbulent global environment amid increasing uncertainties, mirroring a trend observed in several other emerging-market currencies and commodity-exporting countries. Nevertheless, about half of the depreciation was attributed to a worsening perception of Brazil's domestic fiscal situation, as the real's depreciation was nearly twice as severe as that of a comparative basket of currencies.

The currency depreciation, along with less favorable weather conditions, put significant pressure on inflation. The tight labor market also influenced the pricing of sectors more sensitive to economic activity, such as services. As a result, inflation ended the year once again above the target ceiling of 4.5%.

Inflation expectations continued to diverge from target levels throughout the year. In this context, the Copom (Monetary Policy Committee) suspended the Selic rate-cutting cycle earlier than expected, with the Selic at 10.50% per year. In September, the Copom resumed raising the Selic rate, which ended 2024 at 12.25% (up from 11.75% in 2023).

Thus, despite the strong performance of the economy and labor market in 2024, the deterioration of the external and domestic fiscal scenarios led to more adverse financial conditions, including currency depreciation, higher inflation, and rising interest rates.

Regulatory Environment

The key changes in sector regulations in the **distribution segment** in 2024 are outlined below:

1) Improvement and update of the Energy Pricing Tiers (Tariff Flags)

Result of ANEEL Public Consultation No. 26/2023 REN No. 1,084/2024, of March 5, 2024, approved version 1.10 of Submodule 6.8 of the Tariff Regulation Procedures (PRORET), which addresses Tariff Flags, incorporating out-of-merit generation for reasons of energy security into the methodology for activating the Tariff Flags and amending Tables I and II of Annex I of ANEEL Normative Resolution 1,003, of February 1, 2022.

In addition, Homologatory Resolution ("REH") No. 3,306/2024 was also published on the same date, establishing the activation ranges and additional charges of the Tariff Flags, as addressed in Submodule 6.8 of PRORET, effective as of April 1, 2024.

The enhancement of the parameters for activating the Tariff Flags, in order to additionally consider dispatches outside the economic merit order, was decided by the Energy Industry Monitoring Committee (CMSE). The objective would be to prevent, in an extreme scenario where it is not possible to measure the impacts in advance, the original activation from inappropriately signaling a tariff flag. Therefore, it is expected that complementary activation will occur depending on the dispatch of the thermoelectric park.

If the original activation incorrectly indicated a Green Flag, for instance, but the CMSE decided to fully dispatch the thermoelectric park, the combined activation would result in a Red Flag 2.

There are also complementary conditions for the activation of the Tariff Flags, which vary according to the dispatch outside the economic merit order (MWm) of the thermoelectric

park and the percentage of these plants that are activated, according to values approved by ANEEL.

The decision led to a reduction for the yellow flag of almost 37%, from R\$29.89/MWh to R\$18.85/MWh. For the red flag, level 1, the reduction was from R\$65/MWh to R\$44.63/MWh (a decrease of 31.3%) and for level 2, from R\$97.95/MWh to R\$78.77/MWh (a reduction of almost 20%).

2) Adjustments and consolidation of Tariff Regulation Procedures (PRORET)

REN No. 1,091/2024, of May 14, 2024, approved the revision of Submodules 2.1, 2.2, 2.5, 2.6, 2.7, 2.8, 3.1, 3.2, 3.3, 4.2, 4.4, 5.5, 6.3, 7.4, 8.4, 9.1, 9.3, 9.7, 10.1, 10.2, 10.4, 10.6, 12.1, and 12.4 of the Tariff Regulation Procedures (PRORET). The adjustments and consolidations are the result of Public Hearing No. 63/2018, whose objective was to update the structure of PRORET, in addition to promoting specific adjustments in tariff calculations, in order to adjust the regulation to the best form of practical implementation. It also aimed to clarify some concepts and tariff signals, without delving into the merits. Finally, it sought to eliminate some gaps in order to reflect the regulatory practice already consolidated in the tariff processes.

3) Relaxation of Rules for the Provision of Public Electricity Distribution Services to address the public calamity in the state of Rio Grande do Sul

REN No. 1,092/2024, of May 14, 2024, approved the relaxation of the rules and procedures for commercialization due to the public calamity experienced in the state of Rio Grande do Sul.

In view of the restrictions on the use of traditional means of reading energy consumption, delivering the electricity bill, and making payments, Aneel's technical areas evaluated some measures as pertinent. Among them are the suspension of the supply contract for all consumption classes that have been destroyed, the maintenance of the provision of energy service even in cases of default, not allowing the actions of suspension of supply and collection for at least 90 days for municipalities affected by the public calamity, issuance of invoices based on the average or non-billing in situations where reading is not possible, and delivery of the invoice by alternative means in situations where the conventional method is unfeasible.

Additionally, on July 23, 2024, ANEEL approved Order No. 2,133, as a result of Public Consultation No. 15/2024, which also discussed measures to mitigate the tariff impact on consumers served by distributors operating in the state of Rio Grande do Sul (RS). The aim was to ensure a more neutral impact between consumers and distributors and to reduce the risk for distributors in securing funds to facilitate tariff deferrals.

In summary, it was authorized that in cases of tariff deferrals requested by distributors affected by extreme weather events in the South, the monetary adjustment by Selic is applied until consumers receive the full amount of any tariff deferral, a procedure analogous to the calculation of the CVA, as provided for in Interministerial Ordinance MF/MME No. 25/2002.

In addition, the recomposition of the deferral, which is to be implemented by the 2027 tariff process for the state's distributors, was approved to alleviate tariff pressure in the 2026 process as well, with the possibility of recomposing the deferral for an additional year.

4) Regulation of involuntary overcontracting and the sale of surpluses resulting from the distributed microgeneration and minigeneration regime

As a result of CP No. 031/2022, REN ANEEL No. 1,094, dated May 21, 2024, regulated articles 21 and 24 of Law No. 14,300, dated January 6, 2022, which address unintended overcontracting and the sale of surpluses resulting from the distributed microgeneration and minigeneration (MMGD) regime, amending Normative Resolution No. 1,009, of March 22, 2022.

In addition to the characterization of unintended overcontracting disciplined in Normative Resolution No. 1,009/2022, unintended overcontracting resulting from consumers' choice for the MMGD regime was incorporated, in compliance with art. 21 of Law 14,300/2022.

According to the approved regulation, the method for calculating involuntary overcontracting, due to consumers opting for the MMGD regime, will apply to energy surpluses determined from 2022 onwards and will cover all existing MMGD installations. The inclusion of Basic Network Losses and the establishment of the publication of Law 14,300 in 2022 as the initial time frame for evaluating overcontracting from MMGD were also determined. Regarding the MMGD stock – the impact of installations made before the law was published – it was established that recognition should be tied to the principle of maximum effort.

Furthermore, ANEEL requested additional studies to assess: i) issues related to the impacts of involuntary energy surpluses resulting from actions by related parties within the same economic group as the distributors; and ii) the concept of simultaneity in considering involuntariness.

Finally, a plan was established to conduct a Regulatory Result Analysis (ARR) after two cycles of applying the methodology to evaluate the involuntariness of surplus amounts.

Art. 24 of Law 14,300/2022 allowed distributors to purchase, through public tenders, energy surpluses from MMGD holders, in accordance with ANEEL regulations. Thus, based on the wording of the law, the sale of energy surplus by the MMGD owners is now classified as a new type of contracting of distributed generation, via Public Tender, as addressed by REN No. 1,009/2022, with the addition of the accreditation stage for interested parties. In summary, it was agreed that this represents a new method of energy acquisition for distributors, serving as a portfolio management prerogative. It must be preceded by a public tender for registration of interested parties, who must choose either to participate in the Compensation System (SCEE) or to sell energy surpluses. To make the sale, they must join the CCEE, and are subject to a maximum price.

5) Standardization of the consumer unit identification number

As a result of CP No. 043/2023, REN ANEEL No. 1,095, of June 18, 2024, amended Normative Resolution No. 1,000/2021, establishing the standardization of the identification number of the consumer unit and other installations of electric energy users, as well as clarified the provisions of Law No.14,534/2023, which established the Individual Taxpayer's ID (CPF) number as a unique and sufficient number for citizen identification in public service databases.

6) Improvement of the MMGD regulation in view of the My Home, My Life (MHML) program (Law 14,620/2023) and definitions for flow inversion analysis when requesting consumer connection

The result of CP No. 003/2024, REN ANEEL No. 1,098, dated July 23, 2024, enhanced Normative Resolution No. 1,000, of December 7, 2021, due to the publication of Law No. 14,620/2023 and Decree No. 12,084/2024, regulating the rules for network infrastructure works and internal electrical installations that distributors need to carry out within the scope of MHML Program projects. The new regulation also brought the following changes to REN No. 1,000/2021:

- 50% discount on the cost of availability. Law No. 14,620/2023 stipulates that consumers registered in the Unified Registry for Social Programs of the Federal Government (CadÚnico) who have distributed micro and minigeneration systems (MMGD) and participate in the compensation system (SCEE) are entitled to a reduction of at least 50% compared to the minimum billable amount applicable to other consumers with distributed micro and minigeneration systems. ANEEL set this reduction at 50%, considering that the amount corresponding to the benefit will be borne by other energy consumers in the regulated market. The discount will be excluded if the consumer is no longer a beneficiary of CadÚnico.
- Sale of surplus energy to public agencies. The law provides the possibility, exclusive to properties in the My Home, My Life Program with mini or micro distributed generation, to commercialize with public agencies of the three spheres (federal, state/district, and municipal) the electricity generated by the systems and not used simultaneously by the consumer – the so-called surplus energy, injected by the system into the distributor's network. ANEEL approved parameters to regulate operational aspects different from the SCEE model and from that used in the Free Contracting Environment (ACL). The value to be defined in the commercialization contract is freely agreed between the consumer using MMGD and the public agency. The energy sold must be billed in a manner similar to that compensated in the SCEE. The SCEE tariff approved by ANEEL and the tariff discounts established in the distributor's tariff resolution will be applied to the energy purchased by the agencies. Additionally, in parallel with the regulation of the changes in the My Home My Life Program, the agency also introduced improvements aimed at facilitating access to small distributed generation systems, simplifying flow reversion studies, and speeding up the process of connecting consumers, while ensuring the integrity of the networks in cases of excess generation relative to the local load.

Among the highlights of the revision of the standard, with regard to connection, is the definition that the flow reversion analysis should be performed only at the upper voltage level in the case of connection of Group B through an exclusive transformer, and only at the substation transformer in the case of connection of Group A through an exclusive feeder. In addition, the exemption from flow reversion analysis for DG (distributed generation) systems was defined in three scenarios: (i) systems with zero grid (with or without batteries); (ii) distributed microgeneration system that fits the criteria of gratuity whose distributed generation power is compatible with the consumption of the consumer unit during the generation period, observing ANEEL's instructions (according to the simultaneity adjustment factor); and (iii) "fast track" - for cases in which the power of distributed microgeneration is equal to or less than 7.5 kW, provided that it is characterized as local generation.

In addition to REN 1,000/2021, the version of Submodule 7.3 of PRORET, which addresses application tariffs, was also amended, and the first version of the instruction manual for the preparation and presentation of flow inversion studies was created.

7) Improvement of the REN 1,000 due to the new national holiday on November 20

ANEEL REN No. 1,101, of August 27, 2024, amended Normative Resolution No. 1,000, of November 7, 2021, as a result of Law No. 14,759, of December 21, 2023, which declared November 20 a national holiday, for the celebration of the National Day of Zumbi and Black Consciousness.

8) Improvement of Submodule 5.2 of the Tariff Regulation Procedures - PRORET, which deals with the Economic Development Account (CDE)

As a result of Public Consultation No. 20/2024, ANEEL REN No. 1,102, of September 24, 2024, regulated the Interministerial Ordinance MME/MF No. 1/2024, which established the guidelines for the financial operation of securitization of credit rights. Additionally, it defined complementary guidelines and tariff aspects related to Covid and Tariff Scarcity Accounts, in light of Provisional Measure No. 1,212, of April 9, 2024, which authorized the CCEE to negotiate the anticipation of receivables from the Energy Development Account (CDE), as provided for in Law No. 14,182/2021, for the purpose of tariff moderation for consumers in the regulated environment. To this end, ANEEL was given the authority to set the extraordinary quotas to be borne by the beneficiaries of the credit operation, in the event of any default by Eletrobras on the receivables from the CDE assigned for the early settlement of the Covid and Water Scarcity Accounts.

Additionally, on October 10, 2024, ANEEL published Order No. 3,056/2024, which establishes the conclusion of the settlement of the Covid and Water Scarcity Account loans and, consequently, interrupts the obligation to collect the monthly quotas of the CDE Covid and CDE Water Scarcity charges due from its publication.

9) Contracting of Capacity Reserve in the form of power and collection of the ERCAP charge

As a result of Public Consultation No. 61/2021, ANEEL REN No. 1,103, of September 24, 2024, amended ANEEL Normative Resolutions No. 1,009, of March 22, 2022, and No. 957, of December 7, 2021, establishing the provisions related to the contracting of Capacity Reserve, in the form of power, approving the model of the Power Use Agreement for Capacity Reserve (COPCAP), based on the provisions of Decree No. 10,707/2021.

With the resolution, the Electric Energy Trading Chamber (CCEE) began charging the Power Charge for Capacity Reserve (ERCAP) starting in November 2024, due to the early start of operation of the Termopernambuco Thermal Power Plant (Termopernambuco TPP), contracted in the 2021 Capacity Reserve Auction.

The Power Charge for Capacity Reserve (ERCAP) is a specific charge intended to cover the costs arising from the contracting of Capacity Reserve, including administrative, financial, and tax costs, apportioned among the users of this service.

10) Improvement of rules and procedures related to the retail sale of electricity

As a result of ANEEL Public Consultation No. 28/2023, ANEEL REN No. 1,010, of December 10, 2024, addressed the relaxation of migration requirements to the Free Contracting Environment (ACL) and the feasibility of aggregating measurement data.

Among the changes made by the resolution, it was decided that the deadline for judging the procedure for disconnection of members of the CCEE members decreased from 60 to 30 days from the default. For delinquent retail consumers, the minimum notice period for contractual resolution in case of default was reduced from 30 to 15 days. The distributor

must also notify the CCEE when there is a suspension of supply from the consumer represented by the retailer, and the CCEE, in turn, will notify the retailer of the suspension of supply informed by the distributor.

Based on this regulation, the retail trader must disclose on its electronic portal a standard contract model with annual validity, including a forecast of volume distribution with seasonality and flat modulation, aiming to provide greater transparency and ease of comparison between the main elements of retail representation contracts.

Under the previous rules, free consumers themselves were responsible for the information provided to the CCEE. With the new rule, the information must be presented by the retail trader that represents the consumers that must be represented before the CCEE. This obligation must be included in the standard representation contracts. The instruction of information of a represented party and the updating of registration data must be forwarded to the CCEE via the information system to be implemented. The CCEE must centralize information related to the migrations of consumers represented by retail marketers. Thus, the information system for consumer migrations to be created and maintained by the CCEE should foresee the possibility of increasing future parameters, if necessary.

For the aggregation of measurement and allocation data to the retailer, the distributor must make the consumers' measurement data available to the CCEE. The Chamber receives the measurement data and assigns the load of each consumer to the respective retail agent. The CCEE aggregates the loads assigned to each retail agent and, finally, the CCEE accounts for the sum of the load of each retail agent.

There was also a change in the scope of REN No. 1,000/2021, with an adjustment in art. 354, to include the distributor's duty to suspend the supply of all consumer units modeled in the CCEE whose representation by a retail agent has been extinguished.

11) Temporary extension of the energy transfer tariff from Itaipu

On December 10, 2024, ANEEL's REN No. 3,431 approved the temporary extension of the tariff for the transfer of the contracted power of Itaipu Binacional in the amount of US\$17.66/kW.month, for the period from January 1 to March 31, 2025. In addition, it was determined that an Official Letter should be sent to the Ministry of Mines and Energy (MME) and to the Brazilian Company of Participations in Nuclear Energy and Binational S.A. (ENBPar), with a response period of 45 days, so that they can evaluate the implementation of additional measures necessary to enable the maintenance of the pass-through tariff at the current level, without additional burden to consumers.

As determined by Decree No. 11,027/2022, ENBPar forwarded to ANEEL information on the monthly values of contracted power for 2025 and the statement of the balance of the Itaipu Account, with an estimated negative balance in 2024 of approximately R\$333 million. The Decree also stipulates that the amounts restored to the Trading Account in the fiscal year 2024 must be exclusively allocated to the payment of the Itaipu bonus in 2025, and their use to cover any potential financial shortfalls that may affect the management of the said Account is not permitted.

If this scenario of insufficient resources is confirmed, Decree No. 11,027/2022 provides for the possibility that ANEEL will immediately establish new pass-through charges. Thus, to avoid extraordinary tariff adjustments, alternatives were suggested, such as the increase in the financial contribution approved by Itaipu and the amendment of Decree No. 11,027/2022 to create a reserve account.

The key changes in sector regulations in the **transmission segment** in 2024 are outlined below:

12) Treatment of generation grants and the Transmission System Use Agreements (CUST) entered into by power generation plants.

In a scenario of increased interest in accessing the Power Generation Plants to the Transmission System, plus the increased number of grants issued by ANEEL indicating delay in the commercial startup, ANEEL understood that an exceptional regulatory intervention was necessary due to the impact of the sector related to the rescission of the Transmission System Use Agreements (CUST).

Through Normative Resolution 1,065/2023, ANEEL established the requirements and procedures for the exceptional treatment of generation grants and **Transmission System Use Agreements (CUST)** entered into by power generation plants. The mechanism was established in two types:

I – amnesty: for revocation of the generation grant and rescission of the respective CUSTs entered into; or

II – regularization: for postponement of the implementation deadline established in the generation grant. Establish the requirements and procedures for the exceptional treatment of generation grants and Transmission System Use Agreements (CUST) entered into by power generation plants.

In addition, ANEEL issued Normative Resolution 1,069/2023 determining that ONS starts to require the presentation of a financial guarantee to request new accesses, with coverage of an equivalent amount, at least, to the EUST values referring to the 3 years subsequent to the rescission date and the start of fulfillment of CUST. With this, new accesses granted after the publication of Normative Resolution 1,069/2023 now count with financial guarantees also for the hypotheses of rescission, which were not previously provided for in the sector regulations.

On June 4, 2024, during the 19th Ordinary Public Meeting, ANEEL's Collegiate Board of Directors, through Order No. 1,687/2024, instructed STD to "within 150 (one hundred and fifty) days, propose a methodology for analyzing the maximum effort of the transmission energy providers in collecting the amounts of termination charges, to be approved by the Collegiate Board of Directors." The proposed methodology has not yet been discussed and approved by the Collegiate Board.

13) Change in the Valuation of Incomplete Modules

On January 30, 2024, through Normative Resolution No. 1,083, of 2024, after the discussions that took place within the scope of Public Consultation No. 31/2023, revision 4.2 of Submodule 9.1, version 4.2 of Submodule 9.2, and version 2.1 of Submodule 9.7 of the Tariff Regulation Procedures (PRORET) were approved, which, among other definitions, addressed the valuation of incomplete modules.

Since May 2021, ANEEL had already been adopting an approach for calculating the additional RAP (Permitted Annual Revenue) installments associated with retrofitting and improvements authorized in projects that do not constitute a complete modular unit of the

Reference Price Bank (BPR). In other words, the Agency had already been using the budget provided by the concessionaires as an investment to be considered in the calculation of the additional RAP installments for works that do not constitute complete modules. In addition, in the review processes, such investments would be reviewed based on the calculation of the Original Book Value (VOC) of the assets. From this scenario, 7 most relevant Types of Registration Units (TUC) were excluded:

TUC	Description
160	SWITCH
210	CIRCUIT BREAKER
310	LIGHTNING ROD
375	POWER SUPPLY SYSTEM ⁵
560	GROUNDING TRANSFORMER
575	INSTRUMENT TRANSFORMER
580	AUXILIARY SERVICES TRANSFORMER

For these cases, while the main equipment will be defined based on the unit costs established in the ANEEL BPR for each item (TUC) listed in the Table above, the other materials (Minor Components – COM) and services (Additional Costs – CA) that are added to the implementation of the 7 TUC mentioned above will be determined based on the inspection of the projects linked to the Immobilization Orders – ODI executed by the transmission company.

The key changes in sector regulations in the **generation segment** in 2024 are outlined below:

14) Extension of Deadlines for Maintenance of TUSD/TUST discounts for Renewable Generation Projects

In April 2024, Provisional Measure (MP) No. 1,212/2024 made it possible to extend the deadline for the start of commercial operation of generation projects by 36 months, for those whose grants were requested until March 2021, ensuring a discount on tariffs for the use of transmission and distribution systems. This measure benefited approximately 600 projects, potentially adding 25.5 GW of installed capacity to the National Interconnected System.

To this end, ANEEL initiated discussions on the topic, both regarding the requirements and methods of delivering the financial guarantees required by MP 1,212/2024 (Order No. 1,498/2024), and on the feasibility of postponing CUST/CUSD already agreed upon by generators that adhered to the extension of the Provisional Measure (Public Consultation (CP) 013/2024). Obtain subsidies regarding the specific regulatory treatment for the projects covered by MP No. 1,212/2024, with respect to the postponement of Transmission System Use Contracts (CUSTs) for a period exceeding 12 months.

15) Reserve Capacity Auction for energy storage technologies (CP 176/2024)

In 2024, the discussion on the auction of reserve capacity for storage systems, including batteries, was led by the Ministry of Mines and Energy (MME).

Public Consultation No. 176/2024 was opened to discuss guidelines that would ensure an efficient allocation of risks and costs, in addition to encouraging investments in this emerging technology. It emerged in response to the need to increase the flexibility and security of the electrical system, especially in light of the growing participation of intermittent sources, such as wind and solar, which depend on variable weather conditions.

The main points of discussion related to forms of remuneration, penalties, locations for the implementation of the equipment, and criteria for calculating the hiring needs.

The auction is expected to take place in 2025, according to the ordinance draft shared during the discussion of the public consultation.

16) Capacity Reserve Auction for thermoelectric and hydroelectric sources (CP 160/2024)

In 2024, the MME initiated Public Consultation No. 160, aiming to gather contributions for the drafting of the Directive Ordinance intended for the 2024 Capacity Reserve Auction in the Form of Power (LRCAP/2024) for thermoelectric and hydroelectric sources.

As a result of the contributions, on December 31, 2024, MME Ordinances No. 96/2024 and No. 97/2025 were published, which established deadlines and conditions for registration and conducting the auction, in addition to the products to be negotiated.

In summary, the participation of both new and existing natural gas and biofuel thermoelectric plants, along with centrally dispatched hydroelectric plants that contribute additional power to the system, will be enabled. The auction was scheduled for June 27, 2025.

17) Constrained-off/curtailment of wind farms

In December 2024, ANEEL published the trading rules to enable the CCEE to make the calculations and respective reimbursements for the constrained-off events recognized by the agency. The rules were officially discussed in 2022, through ANEEL CP 022/2022 with a recent conclusion after years of discussion on the topic.

Another important topic was the recognition by ANEEL that ENBpar must consider the amount of energy accounted for by the CCEE, related to an event of operational restriction due to external unavailability, as part of the energy generated by the Producer to fulfill the PROINFA Contract, in a manner analogous to what is already recognized for plants with availability contracts and reserve energy contracts. The recognition was given through the publication of Order 3,716/2024.

Electricity Tariffs and Prices

Distribution Segment

Annual Tariff Adjustments (ATA) and Periodic Tariff Reviews (PTRs):

The following distribution companies had tariffs adjusted as below:

Description	Annual Tariff Adjustments (ATAs)			
	CPFL Santa Cruz	CPFL Paulista	RGE ³	CPFL Piratininga
Ratifying Resolution	3,311	3,314	3,372	3,409
Adjustment	7.02%	3.91%	-5.63%	1.33%
<i>Parcel A</i>	<i>6.72%</i>	<i>3.96%</i>	<i>3.62%</i>	<i>-1.97%</i>
<i>Parcel B</i>	<i>1.50%</i>	<i>-1.93%</i>	<i>-0.31%</i>	<i>0.49%</i>
<i>Financial Components</i>	<i>-1.20%</i>	<i>1.88%</i>	<i>-8.94%</i>	<i>2.81%</i>
Effect on consumer billings²	5.63%	1.46%	0.00%	3.03%
Date of entry into force	03/22/2024	04/08/2024	08/19/2024	10/23/2024

Note: (1) As a result of the severe climate events that occurred in May 2024 in Rio Grande do Sul, RGE requested ANEEL to extend its tariff adjustment (ATA) until 08/18/2024, as it was understood that it would not be prudent to apply a significant positive adjustment at that time. In August, the Company agreed with ANEEL to postpone the tariff, which led to the creation of a regulatory asset to be recomposed in the 2026 and 2027 ATAs, updated by SELIC, resulting in zero impact on consumers in 2024 and lower tariff fluctuations in the following years.

Generation Segment

Contracts for the sale of energy related to generators contain specific readjustment clauses, whose main index is the annual variation measured by the IGP-M, which is used in our contracts for the Incentive Program for Alternative Electricity Sources (Proinfa), bilateral and the Free Contracting Environment (ACL). The contracts entered into in the Regulated Contracting Environment (ACR) have GSF protection hedges and use the IPCA as an index, and the bilateral contracts signed by the subsidiary Campos Novos Energia (Enercan) use a combination of dollar and IGP-M indexes.

Transmission Segment

Annual Tariff Adjustment ("ATA"):

After the conclusion of the 2023 Tariff Review processes for the extended concessionaires, the 2023 Allowed Annual Revenue ("AAR") Review of Reinforcements and Improvements for the auctioned concessionaires and the 2024 Review of the auctioned concessionaires, the Tariff Adjustment for the Transmission Companies was approved by ANEEL, through Homologatory Resolution No. 3,348, of July 16, 2024, for the 12-month cycle, covering

the period from July 1, 2024 to June 30, 2025.

The AAR of the extended Concession Contract No. 055/2001, without considering the adjustment portion, is of R\$ 1.029 billion, representing a reduction of around 8.24% when compared to the Approved AAR of the previous cycle (2023-2024). This reduction is mainly due to the publication of the PTR result, where the variations of the economic RBSE and operating costs (CAOM) were the main reducers.

(in thousands of reais)

REH 3,216/2023 (*)	IPCA	Expansions, reinforcements and improvements	Write-offs and adjustments	Adjustment portion	REH 3,348/2024
1,122,021	38,896	25,334	-156,637	-173,629	855,985

(*) Approved values not considering the Adjustment Portion – AP.

The total net Approved Revenue (net from PIS and COFINS) of CPFL Transmissão presents the composition below, according to the opening of the AAR of the extended Concession Contracts No. 055/2001 and the auctioned ones, No. 001/2011 (TESB), No. 003/2013 (Piracicaba), No. 006/2015 (Morro Agudo), No. 020/2018 (Maracanaú), No. 005/2019 (SUL I), No. 011/2019 (SUL II), No. 080/2002 and No. 004/2021:

Concession Contract	RBSE	RBNI	RBL	Adjustment Portion	TOTAL 2024 (*)	TOTAL 2023 (*)
055/2001 CPFL-T	791,816	237,798	-	-173,629	855,985	1,068,854
001/2011 TESSB	-	4,046	41,831	-2,655	43,223	31,206
003/2013 PIRACICABA	-	-	16,641	436	17,077	15,173
006/2015 MORRO AGUDO	-	-	19,807	-195	19,613	18,667
020/2018 MARACANAÚ	-	-	10,974	-85	10,889	10,466
005/2019 CPFL SUL I	-	-	35,878	-1,505	34,373	34,174
011/2019 CPFL SUL II	-	-	46,088	-2,317	43,772	40,772
004/2021 CACHOEIRINHA	-	-	11,161	521	11,682	-
080/2002 CPFL-T	-	-	21,363	-926	20,437	20,989

(*) Approved values not considering the adjustment portion.

Periodic Tariff Review ("PTR"):

In 2024, there were 5 Tariff Reviews at CPFL-T, covering the extended Concession Contract No. 055/2001 (PTR postponed from 2023 to 2024) and four auctioned, Concession Contracts No. 020/2018-ANEEL (Maracanaú), No. 005/2019-ANEEL (CPFL Sul I), No. 011/2019-ANEEL (CPFL Sul II) and contract No. 003/2013 (CPFL Piracicaba - Review of the AAR of Reinforcements and Improvements postponed from 2023 PTR).

Regarding the extended Concession Contract No. 055/2001 (CEEE-T), ANEEL instituted the Public Consultation (PC) No. 12/2024, to present the **results of PTR 2023** (ref.

07/01/2023), which was concluded in early July-2024. The regulatory operating costs (CAOM) were established based on the values of PC No. 31/2023. CPFL-T presented an efficiency of 112.5% in the operating costs benchmark and a decreasing revenue trajectory due to the methodology. The Review was definitively processed within the establishment of the AAR for the 2024-2025 cycle, contemplating the completion of the processes: (i) methodological improvement of the **Regulatory CAOM** and (ii) monitored content of the **RAB evaluation reports**.

According to the PTR methodology, the values related to the shielded base are updated considering the regulatory WACC of the year of the Review and the effect of the accumulated depreciation that occurred between the base dates of the previous and current reviews. The average depreciation rate of the assets is of 3.33% per year.

The AAR repositioning index for Contract No. 055/2001 (CEEE-T) was of -14.17%. The most relevant factors were the review of revenue associated with RBSE and operating costs (CAOM). Reinforcements and Improvements of facilities classified as RBNI are divided between the assets shielded in 2018 that were depreciated and the new WACC was applied (-18.66%) and the incremental ones that were shielded in 2023 (+22.11%).

Tariff Review Result – Extended Contract No. 055/2001 (values of Jun-2023)

	<u>DSP 4,675/2023</u>	<u>2023 PTR</u>	<u>Variation</u>
<u>Economic RBSE</u>	<u>202,126,573.71</u>	<u>116,214,599.94</u>	<u>-42.50%</u>
<u>CAOM RBSE</u>	<u>403,080,223.58</u>	<u>386,374,078.21</u>	<u>-4.14%</u>
<u>RBNI</u>	<u>215,830,486.93</u>	<u>202,082,309.81</u>	<u>-6.37%</u>
<u>TOTAL</u>	<u>821,037,284.22</u>	<u>704,670,987.96</u>	<u>-14.17%</u>

For the auctioned contracts, Public Consultation (PC) No. 11/2024 was closed, with a review date in July 2023 for Contract No. 003/2013 (CPFL Piracicaba) and July 2024, for Contracts No. 020/2018-ANEEL (Maracanaú), No. 005/2019-ANEEL (CPFL Sul I) and No. 011/2019-ANEEL (CPFL Sul II). In these contracts, the Third Party Capital Cost Review was carried out, used to calculate the WACC, applied to the Revenue Offered at the Auction, since they do not have authorized Reinforcements or Improvements with AAR values provisionally established by ANEEL. For the same reason, the regulatory basis of the auctioned contracts contains only assets originating from the implementation of the projects, which in the respective concession contracts, there is no provision for review. Consequently, these assets do not have a New Replacement Value, only the AIS accounting values that appear in the respective statements.

Tariff Review Result – Auctioned Contracts (Values of Jun-24)

<u>Concession Contract</u>	<u>PTR Year</u>	<u>2023 Homologatory Resolution</u>	<u>2023/2024 PTR</u>	<u>Variation</u>
<u>003/2013 – Piracicaba</u>	<u>2023</u>	<u>14,844.22</u>	<u>16,012.58</u>	<u>7.87%</u>
<u>020/2018 – Maracanaú</u>	<u>2024</u>	<u>10,658.84</u>	<u>10,974.23</u>	<u>2.96%</u>

005/2019 - Sul I	<u>2024</u>	<u>34,856.08</u>	<u>35,878.03</u>	<u>2.93%</u>
011/2019 - Sul II	<u>2024</u>	<u>44,776.45</u>	<u>46,088.15</u>	<u>2.93%</u>
Total		<u>105,135.58</u>	<u>108,952.99</u>	<u>3.63%</u>

2. Operating performance

Energy Sales

In 2024, electricity sales to final consumers (quantity of electricity billed to final consumers) totaled 45,229 GWh, a reduction of 0.1% (59 GWh) compared to 2023.

It is noteworthy the performance of the residential, commercial and industrial segments, which accounted 82.5% of the electricity sales to final consumers:

- **Residencial Segment:** increase of 6.0%, mainly reflecting the good performance of the payroll and higher temperatures in 2024 compared to 2023;
- **Commercial and Industrial Segment:** increase of 6.3% and 3.0%, respectively, due to the better industrial and production performance, as well as payroll and higher temperatures;

Electricity sales to wholesaler's, through other concessionaires, permissionaires and authorized, reached 26,784 GWh, which represented an increase of 49.6% (8,876 GWh). This performance reflects the migration of captive customers to the free market, in addition to the outgoings of permissionaires to DisCo's supply ("Uso D").

Performance in the Electricity Distribution Segment

The Group maintained its strategy of encouraging the dissemination and sharing of best management and operational practices at its distributors in an effort to increase operational efficiency and improve the quality of services provided to clients.

Find below the results posted by distributors in the main indicators that measure quality and reliability of power supply. The Equivalent Duration of Interruptions (SAIDI) measures the average duration, in hours, of interruptions suffered by consumers in the year, while the SAIFI (Equivalent Frequency of Interruptions) measures the average number of interruptions suffered per consumer per year.

SAIDI and SAIFI Indexes*				
Distributor	SAIDI (hours)		SAIFI (interruptions)	
	2024	2023	2024	2023
CPFL Paulista	4.78	5.14	3.01	3.26
CPFL Piratininga	4.39	4.57	3.25	3.14
CPFL Santa Cruz	4.84	5.04	3.05	3.22
RGE	9.09	8.63	4.42	3.98

* Annualized values

Performance in the Electricity Generation Segment

The year 2024 was marked by a better performance of our wind farms compared to 2023. Our availability remained at a high level, at 94.7%, and contributed to the year's result, and wind generation increased by 1.8%, but despite the better wind performance, the structural conditions of the system forced the ONS to restrict the generation of wind farms, which affected the energy generated in the year. The hydrological scenario had a negative impact on our HPPs and SHPPs, resulting in a decrease of 22.2% and 27.5% in the flow, respectively.

On December 31, 2024, the installed capacity of the Generation segment of CPFL group totaled 4,226 MW, comprising 8 HPPs (1,996 MW), 49 wind farms (1,391 MW), 46 SHPPs and MHPPs (472 MW), 4 biomass-powered thermal power plants (185 MW), 2 TPPs (182 MW) e 1 solar plant (1 MW).

We are constantly evaluating new opportunities to explore investments in generation projects. We have a total portfolio of 4,399 MW of projects to be developed in the coming years and finished one project, Lucia Cherobim SHPP, with 28.0 MW of installed capacity, located in the state of Paraná, with commercial operational startup on January 2025.

3. Economic and financial performance

Operating Revenue

Gross operating revenue was of R\$ 61,085 million, representing an increase of 7.7% (R\$ 4,363 million), due to the following increases: (i) of 3.6% in electricity sales to final consumers (R\$ 1,209 million); (ii) of 19.8% in the revenue with construction of concession infrastructure (R\$ 924 million); (iii) of 14.6% in electricity sales to distributors (R\$ 845 million); (iv) of 12.2% in the Grid Availability (TUSD) R\$ 1,435 million; and (v) of 7.7% in other operating revenues (R\$ 615 million);

Deductions from operating revenue were of R\$ 18,457 million, presenting an increase of 8.7% (R\$ 1,478 million). Net operating revenue was of R\$ 42,628 million, representing an increase of 7.3% (R\$ 2,885 million).

Operating Cash Flow — EBITDA

Operating cash flow, as measured by EBITDA, reached R\$ 13,134 million, an increase of 2.4% (R\$ 304 million), mainly reflecting the increase of 7.3% (R\$ 2,885 million) in net operating revenue and increase of 5.4% (R\$ 17 million) in equity accounting. These effects were partially offset by the following factors: (i) the increase of 10.5% (R\$ 1,851 million) in costs with electric energy. and (ii) increase of 7.8% (R\$ 748 million) in operating costs and expenses, including expenses with private pension fund and costs with building the infrastructure.

Reconciliation of Net Income and EBITDA

	2024	2023
Net Income	5,761,554	5,537,162
Depreciation and Amortization	2,303,124	2,249,618
Assets Surplus Value Amortization	329	577
Financial Income/Loss	2,741,335	2,556,840
Social Contribution	620,678	668,553
Income Tax	1,706,661	1,817,068
EBITDA	13,133,681	12,829,818

* According to CVM Resolution No, 156/22.

Net Income

In 2024, net income reached R\$ 5,762 million, an increase of 4.1% (R\$ 224 million), mainly due to the increase of 2.4% (R\$ 304 million) in EBITDA and decrease of 6.4% (R\$ 158 million) in income tax and social contribution. This effect was partially offset by the following increases: (i) of 7.2% (R\$ 184 million) in the net financial expenses; and (ii) of 2.4% (R\$ 53 million) in depreciation and amortization.

Allocation of Net Income from the Fiscal Year

CPFL Energia's dividend policy stipulates that a minimum of 50% of net income, adjusted in accordance with the Brazilian Corporate Law, be distributed to the holders of its shares.

Dividends related to net income for 2023 basis for distribution

The proposal for allocation of net income from the fiscal year is shown below:

R\$ thousand	2024
Net income for the year - parent company	5,457,652
Realization of reserve for realizable profits	3,234
Realization of Comprehensive Result	12,050
Time-barred dividends	16,928
Net income considered for allocation	5,489,864
Legal reserve	-
Reserve for realizable profits	874,241
Profit Reserve - working capital reinforcement	1,396,020
Mandatory minimum dividend	1,364,413
Proposed additional dividend	1,855,190
Total Dividends	3,219,603

The Board of Directors propose the payment of R\$ 3,220 million in dividends to holders of common shares traded on B3 S.A. – Brasil, Bolsa, Balcão (B3). This proposed amount corresponds to R\$ 2.794176750 per share, related to the fiscal year of 2024 and will be distributed after the approval at the AGM.

Indebtedness

At the close of 2024, gross financial debt (including derivatives) of the Company reached R\$ 30,455 million, presenting an increase of 3.4%. Cash and cash equivalents totaled R\$ 3,547 million, an increase of 35.9%. Therefore, net financial debt increased to R\$ 26,898 million, an increase of 12.4%. This increase is mainly a consequence of the strong investment (CAPEX) made in all segments of the CPFL group.

4. Investments

In 2024, investments of R\$ 5,795 million were made to maintain and expand the business, of which R\$ 4,544 million were allocated to distribution, R\$ 411 million to generation and R\$ 83 million to commercialization, services and others. In addition, there was an investment of R\$ 758 million related to the transmission segment.

Among CPFL Energia's investments in 2024, we can highlight:

Distribution: investments in expansion, maintenance, improvement, automation, modernization and strengthening the electricity system to meet market growth, in operational infrastructure, in customer service, among others, On December 31, 2024, our distributors had 10.7 million customers, an increase of 0.2 million customers, Our distribution network consisted of 345,785 kilometers of distribution lines, including 530,081 distribution transformers, Our four distribution subsidiaries had 12,174 kilometers of high voltage distribution lines, between 23 kV and 138 kV, On that date, we had 594 high voltage to medium voltage transformer substations for subsequent distribution, with a total transformation capacity of 20,363 MVA (an increase of 188 MVA);

Generation: in 2024, R\$ 411 million were invested, spent mainly on the construction of Lucia Cherobim SHPP and maintenance of wind farms and plants;

Transmission: In 2024, investments of R\$ 758 million were made for the maintenance and expansion of the business.

5. Corporate governance

CPFL Energia ("Company") is the holding company of the CPFL Group, operating in Brazil's electricity sector for over 110 years, implementing and operating projects and concessions in the energy distribution, generation, transmission and trading segments and related activities through its subsidiaries and affiliate companies.

In 2024, CPFL Energia completed 20 years of its listing on the Novo Mercado segment of the B3 S.A. – Brasil, Bolsa e Balcão ("B3"), it is also on the top of ISE (Corporate Sustainability Index). This special listing segment includes companies that voluntarily adopt corporate governance best practices, All the shares of CPFL Energia are common shares, granting voting rights to all shareholders, In addition, shareholders are assured of 100% tag along rights in case of sale of shareholding control.

The corporate governance model adopted by CPFL Energia is based on 5 basic principles of the Corporate Governance System in Brazil: integrity, transparency, equity, accountability and sustainability.

The Corporate Governance Guidelines, together with the Bylaws/Articles of Incorporation of the Company, the Charters (Board of Executive Officers, Board of Directors, Fiscal Council, Advisory Commissions and Committees to the Board of Directors and Audit Committee), Shareholders Agreements, when in place, and the policies on corporate governance outline the set of practices adopted by CPFL Energia and are available on the Investor Relations website.



The Management of CPFL Energia is composed of the Board of Directors ("BoD") and the Board of Executive Officers ("BoE").

The Board defines the strategic business direction of the CPFL Group and currently consists of seven members, whose term of office is two years, with re-election allowed. Currently, the Board consists of two independent members (representing 28.5% of the board) and 3 women (representing 45% of the board), who represent the opportunity to bring fresh experiences to debates.

There are five advisory committees (Finance and Risk Management and Strategy, Growth, Innovation and ESG, Audit, Related Parties and People) assisting the BoD on the decisions and by monitoring significant and strategic topics. The Audit Committee has three independent members (two of them directors and one external member) and the Related Parties Committee has a majority of independent members.

The Board of Executive Officers consists of one CEO and eight executive officers, whose term of office is two years and re-election is allowed. The Board of Executive Officers executes the strategy of the CPFL Group defined by the Board, in line with corporate governance guidelines. The duties of the members are foreseen at the Bylaws of CPFL Energia, available the Investors Relations website.

CPFL Energia also has a permanent Fiscal Council consisting of three members and an equal number of alternate members, whose term of office is one year and who may be reelected. Its responsibility is the independent supervision of management with the goal of preserving the organization's value.

To ensure quality and integrity of the routine activities of these entities, in 2019 the Corporate Governance Department was created, which constantly manages, controls and streamlines the governance processes across the CPFL Group.

The Corporate Governance Department functionally reports to the Board of Directors, operating on diverse fronts to ensure the adoption of corporate governance best practices and the alignment of the decision-making process with the strategic vision of shareholders and the best interests of stakeholders, generating long-term value and meeting the principles of corporate governance. The Corporate Governance Department consists of two management areas and a coordination: the Corporate Governance Management, Corporate Legal Management and Coordination of Board of Directors Affairs. In 2024, the World Finance recognized CPFL's Corporate Governance Department, for the second time, as the best Corporate Governance in Brazil.

The Coordinator of Board Affairs monitors the strategic topics and projects of interest to the Board, monitors the execution and evolution of topics discussed by the Board with support from the business areas of the CPFL Group. As a result of the efforts deployed and through the presentation of KPIs, the Board has an innovative management tool in the Brazilian market that ensures control, compliance, transparency and corporate responsibility in governance processes across the CPFL Group. In 2024, the coordinator monitored 233 matters, 140 contracts and published 40 newsletters on important subjects.

To perform their activities, the Coordinator relies on the inputs and integration with all business areas of the Company through the monitoring of the execution and evolution of topics approved by the Board, thus representing an important accountability tool for the Company.

The Coordination also plays a key role through the analysis and structuring of KPIs and strategic reports that offer crucial insights into the performance, efficiency, and quality of processes. These governance indicators identify opportunities for improvement and enable

informed decision-making. By providing clear and accurate information, the area contributes directly to the structure of the Corporate Governance Department, ensuring efficiency in the activities unfolded from the meetings of the group's governance bodies.

The guidelines and documents on Corporate Governance are available at the Investor Relations website: <http://www.cpfl.com.br/ri>.

6. Capital markets

As of December 31, 2024, CPFL Energia had 16.29% of its shares outstanding in the market (free float), with its shares traded in Brazil (B3).

In 2024, CPFL Energia shares had a variation of -18.0%, if adjusted the dividends payment this variation were of -10.8%, compared to the previous year, ending the year quoted at R\$ 31.59 per share. The average daily trading volume reached R\$ 62,9 million on the B3, representing a increase of 0.2% compared to 2023. The discussions about the concessions renewal, plus more challenging scenario with higher interest rates, all this contributed to this decrease in share prices. The number of trades carried out on the B3 had a decrease of 9.4%, going to a daily average of 7,177 trades, in 2024.

B3			
Date	CPFE3	IEE	IBOV
12/30/2024	R\$ 31.59	77,455	120,283
12/28/2023	R\$ 38.51	94,957	134,185
YoY	-18.0%	-18.4%	-10.4%

On B3, CPFL Energia is part of the IBOVESPA, IBrX-100, IEE, IDIV, IGC, ITAG, ISE, ICO2 and IDIVERSA indexes, being ISE and ICO2, Brazilian stock indexes which consider the sustainability theme, while IDIVERSA focuses in the diversity theme

CPFL Energia is also on the FTSE4Good emerging markets index and the FTSE4GOOD Latin America Markets, both index of the London Stock Exchange.

7. ESG (environmental, social and governance) Aspects

We roll out initiatives that generate value for the company and its stakeholders in order to ensure competitiveness through operational excellence and contribute to sustainable development in the areas of influence. In line with the Strategic Plan of the CPFL Group, the sustainability/ESG strategy incorporated into the decision-making process, actions and investments. See the highlights below.

2030 ESG Plan: approved in 2022 as an evolution of the 2020-2024 Sustainability Plan, it brings guidelines and strategies organized into four pillars: Renewable and smart solutions, Sustainable operations, Value shared with society, and Safe and reliable

operation. The plan is currently divided into 24 public commitments guided by the UN Sustainable Development Goals (SDGs).

Sustainability Platform: tool for managing sustainability performance from the perspective of the company's main stakeholders, with indicators and targets aligned with the Strategic Plan and the 2030 ESG Plan.

Sustainability Committee: executive management body responsible for monitoring the execution of the ESG strategy, evaluating and recommending the inclusion of sustainability criteria and guidelines in the decision-making process, monitoring trends and topics that are critical for the company.

Climate Change: we are committed to the transition to a low-carbon economy and are facing the challenges of climate change with a sense of urgency, responsibility and determination. More information at: www.cpfl.com.br/ri > Governance and Sustainability > Climate Change.

Environment Management: our business model calls for a comprehensive capacity to manage environmental impacts. The guidelines and processes we adopt are unified in the Environment Management System (EMS), which ensures compliance of all operations with the respective environmental licenses and directs investments that create value for the entire production chain.

Sustainability recognitions in 2024: member of the Corporate Sustainability Indexes (ISE) – second place in the overall ranking and first place in the electricity, Carbon Efficient (ICO2), and Diversity (IDIVERSA) sectors of the São Paulo Stock Exchange (B3); Gold seal in the GHG Protocol Program; CDP List A; awarded in the ANEEL Consumer Satisfaction Index (IASC) as the best in the electricity sector in the southeast region (CPFL Santa Cruz) and in the south region (RGE); Best Corporate Governance Award by World Finance; the Best in the Electric Sector by Exame; the Group's four distributors were finalists for the ABRADEE Award, in the Social and Environmental Responsibility category, with CPFL Paulista in first place; Valor 1000 Award; and, Desalination Project in Rio Grande do Norte recognized by the UN Global Compact – Brazil Network during COP29, in the Sanitation category, by the Movimento +Água.

Management and Development of Ethics (SGDE) topic: the CPFL Group's Integrity Program formalizes the commitment to the ethical values that permeate its actions and business, being composed of 4 dimensions that aim at its continuous improvement and highlight the tone and practice of senior management: **(i)** development, guidance, and review of standards, with emphasis on the Code of Ethical Conduct; **(ii)** training, communication actions, awareness campaigns, and engagement for internal and external audiences; **(iii)** investigation of complaints, diligences, and other risk assessment processes; and, **(iv)** monitoring of indicators, evaluations by the Ethics and Business Conduct Committee (COMET), and reporting of the results of the Integrity Program to executive forums. The Program also has an external and independent channel and a robust process for investigating ethical reports, which guarantees confidentiality, anonymity and non-reprisal of bonafide whistleblowers. Among the actions launched in 2024, the main highlight was the increased scope of the ISO 37001 Certification – Anti-Bribery and Anticorruption Management System, which attests to high governance and transparency standards used by the CPFL Group in its activities. We also updated the Compliance risk matrix, conducted the second edition of the integrity program maturity survey, developed and implemented the donation procedure, and updated and strengthened the conflict of interest procedure. The Program also included a robust training plan for 2024, primarily targeting the operational staff, along with the training conducted in partnership with CPFL+Diversa and CIPA. In 2024, we had the celebration of Integrity Day for the first time in the city of Santos/SP, with the presence of sports journalist Felipe Andreoli and a

leadership-focused training conducted by Professor Dr. Alexandre Di Micelli. We also launched the communication campaign "integrity is a priority" and 12 Monthly Integrity Conversations, highlighting the topics "Anti-Corruption Policy," "Moral harassment and disrespectful treatment," "Sexual harassment and sexual misconduct," and "Relationship with public agents and good practices in an election year," in addition to investigations of complaints, risk assessments, and issuance of opinions on due diligence and background checks.

Community Relations:

(i) CPFL Institute (ICPFL) – It is the private social investment platform of the CPFL Energia group. Headquartered in Campinas, it has integrated the social initiatives of the company for more than 20 years. Through cultural, sports and educational programs, the Institute works on five fronts: CPFL Young Generation, which supports initiatives for the future of new generations; CPFL in Hospitals, which supports humanization and improvement projects in public hospitals; CPFL Brazil-China Exchange, which builds cooperation, dialogue and mediation between the Chinese and Brazilian cultures; CPFL Circuit, which organizes itinerant running, walking and cinema sessions powered by solar energy; and Café Filosófico CPFL, a channel for CPFL Institute's reflections over webcasts, TV programs and podcasts. The Institute's other activities include art exhibitions, music concerts and cinema sessions. In 2024, the CPFL Group allocated R\$34 million (through the tax incentive laws ICMS, IR, CMDCA, and CMI).

2024 Results:

1) CPFL in Hospitals: Through our CPFL in Hospitals initiative, which includes structural improvement and hospital humanization projects, we support 27 hospitals, benefitting over 665,000 people.

2) CPFL Young Generation: Through this initiative, we support 15,795 youth through music, literature and sports projects aimed at reducing social vulnerability among children and youth in the group's partner communities.

3) CPFL Brazil-China Exchange: In 2024, the 8th season of the Brazil-China Exchange was held, which reached 835,000 people. This edition featured a Chinese art exhibition, dance performances, two cultural festivals, book publications, music concerts, and two special meetings of the Café Filosófico CPFL, as well as a music playlist on Spotify and an exclusive YouTube channel.

4) CPFL Circuit: In 2024, through the CPFL Circuit initiative, we took solar-powered cinema to 84 cities, and we drove over 15,000 kilometers, reaching more than 20,000 viewers.

5) Café Filosófico CPFL: With our Café Filosófico CPFL initiative, in 2024 we recorded 33 sessions in our studio and one special commemorative recording in Ribeirão Preto. In all, throughout 2024, there were 153 broadcasts of the programs Café and Café Expresso on TV Cultura and YouTube, and 23 million views in digital actions.

7) Energy efficiency (0.5% of Net Operating Income): Energy Efficiency (0.5% of Net Operating Income): in 2024, R\$60.3 million were invested in energy efficiency projects, of which the following stand out: (a) R\$17.9 million in projects aimed at consumers with low purchasing power, which resulted in the regularization of 2,141 customers; replacement of 47,531 light bulbs with more efficient models (LED); 1,077 refrigerators replaced; and 50 heat exchangers to replace traditional showers, benefitting a total of 14,033 families, including mainly those affected by the floods in the state of Rio Grande do Sul. Also, (b) R\$1.9 million was invested in educational projects, focusing on



the National Energy Efficiency Olympiad, which benefited 17,897 elementary school students in the conscious and safe use of electricity. We also had (c) about R\$10.6 million invested in public buildings that enabled the replacement of 5,684 lighting points with LED; 573 KWp installed in photovoltaic systems, and 4,933 public lighting points. Finally, (d) an investment of R\$31.2 million in the Hospitals Program, which is implementing 8,857 KWp installed photovoltaic generation systems and replacing light bulbs with LED models in 71 public and philanthropic hospitals in the concession areas.

Human Resources Management: In 2024, we trained 12,241 employees, totaling 359,000 thousand hours of training. Training programs were also held for the community, with schools for electrician training held during the year: 39 classes, 651 participants, of which 574 were approved, 430 were hired and 5 are in the process of being hired.

Value Network: In 2024, two Value Network meetings were held, all of them online, in which 120 partners discussed the: Macroeconomic Scenario, CPFL Strategic Plan, 2030 ESG Plan, Sustainability in the Supply Chain, Diversity and Inclusion and Workplace Safety.

8. Independent auditors

PriceWaterHouseCoopers Independent Auditors (PwC) was engaged by CPFL Energia for the provision of external audit services related to the examination of the Company's financial statements.

For the fiscal year ended on December 31, 2024, PwC provided, in addition to the audit of corporate and regulatory financial statements and review of interim information, the following services:

Nature
Compliance with financial covenants
Tax compliance services – Bookkeeping and Tax Accounting (ECF)
“Accounting ECD” revision of 2024 calendar
Benchmarking Services for Human Capital data
ACR Audit (Asset Control Report)

The hiring of independent auditors is the responsibility of the Board of Directors, which is assisted by the Audit Committee in such decision, analyzing the selection or removal of independent auditors.

Pursuant to CVM Resolution 162/2022, Management has policies and controls that address, among other matters, the size of the audit firm to be hired for the purpose of auditing the financial statements and the rules for hiring suppliers for audit and “extra-audit” services. This policy, among other reasons, aims to avoid the existence of conflicts of interest, loss of independence or objectivity of its independent auditors. In addition, PwC declared to Management that, due to the scope and processes performed, the provision of the aforementioned services does not affect the independence and objectivity necessary for the performance of external audit services.

9. Glossary of terms of electric sector

ACL: Free Contracting Environment. Segment of the market comprising the purchase of electric power by deregulated agents (such as Free Consumers and electric power traders).

ACR: Regulated Contracting Environment. Segment of the market comprising the purchase by distributing companies, by means of bids and other mechanisms provided by Aneel.

ANEEL (National Electric Energy Agency): The power sector's regulatory body.

Annual General Shareholders' Meeting (AGM): Mandatory annual meeting of the Company's shareholders called by the Board of Directors, in order to: (a) acknowledge the management accounts; (b) analyze and vote on the Company's financial statements; (c) decide on the allocation of net income; (d) pay dividends; and (e) elect the Board of Directors and the Fiscal Council.

Allowed Annual Revenue - AAR (RAP, in portuguese): Revenue authorized by ANEEL, by Resolution, for making the transmission system facilities available. Annual revenue to which the concessionaire is entitled from the start of commercial operation of the transmission facilities.

Assured Energy or Physical Guarantee: Fixed amount of energy of a power plant, established by the granting power in the concession agreements. It represents the amount of energy available for sale in that enterprise.

ATA: Annual Tariff Adjustment (reajuste tarifário anual).

B3 (B3 S,A, - Brasil, Bolsa, Balcão): São Paulo Stock Exchange.

Basic Network: Transmission installations of the National Interconnected System - SIN, owned by public transmission service concessionaires, with voltage equal or higher than 230 kV.

Biomass Thermoelectric Power Plant: A thermoelectric generator that uses the combustion of organic matter for the production of energy.

BNDES: National Bank of Economic and Social Development.

Brazilian Corporate Law: Federal Law No, 6,404, enacted on December 15, 1976, which governs, among other things, corporations (sociedade por ações) and the rights and duties of their shareholders, directors and officers.

Bylaws: The Company's Bylaws.

Captive Consumers: Consumers who may only acquire energy from the concessionaire to whose network they are connected.

CCEE: Energy Trading Chamber.

CDE: Energy Development Account, instituted by Law No, 10,438 of April 26, 2002, and subsequent amendments thereto. A fund managed by CCEE to foster electricity development in general and its production from alternative energy sources in particular, as well as the universalization of energy services in Brazil. All concessionaires contribute to this fund.

Company or CPFL Energia: CPFL Energia S.A, or the group of companies comprising CPFL Energia and its subsidiaries.

Constrained-off/Curtailment: Reduction in the power generation of a plant due to operational issues of the National Interconnected System.

Consumer: An individual or legal entity that requests power supply from a concessionaire, assuming the responsibility of paying the bills and complying with other obligations determined by ANEEL.



CVA: A tracking account used to offset the variation in estimated fixed costs passed on to consumers in distribution tariff adjustments and the variation in actual fixed costs. These costs include: Energy Purchase, transport from Itaipu, Basic Network Contract and sector charges.

CVM: Brazilian Securities and Exchange Commission.

Distribution: Electricity system that delivers energy to final consumers within a concession area.

Distribution network: The electricity system that delivers energy to final customers within a concession area.

Dividend yield: The amount of dividends paid by the company divided by the current share price.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Measures a company's operating cash flow before it is impacted by financial charges, depreciation and taxes.

Extraordinary General Shareholders' Meeting (EGM): A meeting of the Company's shareholders to discuss and decide on corporate matters, other than those dealt with by the AGM.

ETA: Extraordinary Tariff Adjustment (reajuste tarifário extraordinário).

Final Consumers: Consumers who use electric power to meet their own needs.

Free Consumers: Group A Consumers who are supplied by generators or traders through bilateral contracts signed within the ACL (Free Contracting Environment). These consumers still have to pay the distributor where it is located for the use of the distribution system.

Free Float: The shares of a company that are traded in the organized stock markets.

Granting Power: The federal government.

Holding Company: (1) A company whose main activity is to retain a controlling stake in one or more other companies; (2) A company which retains a controlling stake in one or more other companies and also controls these companies' managerial and business policies.

Hydroelectric Power Plant (or HPP): A generating unit that uses water power to drive the turbine.

IBrX-100 Brazil Index: An index that measures the return on a theoretical portfolio composed by 100 stocks selected among B3's most actively traded securities, in terms of number of trades and financial value. The component stocks are weighted according to the outstanding shares' market value.

IBOV - Ibovespa Index: The main indicator of the Brazilian stock market's average performance. IBOV's relevance comes from the fact that it reflects the variation of B3's most traded stocks.

ICO2 - Carbon Efficient Index: Comprises the shares of companies participating in the IBrX-100 index that have agreed to join this initiative, by adopting transparent practices with respect to their greenhouse gas emissions (GHGs). It takes into account, for weighting the shares of the component companies, their degree of efficiency in GHG emissions, in addition to the free float of each one.

IDIV - Dividend Index: It is a total return index and is intended to be the indicator of the average performance of the quotations of the assets that stood out in terms of investor remuneration, in the form of dividends and interest on equity.

IEE - The Electric Power Index: It was launched in August 1996 to measure the performance of the electric power sector. In this sense, the index is an instrument that makes possible the performance analysis of portfolios specialized in the electric power sector.

IFRS - International Financial Reporting Standards: the International Accounting Standards, which seek for a standard accepted in many countries in order to facilitate the comparability of information between companies in different countries. In Brazil, IFRS was implemented in 2010.

IGC - Special Corporate Governance Stock Index: is designed to measure the return of a theoretical portfolio composed of shares of companies with a good level of corporate governance. Such companies should be traded on B3's "Novo Mercado" or should be classified at B3's "Level 1" or "Level 2".

IGP-M: General Market Price Index, calculated by the Fundação Getúlio Vargas.

Installed Capacity: Maximum amount of energy that can be delivered by a particular generating unit on a full continuous charge basis under specific conditions as designated by the manufacturer.

IPCA: Extended National Consumer Price Index, calculated by the IBGE.

ISE - Corporate Sustainability Index: Designed to measure the return on a portfolio composed of shares of companies highly committed to social responsibility and corporate sustainability, and also to promote good practices in the Brazilian corporate environment.

ITAG - Special Tag Along Stock Index: Designed to measure the return of a theoretical portfolio composed of shares of companies which offer, in case of control sale, better conditions to minority shareholders than those required by law.

ITR: Quarterly Information.

Itaipu: Itaipu Binacional, a hydroelectric facility jointly owned by Brazil and Paraguay.

Locational Signal: Defined as signaling the entry of new users, through TUST, so that it can implement its projects, in order to bring load and generation closer together, promote the rationalization of the use of systems and the minimization of expansion costs.

MME: Brazilian Ministry of Mines and Energy (Ministério de Minas e Energia).

Novo Mercado: A B3 (São Paulo Stock Exchange) listing segment comprising companies committed to adopting the highest level of corporate governance and disclosing information over and above that which is determined by the regulations.

ONS (National Electric System Operator): A private law corporate entity authorized to carry out coordination and control activities of the electric energy generation and transmission operations in the interconnected systems.

Parcel A: Distributors' non-manageable costs, including the cost of electricity purchased for resale, connection and use of transmission system charges and sector charges.

Parcel B: Parcel that incorporates management costs related to the electricity distribution activity, such as operating costs, payment of investments and reintegration quota.

Potentially Free Consumer: Consumer that meets the conditions established to become free, but opts to be served in a regulated market.

Proinfa: Incentive Program for Alternative Electric Energy Sources, under Law 10,438 of April 26, 2002, and subsequent amendments thereto.

PTR: Periodic Tariff Revision (revisão tarifária periódica),

Regulated Market: Market segment in which distribution companies purchase all the electricity needed to supply customers through public auctions. The auction process is administered by ANEEL, either directly or through CCEE, under certain guidelines provided by the MME. Regulated Market is generally considered to be more stable in terms of supply of electricity.

SAIDI: System Average Interruption Duration Index, measured by the average duration of power interruptions in hours per consumer in a given period, normally a month or last 12 months.

SAIFI: System Average Interruption Frequency Index, measured by the average number of power interruptions in hours per consumer in a given period.

SDGs: United Nations Sustainable Development Goals, 17 sustainable development goals established by the United Nations and 169 specific targets that apply to all countries and cover a broad range of sustainability issues, including poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.

SIN (National Interconnected System): Comprises the Basic Network and other transmission installations connecting generators and distributors in Brazil.

Small Hydroelectric Power Plants (or SHPPs): Hydroelectric plants with an installed capacity of between 3 MW and 30 MW.



Special Free Consumer: Special category of free consumers who are qualified to purchase energy on the free market only from incentivized sources (solar, wind, biomass or SHPP).

Substation: A set of equipment that connects, alters and/or controls the voltage in a transmission and distribution system.

Tag Along: The right of minority shareholders to sell their shares, at the same price of the controlling shareholders, in the event of the dispose of control.

Thermoelectric Power Plant (or TPP): A generating unit which uses fossil fuels such as coal, oil, diesel, natural gas or others as the source of energy to drive the turbine.

Transmission: High-voltage lines conducting electricity over long distances with a voltage equal to or higher than 69 kV, connecting substations.

Transmission Network: Network or system for the transmission of electric energy between areas or countries to supply the distribution networks.

TUSD: Tariff for the Use of the Distribution Grid, annually adjusted by ANEEL.

10. Acknowledgements

The Management of CPFL Energia thanks its shareholders, customers, suppliers and communities in the areas of operations of its subsidiaries for their trust in the Company in 2024. It also thanks, in a special way, its employees for their competence and dedication in meeting the objectives and targets set.

The Management

For more information on the performance of this and other companies of the CPFL Energia Group, visit www.cpfl.com.br/ir.

SUMMARY

ASSETS.....	2
LIABILITIES AND EQUITY	3
STATEMENTS OF INCOME	4
STATEMENTS OF COMPREHENSIVE INCOME	5
STATEMENTS OF CHANGES IN THE SHAREHOLDER EQUITY	6
STATEMENTS OF CASH FLOW	7
STATEMENTS OF VALUE ADDED	8
(1) OPERATIONS	9
(2) PRESENTATION OF THE FINANCIAL STATEMENTS	14
(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	16
(4) FAIR VALUE MEASUREMENT	27
(5) CASH AND CASH EQUIVALENTS	28
(6) MARKETABLE SECURITIES	29
(7) CONSUMERS, CONCESSIONAIRES AND LICENSEES	29
(8) TAXES RECOVERABLE	30
(9) SECTOR FINANCIAL ASSET AND LIABILITY	32
(10) DEFERRED TAX ASSETS AND LIABILITIES	33
(11) CONCESSION FINANCIAL ASSET	36
(12) OTHER ASSETS	37
(13) INVESTMENTS	37
(14) PROPERTY, PLANT AND EQUIPMENT	43
(15) CONTRACT ASSET	44
(16) INTANGIBLE ASSETS	46
(17) TRADE PAYABLES	48
(18) BORROWINGS	49
(19) DEBENTURES	52
(20) PRIVATE PENSION PLAN	54
(21) TAXES, FEES AND CONTRIBUTIONS	63
(22) PROVISION FOR TAX, CIVIL AND LABOR RISKS AND ESCROW DEPOSITS	64
(23) OTHER PAYABLES	66
(24) EQUITY	68
(25) EARNINGS PER SHARE	69
(26) NET OPERATING REVENUE	70
(27) COST OF ELECTRIC ENERGY	72
(28) OTHER OPERATING COSTS AND EXPENSES	73
(29) FINANCE INCOME (COSTS)	73
(30) SEGMENT INFORMATION	74
(31) RELATED PARTY TRANSACTIONS	74
(32) INSURANCE	76
(33) RISK MANAGEMENT	76
(34) FINANCIAL INSTRUMENTS	78
(35) NON-CASH TRANSACTIONS	84
(36) COMMITMENTS	84
(37) EVENTS AFTER THE REPORTING PERIOD	84



CPFL Energia S.A.
Statements of financial position at December 31, 2024 and 2023
(in thousands of Brazilian Reais)

		Parent company		Consolidated	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
ASSETS					
Current assets					
Cash and cash equivalents	5	191,538	171,795	1,973,401	4,435,186
Securities	6	50,029	-	1,573,654	1,097,438
Consumers, concessionaires and licensees	7	-	-	5,883,894	6,190,130
Inventories		-	-	221,573	151,744
Dividends and interest on capital	13	1,215,355	883,352	19,115	10,286
Income tax and social contribution recoverable	8	636	13,117	715,764	655,247
Other taxes recoverable	8	14,341	16,911	653,181	589,175
PIS/COFINS recoverable over ICMS	8	-	-	1,919,127	2,355,498
Intragroup loans	31	153,103	-	-	-
Derivatives	34	-	-	915,621	88,315
Sector financial asset	9	-	-	393,443	293,066
Contract assets	15	-	-	774,368	746,783
Other assets	12	193	282	1,508,406	1,438,485
Total current assets		1,625,195	1,085,457	16,551,546	18,051,353
Noncurrent assets					
Consumers, concessionaires and licensees	7	-	-	186,371	164,914
Intragroup loans	31	-	37,942	-	-
Escrow Deposits	22	314	547	749,936	789,734
Income tax and social contribution recoverable	8	24	411	503,271	85,147
Other taxes recoverable	8	-	-	479,460	515,153
PIS/COFINS recoverable over ICMS	8	-	-	3,652,513	4,162,169
Sector financial assets	9	-	-	337,522	200,111
Derivatives	34	-	-	193,542	590,935
Deferred tax assets	10	2,727	3,081	266,798	325,404
Concession financial asset	11	-	-	25,209,768	21,617,521
Investments at cost		-	-	144,961	39,435
Other assets	12	1,487	4,312	331,087	377,313
Investments	13	20,562,295	18,291,206	581,364	520,662
Property, plant and equipment	14	4,584	4,575	9,752,282	10,135,751
Intangible assets	16	55	98	7,824,433	8,973,764
Contract asset	15	-	-	10,364,338	8,421,862
Total noncurrent assets		20,571,486	18,342,171	60,577,648	56,919,874
Total assets		22,196,681	19,427,628	77,129,194	74,971,227

The accompanying notes are an integral part of these financial statements.



CPFL Energia S.A.

Statements of financial position at December 31, 2024 and 2023

(in thousands of Brazilian Reais)

LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		December 31,	December 31,	December 31,	December 31,
Current liabilities					
Trade payables	17	2,117	1,942	3,890,827	3,692,489
Borrowings	18	-	-	4,587,739	3,531,710
Debentures	19	-	-	815,233	980,841
Private pension plan	20	-	-	336,398	549,549
Income tax and social contribution payable	21	12,347	14,842	440,904	771,899
Other taxes, fees and contributions	21	7,811	8,118	784,498	1,076,007
Intragroup loans	31	-	-	-	3,140,112
Dividends		1,396,390	473,085	1,510,207	570,319
Derivatives	34	-	-	8,178	61,015
Sector financial liability	9	-	-	927,285	1,163,287
Provisions for demobilization and environmental expenses		-	-	12,699	6,106
PIS/COFINS consumer reimbursement	8	-	-	1,072,326	1,609,435
Other payables	23	25,572	26,365	2,984,242	2,609,339
Total current liabilities		1,444,236	524,352	17,370,535	19,762,108
Noncurrent liabilities					
Trade payables	17	-	-	254,364	397,422
Borrowings	18	-	-	7,690,254	9,979,666
Debentures	19	-	-	15,695,112	11,944,886
Private pension plan	20	-	-	451,514	1,503,118
Income tax and social contribution payable	21	-	-	245,142	274,976
Other taxes, fees and contributions	21	-	-	997,778	934,248
Deferred tax liabilities	10	-	-	2,665,302	2,318,542
Provision for tax, civil and labor risks	22	505	292	1,561,980	1,513,371
Intragroup loans	31	-	-	2,485,694	-
Derivatives	34	-	-	272,377	495,825
Sector financial liability	9	-	-	798,912	458,436
Provisions for demobilization and environmental expenses		-	-	151,778	164,655
PIS/COFINS consumer reimbursement	8	-	-	3,864,430	4,311,128
Other payables	23	20,178	23,518	828,992	914,090
Total noncurrent liabilities		20,683	23,810	37,963,630	35,210,366
Equity	24				
Issued capital		9,388,071	9,388,071	9,388,071	9,388,071
Capital reserves		(1,394,956)	(1,396,906)	(1,394,956)	(1,396,906)
Legal reserve		1,877,614	1,877,614	1,877,614	1,877,614
Statutory reserve - working capital improvement		7,033,014	5,636,993	7,033,014	5,636,993
Reserve of unrealized profit		3,075,193	2,204,186	3,075,193	2,204,186
Dividend		1,855,190	2,735,872	1,855,190	2,735,872
Accumulated comprehensive income		(1,102,363)	(1,566,364)	(1,102,363)	(1,566,364)
		20,731,762	18,879,466	20,731,762	18,879,466
Equity attributable to noncontrolling interests		-	-	1,063,267	1,119,287
Total equity		20,731,762	18,879,466	21,795,029	19,998,753
Total liabilities and equity		22,196,681	19,427,628	77,129,194	74,971,227

The accompanying notes are an integral part of these financial statements



CPFL Energia S.A.

Statements of income for the years ended December 31, 2024 and 2023

(in thousands of Brazilian Reals, except for Earnings per share)

	Note	Parent company		Consolidated	
		2024	2023	2024	2023
Net operating revenue	26	730	271	42,628,210	39,743,190
Cost of services					
Cost of electric energy	27	-	-	(19,519,468)	(17,668,819)
Cost of operation		-	-	(4,371,836)	(4,056,111)
Depreciation and amortization		-	-	(1,817,542)	(1,720,969)
Other cost of operation	28	-	-	(2,554,294)	(2,335,142)
Cost of services rendered to third parties	28	-	-	(5,168,133)	(4,376,171)
Gross profit		730	271	13,568,773	13,642,089
Operating expenses					
Selling expenses		-	-	(981,340)	(813,829)
Depreciation and amortization		-	-	(10,760)	(9,351)
Allowance for doubtful accounts		-	-	(416,808)	(277,454)
Other selling expenses	28	-	-	(553,772)	(527,024)
General and administrative expenses		(53,229)	(54,326)	(1,588,046)	(1,657,307)
Depreciation and amortization		(3,427)	(5,264)	(142,031)	(163,946)
Other general and administrative expenses	28	(49,802)	(49,062)	(1,446,015)	(1,493,361)
Other operating expenses		-	-	(505,620)	(910,038)
Amortization of concession intangible asset		-	-	(332,791)	(355,352)
Other operating expenses	28	-	-	(172,829)	(554,686)
Income from electric energy services		(52,499)	(54,055)	10,493,767	10,260,915
Equity interests in subsidiaries, associates and joint	13	5,607,957	5,636,482	336,462	318,708
		5,555,458	5,582,427	10,830,229	10,579,623
Financial income (expenses)	29				
Financial income		(15,527)	(261)	1,601,868	1,935,333
Financial expenses		(2,728)	(2,210)	(4,343,203)	(4,492,173)
		(18,255)	(2,470)	(2,741,335)	(2,556,840)
Profit before taxes		5,537,203	5,579,957	8,088,893	8,022,782
Social contribution		(20,022)	(13,054)	(620,678)	(668,553)
Income tax		(59,529)	(39,802)	(1,706,661)	(1,817,068)
		(79,551)	(52,856)	(2,327,339)	(2,485,621)
Profit for the year		5,457,652	5,527,101	5,761,554	5,537,162
Profit (loss) for the year attributable to owners of the Company				5,457,652	5,527,101
Profit (loss) for the year attributable to noncontrolling interests				303,902	10,061
Earnings per share attributable to owners of the Company (R\$):	25			4.74	4.80

The accompanying notes are an integral part of these financial statements



CPFL Energia S.A.
Statements of comprehensive income for the years ended December 31, 2024 and 2023
(in thousands of Brazilian Reais)

	Parent company	
	2024	2023
Profit for the year	5,457,652	5,527,101
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Comprehensive income for the year of subsidiaries	472,792	(358,968)
Total comprehensive income for the year	5,930,444	5,168,133
	Consolidated	
	2024	2023
Profit for the year	5,761,554	5,537,162
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
- Actuarial gains (losses), net of tax effects	478,915	(358,015)
- Credit risk in fair value measurement of financial liabilities	(6,123)	(953)
Total comprehensive income for the year	6,234,346	5,178,194
Attributable to owners of the Company	5,930,444	5,168,133
Attributable to noncontrolling interests	303,902	10,061

The accompanying notes are an integral part of these financial statements



CPFL Energia S.A.

Statements of changes in the shareholder equity for the years ended December 31, 2024 and 2023
(in thousands of Brazilian Reais)

	Earnings reserves						Accumulated comprehensive income			Noncontrolling interests			
	Issued capital	Capital reserve	Legal reserve	Statutory reserve / Working capital	Reserve of unrealized profit	Dividend	Deemed cost	Private pension plan / Credit risk in fair value measurement	Retained earnings	Total	Accumulated comprehensive e income	Other equity components	Total equity
Balance at December 31, 2022	9,388,071	(1,396,339)	1,710,665	4,840,094	1,683,741	1,211,152	274,113	(1,454,897)	-	16,256,599	2,946	1,280,399	17,539,944
Total comprehensive income	-	-	-	-	-	-	-	(358,968)	5,527,101	5,168,133	-	10,061	5,178,194
Profit for the year	-	-	-	-	-	-	-	-	5,527,101	5,527,101	-	10,061	5,537,162
Other comprehensive income - credit risk in fair value measurement	-	-	-	-	-	-	-	(953)	-	(953)	-	-	(953)
Other comprehensive income - actuarial gains (losses)	-	-	-	-	-	-	-	(358,015)	-	(358,015)	-	-	(358,015)
Internal changes in equity	-	-	166,949	1,699,527	520,445	-	(26,612)	-	(2,360,310)	-	(1,778)	3,557	1,780
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	-	(40,321)	-	40,321	-	(2,693)	2,693	-
Tax effect on realization of deemed cost	-	-	-	-	-	-	13,709	-	(13,709)	-	916	(916)	-
Recognition of legal reserve	-	-	166,949	-	-	-	-	-	(166,949)	-	-	-	-
Constitution/Reversal of profit reserve for the year	-	-	-	1,699,527	520,445	-	-	-	(2,219,973)	-	-	-	-
Other changes in noncontrolling interests	-	-	-	-	-	-	-	-	-	-	-	1,780	1,780
Capital transactions with owners	-	(568)	-	(902,628)	-	1,524,720	-	-	(3,166,790)	(2,545,266)	-	(175,900)	(2,721,166)
Aumento (redução) de capital	-	-	-	-	-	-	-	-	-	-	-	(4,284)	(4,284)
Gain (loss) on interest in subsidiaries with no change in control	-	(568)	-	-	-	-	-	-	-	(568)	-	1,190	622
dividend	-	-	-	-	-	-	-	-	(437,410)	(437,410)	-	-	(437,410)
Unpaid dividend	-	-	-	-	-	-	-	-	6,491	6,491	-	-	6,491
Dividend proposal approved	-	-	-	(902,628)	-	(1,211,152)	-	-	-	(2,113,779)	-	(172,805)	(2,286,585)
Additional proposed dividend	-	-	-	-	-	2,735,872	-	-	(2,735,872)	-	-	-	-
Balance at December 31, 2023	9,388,071	(1,396,906)	1,877,614	5,636,993	2,204,186	2,735,872	247,502	(1,813,865)	-	18,879,467	1,167	1,118,120	19,998,753
Total comprehensive income	-	-	-	-	-	-	-	472,792	5,457,652	5,930,444	-	303,902	6,234,346
Profit for the year	-	-	-	-	-	-	-	-	5,457,652	5,457,652	-	303,902	5,761,554
Other comprehensive income - credit risk in fair value measurement	-	-	-	-	-	-	-	(6,123)	-	(6,123)	-	-	(6,123)
Other comprehensive income - actuarial gains (losses)	-	-	-	-	-	-	-	478,915	-	478,915	-	-	478,915
Internal changes in equity	-	-	-	1,396,020	871,007	-	(8,792)	-	(2,254,978)	3,258	(1,167)	(5,372)	(3,281)
Realization of deemed cost of property, plant and equipment	-	-	-	-	-	-	(13,321)	-	13,321	-	(1,768)	1,768	-
Tax effect on realization of deemed cost	-	-	-	-	-	-	4,529	-	(4,529)	-	601	(601)	-
Constitution/Reversal of profit reserve for the year	-	-	-	1,396,020	871,007	-	-	-	(2,267,028)	-	-	-	-
Other changes in noncontrolling interests	-	-	-	-	-	-	-	-	3,258	3,258	-	(6,540)	(3,281)
Capital transactions with owners	-	1,950	-	-	-	(880,682)	-	-	(3,202,674)	(4,081,406)	-	(353,383)	(4,434,790)
Gain (loss) on interest in subsidiaries with no change in control	-	1,950	-	-	-	-	-	-	-	1,950	-	(7,384)	(5,434)
Dividend	-	-	-	-	-	-	-	-	(1,364,413)	(1,364,413)	-	-	(1,364,413)
Unpaid dividend	-	-	-	-	-	-	-	-	16,928	16,928	-	-	16,928
Dividend proposal approved	-	-	-	-	-	(2,735,872)	-	-	-	(2,735,872)	-	(345,999)	(3,081,871)
Additional proposed dividend	-	-	-	-	-	1,855,190	-	-	(1,855,190)	-	-	-	-
Balance at December 31, 2024	9,388,071	(1,394,956)	1,877,614	7,033,014	3,075,193	1,855,190	238,710	(1,341,073)	-	20,731,762	-	1,063,267	21,795,029

The accompanying notes are an integral part of these financial statements.



CPFL Energia S.A.
Statements of cash flow for the years ended December 31, 2024 and 2023
(in thousands of Brazilian Reais)

	Parent company		Consolidated	
	December 31,	December	December 31,	December
Profit before taxes	5,537,203	5,579,957	8,088,893	8,022,782
Adjustment to reconcile profit to cash from operating activities				
Depreciation and amortization	3,427	5,264	2,303,124	2,249,618
Provision for tax, civil and labor risks	2,035	1,580	309,228	350,698
Allowance for doubtful accounts	-	-	416,808	277,454
Interest on debts, monetary adjustment and exchange rate changes	(4,428)	(6,405)	2,432,471	2,331,084
Pension plan expense (income)	-	-	127,863	163,307
Equity interests in subsidiaries, associates and joint ventures	(5,607,957)	(5,636,482)	(336,462)	(318,708)
Ajuste a valor justo em investimento	-	-	(102,638)	49,607
Loss (gain) on disposal of noncurrent assets	-	-	341,593	135,818
Fair value assessment of investment in equity instrument	-	-	(56,022)	334,193
Others	-	-	(1,053,864)	(834,325)
	(69,720)	(56,086)	12,470,994	12,761,527
Decrease (increase) in operating assets				
Consumers, concessionaires and licensees	-	-	(130,252)	(1,347,403)
Dividend and interest on capital received	3,429,313	2,008,135	266,361	361,259
Taxes recoverable	75,251	81,653	933,256	2,719,583
Escrow deposits	240	16	81,701	(27,029)
Sector financial asset	-	-	(280,307)	47,323
Receivables - CDE	-	-	(182,936)	(120,140)
Transmission asset addition	-	-	(720,162)	(582,062)
Other operating assets	395	430	1,070,023	852,356
Increase (decrease) in operating liabilities				
Trade payables	175	(126)	75,572	407,795
Other taxes and social contributions	(1,247)	(10,376)	389,339	578,910
Other liabilities with private pension plan	-	-	(558,008)	(668,047)
Regulatory charges	-	-	(69,416)	91,908
Tax, civil and labor risks paid	(1,854)	(1,464)	(374,747)	(273,370)
Sector financial liability	-	-	(1,093,411)	(1,491,045)
Payables - CDE	-	-	(18,388)	(10,865)
Other operating liabilities	(4,135)	(3,511)	(9,008)	(205,213)
Cash flows provided (used) by operations	3,428,418	2,018,671	11,850,611	13,095,487
Interest paid on debts and debentures	-	-	(2,142,754)	(1,862,324)
Income tax and social contribution paid	(82,705)	(63,842)	(2,918,915)	(2,333,246)
Cash flows provided (used) by operations activities	3,345,713	1,954,829	6,788,942	8,899,917
Investing activities				
Capital increase of shareholders	-	1,384,100	(480)	53,344
Purchases of property, plant and equipment	(873)	(2,841)	(509,943)	(678,203)
Purchases of contract asset	-	-	(4,543,589)	(3,792,884)
Purchases and construction of intangible assets	-	-	(21,101)	(20,059)
Securities, pledges and restricted deposits - investment	(50,029)	-	(13,399,234)	(1,865,075)
Securities, pledges and restricted deposits - redemption	-	-	12,942,966	1,662,084
Advances for future capital increases	-	(59,000)	-	-
Intragroup loans to subsidiaries	(115,713)	-	-	-
Receiving of intragroup loans from subsidiaries	4,328	20,326	-	-
Net cash generated by (used) in investing activities	(162,287)	1,342,585	(5,531,381)	(4,640,793)
Financing activities				
Capital decrease (increase) in existing equity interest	-	-	(2,190)	(3,716)
Borrowings and debentures raised	-	-	7,761,288	5,309,802
Repayment of principal of borrowings and debentures	-	-	(6,542,435)	(4,640,411)
Repayment of derivatives	-	-	(537,928)	(665,304)
Dividend and interest on capital paid	(3,163,683)	(3,314,719)	(3,479,652)	(3,570,467)
Intragroup loans paid	-	-	(918,429)	-
Net cash generated by (used in) financing activities	(3,163,683)	(3,314,719)	(3,719,346)	(3,570,096)
Net increase (decrease) in cash and cash equivalents	19,743	(17,305)	(2,461,785)	689,028
Cash and cash equivalents at the beginning of the year	171,795	189,100	4,435,186	3,746,158
Cash and cash equivalents at the end of the year	191,538	171,795	1,973,401	4,435,186

The accompanying notes are an integral part of these financial statements.



CPFL Energia S.A.

Statements of value added for the years ended December 31, 2024 and 2023

(in thousands of Brazilian Reais)

	Parent company		Consolidated	
	2024	2023	2024	2023
1. Revenues	1,677	3,140	61,114,487	56,904,986
1.1 Operating revenues	804	298	55,489,519	52,051,285
1.2 Revenues related to the construction of own assets	873	2,841	446,412	460,263
1.3 Revenue from infrastructure construction of the concession	-	-	5,595,365	4,670,893
1.4 Allowance for doubtful accounts	-	-	(416,808)	(277,454)
2. (-) Inputs	(17,611)	(19,105)	(29,881,286)	(27,519,577)
2.1 Electricity Purchased for Resale	-	-	(21,813,865)	(20,252,398)
2.2 Material	(1,135)	(3,009)	(3,161,492)	(2,877,356)
2.3 Outsourced Services	(12,308)	(12,238)	(3,070,723)	(2,684,297)
2.4 Other	(4,168)	(3,857)	(1,835,207)	(1,705,525)
3. Gross added value (1 + 2)	(15,934)	(15,965)	31,233,201	29,385,409
4. Retentions	(3,427)	(5,264)	(2,310,120)	(2,253,407)
4.1 Depreciation and amortization	(3,427)	(5,264)	(1,977,330)	(1,898,055)
4.2 Amortization of intangible assets of the concession	-	-	(332,791)	(355,352)
5. Net added value generated (3 + 4)	(19,361)	(21,229)	28,923,081	27,132,002
6. Added value received in transfer	5,628,656	5,661,216	2,013,655	2,332,015
6.1 Financial Income	20,699	24,734	1,677,193	2,013,306
6.2 Equity interests in subsidiaries, associates and joint ventures	5,607,957	5,636,482	336,462	318,709
7. Added value to be distributed (5 + 6)	5,609,295	5,639,987	30,936,736	29,464,017
8. Distribution of added value				
8.1 Personnel and Charges	29,929	32,972	2,289,234	2,202,329
8.1.1 Direct Remuneration	13,057	13,039	1,291,799	1,254,428
8.1.2 Benefits	15,620	18,684	873,579	832,580
8.1.3 Government severance indemnity fund for employees - F.G.T	1,252	1,249	123,856	115,321
8.2 Taxes, Fees and Contributions	122,055	83,969	18,436,288	17,125,831
8.2.1 Federal	121,899	83,867	11,168,338	11,020,573
8.2.2 Estate	156	101	7,209,675	6,054,139
8.2.3 Municipal	-	-	58,275	51,119
8.3 Interest and Rentals	(340)	(4,055)	4,449,660	4,598,695
8.3.1 Interest	2,422	2,208	4,382,252	4,523,152
8.3.2 Rental	(2,763)	(6,262)	67,408	75,543
8.4 Interest on capital	5,457,652	5,527,101	5,761,554	5,537,162
8.4.1 Dividend (including additional proposed)	2,735,872	3,173,282	3,081,871	3,346,087
8.4.2 Retained Earnings	2,721,780	2,353,819	2,679,683	2,191,075
	5,609,295	5,639,987	30,936,736	29,464,017

The accompanying notes are an integral part of these financial statements.

CPFL ENERGIA S.A.
NOTES TO THE FINANCIAL STATEMENTS
AT DECEMBER 31, 2023 AND 2022

(Amounts in thousands of Brazilian reais – R\$, unless otherwise stated)

(1) OPERATIONS

CPFL Energia S.A. (“CPFL Energia” or “the Company”) is a publicly-held corporation incorporated for the principal purpose of operating as a holding company, with equity interests in other companies primarily engaged in electric energy distribution, generation, transmission and commercialization activities in Brazil.

The Company’s registered office is located at Rua Jorge Figueiredo Corrêa, nº 1.632, Jardim Professora Tarcília, CEP 13087-397 – Campinas - SP - Brazil.

The Company has direct and indirect interests in the following subsidiaries and joint-ventures:

Energy distribution	Company type	Equity interest	Location (state)	Number of municipalities	Approximate number of consumers (in thousands)	Concession period	End of the concession
Companhia Paulista de Força e Luz (“CPFL Paulista”)	Publicly-held corporation	Direct 100%	Interior of São Paulo	234	5,053	30 years	November 2027
Companhia Piratininga de Força e Luz (“CPFL Piratininga”)	Publicly-held corporation	Direct 100%	Interior and coast of São Paulo	27	1,980	30 years	October 2028
RGE Sul Distribuidora de Energia S.A. (“RGE”)	Publicly-held corporation	Direct and Indirect 100%	Interior of Rio Grande do Sul	381	3,135	30 years	November 2027
Companhia Jaguarí de Energia (“CPFL Santa Cruz”)	Privately-held corporation	Direct 100%	Interior of São Paulo, Paraná and Minas Gerais	45	515	30 years	July 2045

Energy generation (conventional and renewable sources) and Energy transmission	Company type	Equity interest	Location (state)	Number of plants / type of energy	Installed power (MW)	
					Total	CPFL share
CPFL Energias Renováveis S.A. (“CPFL Renováveis”)	Publicly-held corporation	Direct and Indirect 100%	(b)	(b)	(b)	(b)
CPFL Geração de Energia S.A. (“CPFL Geração”)	Publicly-held corporation	Direct 100%	São Paulo	n/a	n/a	n/a
CERAN - Companhia Energética Rio das Antas (“CERAN”)	Privately-held corporation	Indirect 65%	Rio Grande do Sul	3 Hydropower	360	234
Foz do Chapecó Energia S.A. (“Foz do Chapecó”)	Privately-held corporation	Indirect 51% (c)	Santa Catarina and Rio Grande do Sul	1 Hydropower	855	436
Campos Novos Energia S.A. (“ENERCAN”)	Privately-held corporation	Indirect 52.12%	Santa Catarina	1 Hydropower	880	460
BAESA - Energética Barra Grande S.A. (“BAESA”)	Publicly-held corporation	Indirect 25.01%	Santa Catarina and Rio Grande do Sul	1 Hydropower	690	173
Centrais Elétricas da Paraíba S.A. (“EPASA”)	Privately-held corporation	Indirect 53.34%	Paraíba	2 Thermal	342	182
Paulista Lajeado Energia S.A. (“Paulista Lajeado”)	Privately-held corporation	Indirect 56.93% (a)	Tocantins	1 Hydropower	903	38
CPFL Centrais Geradoras Ltda (“CPFL Centrais Geradoras”)	Limited liability company	Direct 100%	São Paulo e Minas Gerais	6 SHPs	3.9	3.9

Energy transmission	Company type	Equity interest	Location (state)
CPFL Transmissão Piracicaba S.A. (“CPFL Transmissão Piracicaba”)	Limited liability company	Indirect 100%	São Paulo
CPFL Transmissão Morro Agudo S.A. (“CPFL Transmissão Morro Agudo”)	Limited liability company	Indirect 100%	São Paulo
CPFL Transmissão Maracanaú S.A. (“CPFL Maracanaú”)	Limited liability company	Indirect 100%	Ceará
CPFL Transmissão Sul I S.A. (“CPFL Sul I”)	Limited liability company	Indirect 100%	Santa Catarina
CPFL Transmissão Sul II S.A. (“CPFL Sul II”)	Limited liability company	Indirect 100%	Rio Grande do Sul
Companhia Estadual de Transmissão de Energia Elétrica – CEEE-T (“CPFL Transmissão”)	Publicly-held corporation	Indirect 100%	Rio Grande do Sul
Transmissora de Energia Sul Brasil S.A. (TESB)	Privately-held corporation	Indirect 98.08%	Rio Grande do Sul
Transmissora Porto Alegre S.A. - (“CPFL TPAG”)	Privately-held corporation	Indirect 9.65%	Rio Grande do Sul
Empresa de Transmissão do Alto Uruguai S.A. - (“CPFL ETAU”)	Privately-held corporation	Indirect 10%	Rio Grande do Sul

Energy commercialization	Company type	Core activity	Equity interest
CPFL Comercialização Brasil S.A. ("CPFL Brasil")	Privately-held corporation	Energy commercialization	Direct 100%
Clion Assessoria e Comercialização de Energia Elétrica Ltda ("CPFL Meridional")	Limited liability company	Commercialization and provision of energy services	Indirect 100%
CPFL Planalto Ltda ("CPFL Planalto")	Limited liability company	Energy commercialization	Direct 100%
CPFL Brasil Varejista de Energia Ltda ("CPFL Brasil Varejista")	Limited liability company	Energy commercialization	Indirect 100%

Provision of services	Company type	Core activity	Equity interest
CPFL Serviços, Equipamentos, Indústria e Comércio S.A. ("CPFL Serviços")	Privately-held corporation	Manufacturing, commercialization, rental and maintenance of electro-mechanical equipment and service provision	Direct 100%
Nect Serviços Administrativos de Infraestrutura Ltda ("CPFL Infra")	Limited liability company	Provision of infrastructure and fleet services	Direct 100%
Nect Serviços Administrativos de Recursos Humanos Ltda ("CPFL Pessoas")	Limited liability company	Provision of human resources services	Direct 100%
Nect Serviços Administrativos Financeiros Ltda ("CPFL Finanças")	Limited liability company	Provision of financial services	Direct 100%
Nect Serviços Adm de Suprimentos E Logística Ltda ("CPFL Supre")	Limited liability company	Supply and logistics services	Direct 100%
CPFL Atende Centro de Contatos e Atendimento Ltda ("CPFL Atende")	Limited liability company	Provision of call center services	Direct 100%
CPFL Total Serviços Administrativos S.A. ("CPFL Total")	Privately-held corporation	Collection services	Indirect 100%
TI Nect Serviços de Informática Ltda ("Authi")	Limited liability company	Provision of IT services	Direct 100%
Alesta Sociedade de Crédito Direto S.A. ("Alesta")	Privately-held corporation	Financial services	Direct 100%

Others	Company type	Core activity	Equity interest
CPFL Jaguarí de Geração de Energia Ltda ("Jaguarí Geração")	Limited liability company	Holding company	Direct 100%
Chapecoense Geração S.A. ("Chapecoense")	Privately-held corporation	Holding company	Indirect 51%
Sul Geradora Participações S.A. ("Sul Geradora")	Privately-held corporation	Holding company	Indirect 99.95%
CPFL Telecomunicações Ltda ("CPFL Telecom")	Limited liability company	Telecommunication services	Direct 100%

a) Paulista Lajeado holds a 7% interest in the installed power of Investco S.A. (5.94% interest in total capital).

b) CPFL Renováveis has operations in the states of São Paulo, Minas Gerais, Mato Grosso, Santa Catarina, Ceará, Rio Grande do Norte, Paraná, Rio Grande do Sul and Goiás and its main activities are: (i) holding investments in companies of the renewable energy segment; (ii) identification, development, and exploration of generation potentials; and (iii) sale of electric energy. At December 31, 2024, CPFL Renováveis had a portfolio of 103 enterprises with 2,9 GW of installed capacity (2.877.4 MW in operation):

- Hydropower generation: 47 small hydroelectric plants and central hydroelectric generators - SHPs/CHGs (499,6 MW) with 46 SHPs/CHGs in operation (471,6 MW) and 1 SHP under construction/development (28 MW), 2 hydroelectric power plants - HPP in operation (829,7 MW - 51.54% of the assured energy and power of the Serra da Mesa hydropower plant, which concession is owned by Furnas and 25.01% of BAESA - Energética Barra Grande S.A. "BAESA");
- Wind power generation: 49 projects (1,390.3 MW);
- Biomass power generation: 4 plants in operation (185 MW);
- Solar power generation: 1 solar plant in operation (1.1 MW).

c) The joint venture Chapecoense has as its direct subsidiary Foz do Chapecó and fully consolidates its financial statements.

1.1 Climate Changes

As our Statement on Climate Change, CPFL Energia declares its commitment to the objectives of the Paris Agreement and the need to limit the increase in global average temperature to 1.5°C, with the consequent reduction and neutralization of greenhouse gas emissions (GHG).

Annually, the Group carries out the GHG Emissions Inventory and makes measurements and disclosure in the three scopes of the inventory, which are:

- Scope 1: Direct emissions that belong to or are controlled by the group;
- Scope 2: Indirect emissions related to the purchase of electricity and technical losses from energy distribution and transmission
- Scope 3: Indirect emissions related to the value chain.

The Group includes in its strategy its ESG Plan 2030 (Environmental, Social and Governance), which defines the guidelines for all businesses and gives directions to the realization of investments aligned with global trends for sustainable development. The structure of the plan considers three main commitments related to the decarbonization of operations: (i) generate 100% renewable energy by 2030; (ii) be carbon neutral from 2025¹, reducing 56% of emissions from scopes 1, 2 and 3 by 2030; and (iii) offer low-carbon solutions to our customers, with annual revenue targets for IRECs (international renewable energy certificates) and carbon credits. To address efforts to achieve resilience to climate changes, the plan was released in January 2025, effective from the same year, which considers the commitment to: Establish climate adaptation plans for the CPFL's generation, transmission and distribution businesses, strengthening the resilience of our assets by 2030.

In the publication "Our Journey Against Climate Change", CPFL discloses its strategies, risks and opportunities for the Group, in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) methodology.

In addition, each year we also publish on the global Carbon Disclosure Project (CDP) platform, providing greater transparency for our stakeholders.

¹ Neutralization in 2026 regarding the 2025 GEE inventory.

1.2 Climate impacts - floods in Rio Grande do Sul

The floods of May 2024 in Rio Grande do Sul, marked the history of the state. A high-pressure atmospheric system settled over the southern region of Brazil, preventing the circulation of humid air and causing persistent rainfall. The *El Niño* natural climate phenomenon also contributed to the increase in rainfall in the region.

About 90% of the territory of Rio Grande do Sul was affected, with damages to infrastructure, agriculture and commerce, resulting in significant losses.

The Group was mainly impacted in the generation, transmission, and distribution segments, through, respectively, its subsidiaries Ceran, CPFL Transmissão and RGE. The amounts disclosed in these financial statements were determined based on Management's best estimates.

The main effects refer to the write-off of damaged assets, acquisition and/or construction of new assets and recovery services of the affected areas. The respective financial impacts recognized in the balance sheet and in the income statement for the period are presented below.

Ceran

In the generation segment, the subsidiary Ceran had two of its three plants impacted by heavy rains: the 14 de Julho plant, which had a partial rupture of its dam, and the Monte Claro plant, whose powerhouse was flooded.

The 14 de Julho Plant has already completed the partial recovery of its dam, with full completion expected for March 2025. In December 2024, the plant's operation returned to normal.

As for the Monte Claro Power Plant, the powerhouse was recovered, and generating unit 2 returned to operation after a modernization completed in December 2024. The modernization of generating unit 1 is scheduled to be completed in February 2025.

Write-off of assets and expenses incurred

As a result of the event, Ceran recognized in the 2024 results, the amount of R\$ 29,209, referring to (i) write-off of damaged assets, mainly related to the crest of the dam and transmission line of the 14 de Julho plant, (ii) expenses related to the Monte Claro plant, which include the replacement of impacted assets and cleaning, drying, assembly and disassembly services, so the equipment that has not been replaced can return to operation, and (iii) expenses related to maintenance and cleaning services of the roads that give access to the two plants.

In return, the subsidiary has an insurance policy for part of the expenses related to the event and is in the final negotiation phase with the insurer, based on the policies in force, to assess the amounts of coverage and respective reimbursements. To date, the subsidiary has recorded R\$ 18,000 in advances received and/or approved by the insurer. Since the claim assessment process is still in progress, the other claims to be recognized by the insurer are still under discussion.

CPFL Transmissão

The network operated by the subsidiary CPFL Transmissão had 8 substations and 34 transmission lines affected, all of which were recovered.

As a result of these events, CPFL Transmissão recognized an expense of R\$ 7,848 in 2024, mainly related to maintenance on machinery and equipment, transmission lines, infrastructure and write-offs, among others

RGE

The distribution segment, represented by the subsidiary RGE, was also impacted by the floods. In total, 336 municipalities in the State of Rio Grande do Sul were affected and had a situation of Public Calamity decreed, of which 276 are in the RGE concession area. The vast majority of supply interruptions were due to requests from public agents (Civil Defense, Firefighters, Police, etc.) for reasons of population safety.

As a result of the event, RGE recognized in the 2024 income statement, expenses for (i) write-off of damaged assets in the amount of R\$ 34,880, mainly related to meters, distribution network and substation; (ii) R\$ 23,822 for services related to the maintenance of impacted assets, cleaning and infrastructure services, fleet maintenance, among others, (iii) R\$ 25,534 for penalties for exceeding demand in the basic network due to operational maneuvers necessary to restore and/or maintain the energy supply. This amount was not paid to ONS due to ANEEL Order 2,173/2024, which granted RGE a precautionary measure to suspend payment until the merits were judged by the Agency, which has not occurred so far; and (iv) a loss due to inability to bill, of R\$ 12,242.

The amounts disclosed in these financial statements consider realized and provisioned amounts based on Management's best estimates and consider the facts and circumstances known to date.

Climate resilience in the electricity sector and CPFL Group initiatives

The electricity sector is greatly affected by climate change. In line with the UN Sustainable Development Goals (SDGs), CPFL Energia has implemented the 2030 ESG Plan, which includes commitments for the energy transition, decarbonization and climate resilience. This involves identifying risks and opportunities based on the methodology of the Task Force for Climate-related Financial Disclosures (TCFD) and mitigation and adaptation actions, consolidated in the publication "Our Journey against Climate Change", and in the global platform of the Carbon Disclosure Project (CDP), providing greater transparency to our stakeholders - both updated annually.

Specific initiatives

Generation segment: Generation segment: Focus on renewable sources and innovations for dam safety and asset efficiency, such as the Hydro 4.0 platform, which integrates digital solutions for industry 4.0; portfolio diversification and renegotiation of the GSF (*Generation Scalling Factor*); and Eurus 540 Research & Development, with the objective of achieving the most accurate wind forecast in the Northeast on the market, also incorporating highly accurate rainfall forecasts throughout Brazil

Distribution segment: Investments in expansion, network reinforcement, automation and modernization of equipment, such as the Advanced Distribution Management System (ADMS) platform and the Weather Translator System (WeTS), in addition to resilience projects in partnership with FGV and Climatempo, and the Arborização +Segura project to prevent damage, accidents and power interruptions.

Transmission segment: Investments to modernize substations and transmission lines and evaluation of new technologies and alternatives to mitigate the impacts of climate events. In addition to remote monitoring of assets via satellite, allowing for short-term forecasts and the monitoring of fires, landslides, erosion, among others.

Crisis management

The CPFL Group has a document that aims to establish and regulate the main crisis management guidelines, including the activation of the Crisis Group, roles and responsibilities of the parties involved, as well as assessment of the occurrence and classification of its severity. This group is responsible for assessing abnormal events ("occurrences"), monitoring risk factors and managing actions addressed to crisis situations. It is composed of permanent and ad hoc members, who make up the strategic and technical-operational support teams. *Ad hoc* members and other ancillary areas may be called upon to form part of the Group, depending on the nature and criticality of the event.

The first step in managing the occurrence is to classify its nature and, if it characterizes a crisis, its level of severity. In other words, understanding the intensity with which the consequences and repercussions of the events may affect the Group and, ultimately, the audiences of its relationship.

To determine the level of severity, the characteristics of the occurrence are analyzed, considering the impact on people, communities, the environment, the financial area, property security and the Group's operations.

In all cases, the range of the repercussion of the occurrence on public opinion and stakeholders is also considered, which includes well-known media outlets: newspapers, magazines, radio, television, internet portals, news agencies, blogs, social networks and others.

The extent of the occurrence and its severity must also be evaluated, considering the scope of the issue from the point of view of geographic location. Due to the complexity of CPFL Energia's operations, emergencies or crises can have different levels of scope.

In addition to technical responses, CPFL mobilizes to offer support to both the affected communities and its employees, which may include donations of supplies and financial resources, among other actions

For example, in the extreme weather event that recently occurred in Rio Grande do Sul, CPFL implemented measures in collaboration with other institutions for the reconstruction of the affected areas and restoration of essential services. These actions reflect CPFL's commitment to crisis mitigation, disaster resilience and continuous support for impacted communities, ensuring that the group's operations return to normality efficiently.

1.3 Renewals of electricity distribution concessions in Brazil

On October 16, 2024, ANEEL opened Public Consultation No. 027/2024, with the objective of presenting and collecting contributions on the proposed draft Amendment to the Electricity Distribution Concession Contracts maturing between 2025 and 2031, pursuant to Decree No. 12,068, of June 20, 2024, and Law No. 9,074, of July 7, 1995. The CPFL Energia Group distributors sent, in a timely manner, their contributions to ANEEL, with suggestions for improving the draft proposed therein. Management is awaiting the completion of ANEEL's analyses and approval of the final version of the aforementioned Amendment to evaluate the proposed terms. There are no impacts related to this matter for these financial statements.

1.4 Negative net working capital

As of December 31, 2024, the consolidated financial statement presented negative net working capital in the amount of R\$ 818,989, the annual financing plan was approved to support any cash needs. The Group monitors constantly the net working capital and its cash generation to pay off its debts, including dividends, as well as cash flow projections, supporting and enabling the plan to reduce or reverse this net working capital.

(2) PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The individual (Parent Company) and consolidated financial statements have been prepared and are being presented in accordance with the International Financial Reporting Standards – IFRS, issued by the International Accounting Standard Board – IASB, and also in accordance with accounting practices adopted in Brazil (BR GAAP).

Accounting practices adopted in Brazil encompass those included in Brazilian corporate law and the technical pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (Comitê de Pronunciamentos Contábeis – CPC) and approved by the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM).

The Group and its subsidiaries (“the Group”) also follows the guidelines of the Accounting Manual of the Brazilian Electricity Sector and the standards laid down by the Brazilian Electricity Regulatory Agency (Agência Nacional de Energia Elétrica – ANEEL), when these do not conflict with the accounting practices adopted in Brazil and/or International Financial Reporting Standards.

Management states that all material information of the financial statements, and only this information, is disclosed and corresponds to what is used in the Group’s management.

The financial statements were authorized for issue on February 17, 2025.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items, which are measured at each reporting date and recorded in the statements of financial position: i) derivative financial instruments measured at fair value and ii) non derivative financial instruments measured at fair value through profit or loss. The classification of the fair value measurement in the level 1, 2 or 3 categories (depending on the degree of observance of the variables used) is presented in note 34 – financial instruments.

2.3 Use of estimates and judgments

The preparation of the financial statements requires the Group’s management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

By definition, the accounting estimates may differ from the actual results. Accordingly, the Group’s management review the estimates and assumptions on an ongoing basis, based on previous experience and other relevant factors. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimates are revised and applied on a prospective basis.

The main accounts that require the adoption of estimates and assumptions, which are subject to a greater degree of uncertainty and may result in a material adjustment if these estimates and assumptions suffer significant changes in subsequent periods, are:

- Note 7– Consumers, concessionaires and licensees (allowance for doubtful debts: main assumptions in relation to the expectation of expected credit loss and assumptions for measuring the supply and tariff for use of the distribution system (“TUSD”) not invoiced);
- Note 9 – Sector financial assets and liabilities (regulatory criteria and assumptions on certain items);
- Note 10 – Deferred tax assets and liabilities (asset recognition: availability of future taxable income against which tax losses can be used);

- Note 11 – Concession financial asset (assumptions for determining the fair value based on significant unobservable data, see Note 34);
- Note 12 – Other assets (allowance for doubtful accounts: main assumptions regarding expected credit losses);
- Note 14 – Property, plant and equipment (application of estimated useful lives and main assumptions in relation to recoverable amounts);
- Note 15 – Contract assets (main assumptions regarding recoverable amounts);
- Note 16 – Intangible assets (main assumptions regarding recoverable amounts);
- Note 18 – Loans and financing (main assumptions for determining fair value);
- Note 19 – Debentures (main assumptions for determining fair value);
- Note 20 – Private pension plan (main actuarial assumptions in measuring defined benefit obligations);
- Note 21 - Taxes, fees and contributions payable (uncertainties about income taxes);
- Note 22 – Provisions for tax, civil and labor risks and escrow deposits (recognition and measurement: main assumptions about the probability and magnitude of outflows); and
- Note 34 - Financial Instruments - derivatives (main assumptions for determining fair value).

In addition, Management exercises significant judgment in determining the assumptions used in measuring of lease liabilities, such as determining the term of the various lease agreements, discount rates, determining the agreements that are within the scope of the standard and the impacts of any changes in the assumptions associated with the judgments and estimates adopted by the Group and its subsidiaries.

2.4 Functional currency and presentation currency

The Group's functional currency is the Brazilian Real, and the individual and consolidated financial statements are being presented in thousands of reais. Figures are rounded only after the amounts have been totalled. Consequently, when totalled, the amounts stated in thousands of reais may not tally with the rounded totals.

2.5 Segment information

An operating segment is a component of the Group (i) that engages in operating activities from which it earns revenues and incurs expenses, (ii) whose operating results are regularly reviewed by Management to make decisions about resources to be allocated and assess the segment's performance, and (iii) for which individual financial information is available.

The Group's officers use reports to make strategic decisions, segmenting the business into: (i) electric energy distribution activities ("Distribution"); (ii) electric energy generation ("Generation"); (iii) electric energy transmission ("Transmission"); (iv) energy commercialization ("Commercialization"); (v) service activities ("Services"); and (vi) other activities not listed in the previous items.

2.6 Information on equity interests

The Group equity interests in direct and indirect subsidiaries and joint ventures are described in note 1. Except for (i) the companies BAESA, Chapecoense, EPASA, TPAE and ETAU which use the equity method of accounting, (ii) the non-controlling interest in the subsidiary Paulista Lajeado (related to investment in Investco S.A), and CPFL Transmissão (related to investment in Centrais Elétricas S.A. - Eletrosul), all other entities are fully consolidated.

At December 31, 2024 and 2023 the non-controlling interests in the consolidated balances refer to interests held by third parties in subsidiaries CERAN, Paulista Lajeado, not wholly-owned subsidiaries of CPFL Renováveis, TESB and ENERCAN.

2.7 Statement of value added

The Company has prepared the individual and consolidated statements of value added ("DVA") in conformity with technical pronouncement CPC 09 - Statement of Value Added, which are presented as an integral part of the financial statements in accordance with accounting practices adopted in Brazil and as supplementary

information to the financial statements in accordance with IFRS, as this statement is neither provided for nor required by IFRS.

(3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these individual and consolidated financial statements are described below. These policies have been consistently applied in all reporting periods.

3.1 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents include negative balances of overdraft accounts that are immediately payable and are an integral part of the Group's cash management.

Cash and cash equivalents comprise the balances of cash and financial investments with original maturities of three months or less from the contract date, which are subject to an insignificant risk of change in fair value at the settlement date and are used by the Group in the management of short-term obligations.

The purpose of determining the components of the Group's cash and cash equivalents is to maintain sufficient cash to ensure the continuity of investments and the fulfillment of short- and long-term obligations, maintaining the return on its capital structure at appropriate levels aimed at business continuity and increased value for shareholders and investors.

3.2 Concession agreements

Distribution subsidiaries:

ICPC 01 (R1) and IFRIC 12 – Service Concession Arrangements establish general guidelines for the recognition and measurement of obligations and rights related to concession agreements and apply to situations in which the granting authority controls or regulates which services the concessionaire should provide with infrastructure, to whom the services should be provided and at what price, and controls any significant residual interest in the infrastructure at the end of the concession period.

When these definitions are met, the infrastructure of distribution concessionaires is segregated and treated as a contractual asset, from the date of its construction until the complete finalization of the work and improvements, in accordance with the CPC and IFRS requirements, so that the following are recognized in the financial statements (i) an intangible asset corresponding to the right to operate the concession and collect from the users of public utilities, and (ii) a financial asset corresponding to the unconditional contractual right to receive cash (indemnity) by transferring control of the assets at the end of the concession.

The concession financial asset of distribution is measured at fair value, determined in accordance with the remuneration base for the concession assets, pursuant to the legislation in force established by the regulatory authority (ANEEL), and takes into consideration changes in the fair value, mainly based on factors such as new replacement value, and adjustment for IPCA (Extended Consumer Price Index) to the subsidiaries of the distribution segment. The financial asset of distribution is classified at fair value through profit or loss, with the corresponding fair value changes entry in an operating income/expense account in the statement of profit or loss for the year (notes 4 and 26).

The remaining amount is recognized as an intangible asset and relates to the right to charge consumers for electric energy distribution services and is amortized in accordance with the consumption pattern that reflects the estimated economic benefit to the end of the concession.

Considering that (i) the tariff model does not provide for a profit margin for the infrastructure of discos construction services, (ii) the way in which the subsidiaries manage the constructions by using a high level of outsourcing, and (iii) the fact that there is no provision for profit margin on construction in the Group's business plans, Management is of the opinion that the margins on this operation are irrelevant, and therefore no mark-up to the cost is considered in revenue. The construction revenues and costs are therefore presented in the statement of profit or loss for the year in the same amounts.

The provision of infrastructure construction services is recorded in accordance with CPC 47 - Revenue from Contracts with Customers, with a financial asset as counterpart, corresponding to amounts subject to compensation, and the residual amounts are classified as intangible assets, which will be amortized for the

concession period, in accordance with the economic standard that offsets the revenue charged for electricity consumption.

Transmission subsidiaries:

The Group's transmission companies are responsible for constructing and operating the transmission infrastructure in order to carry the energy from the generation centers to the distribution points, according to their concession arrangements.

The energy transmission company has the obligation to maintain its transmission infrastructure available to its users to guarantee the receipt of the Permitted Annual Revenue (RAP) during the concession agreement term. Potential unamortized investments generate the right to indemnity at the end of the concession arrangement.

The transmission infrastructure is classified as a contract asset. The right to consideration for goods and services is subject to the satisfaction of performance obligations, investments in construction and improvements and not only to the passage of time.

Based on the Concession Agreements and in compliance with the requirements of Technical Pronouncement CPC 47 - Revenue from Customer Agreement and CPC 48 (IFRS 9) - Financial Instruments guided by Circular Letter No. 04 published by CVM on December 1, 2020, the Group assigned margins for the recognition of revenue from construction and infrastructure operation and maintenance, as well as the rate used to remunerate the concession contracts, which must correspond to the implicit rate remaining for each project, after allocating the respective margins.

In compliance with accounting requirements and in accordance with its accounting policies the Company clarifies that:

- i. It assigned expected construction margins between 5% and 29%, before taxes, and operation and maintenance of 45% at the beginning of each project for the recognition of the respective revenues. In relation to indemnity contracts, as they are exclusively about indemnification and not construction of assets, no margins are recognized.
- ii. The monetary restatement of the contractual asset recognized at the implicit rate is established at the beginning of each project after the allocation of construction and operating margins. The implicit rate that remunerates the contract asset varies between 4% p.a. and 13% p.a.
- iii. The Group monitors the return on its transmission investments and currently the nominal pre-tax rate expected for its projects varies between 12% p.a. and 16% p.a.

3.3 Financial Instruments

- **Financial Assets**

Financial assets are recognized initially on the date that they are originated or on the trade date at which the Group or its subsidiaries become parties to the contractual provisions of the instrument. Derecognition of a financial asset occurs when the contractual rights to the cash flows from the asset expire or when the risks and rewards of ownership of the financial asset are transferred.

Subsequent Measurement and gains and losses:

Financial assets measured at fair value through profit or loss (FVTPL): these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost: these assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt instruments at fair value through other comprehensive income (FVOCI): these assets are subsequently measured at fair value. Net gains and losses are recognized in other comprehensive income, except for interest income calculated using the effective interest method, foreign exchange gains and losses and impairment, which are recognized in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss. The Group does not hold financial assets under this classification.

Equity instruments at fair value through other comprehensive income: these assets are subsequently measured at fair value. All gains and losses are recognized in other comprehensive income and are never

reclassified to profit or loss, except dividends which are recognized as income in profit or loss (unless the dividend clearly represents a recovery of part of the cost of the investment). The Group holds no financial assets of this classification.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL.

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are related solely to payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income (FVOCI): A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets ; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see note 34). On initial recognition, the Group may irrevocably designate a non-derivative financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes the stated policies and objectives for the portfolio and the operation of those policies in practice. These include:

- whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains

a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. based on the performance of an asset).

For transactions involving the purchase and sale of energy by the commercialization subsidiaries, the Group has an accounting policy defined according to the business strategy with instruments measured at amortized cost, which refer to agreements already entered into and still held with the purpose of receipt or delivery of energy in accordance with the requirements by the company related to purchase or sale. The transactions are usually long term and are never settled by the net cash amount or with another financial instrument and, even if some contracts have a certain flexibility, the strategy of the Group's portfolio is not changed for this reason.

- Financial liabilities

Financial liabilities are initially recognized on the date that they are originated or on the trade date at which the Group or its subsidiaries become a party to the contractual provisions of the instrument. The Group have the following main financial liabilities:

(i) Measured at fair value through profit or loss: these are financial liabilities that are: (i) held for trading, (ii) designated at fair value in order to match the effects of recognition of income and expenses to obtain more relevant and consistent accounting information, or (iii) derivatives. These liabilities are measured at fair value, which fair value changes recognized in profit or loss except for changes in fair value attributable to credit risk which are recognized in comprehensive income.

(ii) Measured at amortized cost: these are other financial liabilities not classified into the previous category. They are measured initially at fair value net of any cost attributable to the transaction and subsequently measured at amortized cost using the effective interest rate method.

Financial assets and liabilities are offset and presented at their net amount when there is a legal right to offset the amounts and the intent to realize the asset and settle the liability simultaneously.

The classifications of financial instruments (assets and liabilities) are described in note 34.

- Issued Capital

Common shares are classified as equity. Additional costs directly attributable to share issues and share options are recognized as a deduction from equity, net of any tax effects.

3.4 Inventories

Inventories are measured at the lower of cost and net realizable value and are segregated into different types, according to CPC 16 / IAS 2. The cost of inventories is valued using the average cost method.

3.5 Property, plant and equipment

Items of property, plant and equipment are measured at acquisition, construction or formation cost less accumulated depreciation and, if applicable, accumulated impairment losses. Cost also includes any other costs attributable to bringing the assets to the place and in a condition to operate as intended by Management, the cost of dismantling the items and restoring the site on which they are located and capitalized borrowing costs on qualifying assets.

The replacement cost of items of property, plant and equipment is recognized if it is probable that it will involve economic benefits for the subsidiaries and if the cost can be reliably measured, and the value of the replaced item is written off. Maintenance costs are recognized in profit or loss as they are incurred.

Depreciation is calculated on a straight-line basis, at annual rates of 2% to 20%, taking into consideration the estimated useful life of the assets, as instructed and defined by the Granting Authority.

Gains and losses on disposal/write-off of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized net within other operating income/expenses.

Assets and facilities used in the electric generation, transmission and distribution activities are tied to these services and may not be removed, donated, disposed of, assigned or pledged in mortgage without the prior and express authorization of the ANEEL. The ANEEL, through Resolution No. 20 of February 3, 1999, amended by Normative Resolution (“REN”) No. 691 of December 8, 2015, releases Public Electric Energy Utility concessionaires from prior authorization for release of assets of no use to the concession, but determines that the proceeds from the disposal be deposited in a restricted bank account for use in the acquisition of new assets related to electric energy services.

3.6 Intangible assets and Contract asset

Includes rights related to non-physical assets such as goodwill and concession exploitation rights, software and rights-of-way.

Goodwill that arises on the acquisition of subsidiaries is measured based on the difference between the fair value of the consideration transferred for acquisition of a business and the net fair value of the assets, adding the portion of noncontrolling interests and liabilities of the subsidiary acquired.

Goodwill is subsequently measured at cost less accumulated impairment losses. Goodwill and other intangible assets with indefinite useful lives, if any, are not subject to amortization and are tested annually for impairment.

Negative goodwill is recognized as a gain in the statement of profit or loss in the year of the business acquisition.

In the individual financial statements, fair value adjustments (value added) of net assets acquired in business combinations are included in the carrying amount of the investment and the amortization is classified in the individual statement of income as “equity interest in associates and joint ventures” in accordance with ICPC 09 (R2). In the consolidated financial statements, the amount is stated as intangible asset and its amortization is classified in the consolidated statement of profit and loss as “amortization of concession intangible asset” in other operating expense.

Intangible assets corresponding to the right to operate concessions may have three origins, as follows:

- (i) Acquisitions through business combinations: the portion arising from business combinations that corresponds to the right to operate the concession amortized in straight-line method over the remaining period of the concessions.
- (ii) Investments in infrastructure (application of ICPC01 (R1) and IFRIC 12 – Concession contracts) - in progress: under the electric energy distribution concession agreements with the subsidiaries, the recognized intangible asset corresponds to the concessionaires' right to charge the consumers for use of the concession infrastructure. Since the exploration term is defined in the agreement, intangible assets with defined useful lives are amortized over the concession period in proportion to a curve that reflects the consumption pattern in relation to the expected economic benefits. For further information, see note 3.2.

Items comprised in the infrastructure are directly tied to the Group's electric energy distribution operation and shall comply with the same regulatory rules described in item 3.5.

- (iii) Use of public asset: certain generation concessions were granted with the condition of payments to the federal government for use of public asset. On the signing date of the respective agreements, the Company's subsidiaries recognized intangible assets and the corresponding liabilities at present value. The intangible assets, capitalized by interest incurred on the obligation until the start-up date, are amortized on a straight-line basis over the remaining period of each concession.

3.7 Impairment

- Financial assets

The Group assesses evidence of impairment for certain receivables at both an individual and a collective level for all significant receivables. Receivables that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

The Group recognizes impairment losses for ECLs on: (i) financial assets measured at amortized cost; (ii) debt investments measured at FVOCI, when applicable; and (iii) contract assets.

The Group measures impairment allowances, adopting the simplified method of recognizing, at an amount equal to lifetime, except for debt securities with low credit risk at the end of the reporting period, which are measured as 12-month ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating the expected credit losses, the Group considers a simplified approach of default assessment which consists in measuring the expected loss of a financial asset equivalent to the lifetime expected credit loss of an asset including reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower has not complied with its contractual payment obligations and is unlikely to pay its obligations.

The Group uses an allowance matrix based on its historical default rates observed along the expected lifetime of the trade receivables to estimate the expected credit losses for the lifetime of the asset where the history of losses is adjusted to consider the effects of the current conditions and its forecasts of future conditions that did not affect the period in which the historical data were based.

The methodology developed by the Group resulted in a percentage of expected loss for bills of consumers, concessionaires and licensees that is in compliance with IFRS 9 / CPC 48 described as expected credit losses, comprising in a single percentage the probability of loss weighted by the expected loss and possible results, that is, comprising the Probability of Default ("PD"), Exposure At Default ("EAD") and Loss Given Default ("LGD").

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI, when applicable, are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract clauses;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment losses related to consumers, concessionaires and licensees recognized in financial assets and other receivables, including contract assets, are recognized in profit or loss.

- Non-financial assets

Non-financial assets that have indefinite useful lives, such as goodwill, are tested annually for impairment to assess whether the asset's carrying amount does not exceed its recoverable amount. Other assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may be impaired.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount, which is the greater of (i) its fair value less costs to sell or (ii) its value in use.

The assets (e.g. goodwill, concession intangible asset) are segregated and grouped together at the lowest level that generates identifiable cash flows (the "cash-generating unit", or CGU). If there is an indication of impairment, the loss is recognized in profit or loss. Except in the case of goodwill impairment, which cannot be reversed in the subsequent period, impairment analysis are reassessed for any possibility of reversals.

3.8 Provisions

Provisions are recognized if, as a result of a past event, there is a legal or constructive obligation that can be estimated reliably, and it is probable (more likely than not) that an outflow of economic resources will be required to settle the obligation. When applicable, provisions are determined by discounting the expected future cash outflows at a rate that reflects current market assessment and the risks specific to the liability.

3.9 Employee benefits

Certain subsidiaries have post-employment benefits and pension plans, recognized, being considered sponsors of these plans. Although each plans has their particularities, its have the following characteristics:

- (i) Defined contribution plan: a post-employment benefit plan under which the Sponsor pays fixed contributions into a separate entity and will have no liability for the actuarial deficits of the plan. The obligations are recognized as an expense in the statement of profit or loss in the periods during which the services are rendered.
- (ii) Defined benefit plan: The net obligation is calculated as the difference between the present value of the actuarial obligation based on assumptions, biometric studies and interest rates in line with market rates, and the fair value of the plan assets as of the reporting date. The actuarial liability is calculated annually by independent actuaries, under the responsibility of Management, using the projected unit credit method. Actuarial gains and losses are recognized in other comprehensive income when they occur. Net interest (income or expense) is calculated by applying the discount rate at the beginning of the period to the net amount of the defined benefit asset or liability. When applicable, the cost of past services is recognized immediately in profit or loss.

If the plan records a surplus and it becomes necessary to recognize an asset, the recognition is limited to the present value of future economic benefits available in the form of reimbursements or future reductions in contributions to the plan.

3.10 Dividend and Interest on capital

Under Brazilian law, the Group is required to distribute the portion realized of the profit established in the Bylaws as a mandatory dividend, which cannot be less than 25% of the adjusted profit pursuant to item I of article 202 of law 6,404/76, or if the Bylaws are silent, distribute half of the adjusted profit as per the aforementioned item. A provision may only be made for the minimum mandatory dividend, and dividends declared but not yet approved are only recognized as a liability in the financial statements after approval by the competent body. According to Law 6.404/76, the amounts paid out to shareholders in excess of the mandatory minimum dividend, will therefore be held in equity, in the "additional dividend proposed" account, as they do not meet the present obligation criteria at the reporting date.

On May 21, 2019, updated on December 16, 2021, the Company's Board of Directors approved a Dividend Policy that establishes the Group's annual dividend distribution of at least 50% of the adjusted profit in accordance with Law 6,404/76. This policy establishes factors that influence the distribution amounts, such as the Group's financial condition, future prospects, macroeconomic conditions, tariff reviews and adjustments, regulatory changes and the Group's growth strategy. It also highlights that certain obligations specified in financial contracts may limit the amount to be distributed. The approved policy is merely indicative in order to signal to the market the treatment the Group intends to give to the dividend distribution and, therefore, it has a programmatic nature and is not binding on the Group or its managing bodies.

As established in the Group's bylaws and in accordance with current Corporate law, the Board of Directors is responsible for declaring an interim dividend and interest on capital determined in a half-yearly statement of income. An interim of these amounts declared of June 30, if any, is only recognized as a liability in the Group's financial statement after the date of the Board of Directors' decision.

Interest on capital receives the same treatment as dividend and is also stated in changes in equity. The withholding income tax on interest on capital is always recognized as a charge to equity with a balancing item in liabilities upon the proposal for its payment, even if not yet approved, since it meets the criterion of obligation at the time of Management's proposal.

3.11 Revenue Recognition

The operating revenue in the normal course of the subsidiaries' activities is measured as the consideration received or receivable. The operating revenue is recognized when it represents the transfer (or promise) of goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

IFRS 15 / CPC 47 establishes a revenue recognition model that considers five steps: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

Thus, revenue is recognized only when (or if) the performance obligation is satisfied, that is, when the “control” of the goods or services of a certain transaction is actually transferred to the customer.

The revenue from electric energy distribution is recognized when the energy is supplied. The energy distribution subsidiaries perform the reading of their customers consumption based on a reading routine (calendar and reading route) and invoice monthly the consumption of MWh based on the reading performed for each consumer. As a result, part of the energy distributed during the month is not billed at the end of the month and, consequently, an estimate is developed by Management and recorded as “unbilled”. This unbilled revenue estimate is calculated using as a base the total volume of energy of each distributor made available in the month and the annualized rate of technical and commercial losses.

The revenue from energy generation sales is on the performance obligation that is satisfied on the basis of the value of the the assured energy and at tariffs specified in the terms of the supply contracts or the current market price, as appropriate.

The revenue from energy commercialization is recognized at the time when the performance obligation is met, that is, when energy is delivered from the bilateral contracts with market agents and properly registered with the CCEE - Electric Energy Commercialization Chamber.

The revenue from services provided is recognized during the provision of the service, under a service agreement between the parties.

The revenue from construction contracts is recognized based on the reach of the performance obligation over time, considering the fulfillment of one of the following criteria:

- (a) the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs;
- (b) the entity’s performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced;
- (c) the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The revenues of the transmission companies, recognized as operating revenue, are:

- Construction revenue: Refers to the services of construction of electric energy transmission facilities. These are recognized according to the percentage of completion of the construction works.
- Financing component: Refers to the interest recognized monthly under the accrual basis method on the amount receivable from the construction revenue.
- Revenue from operation and maintenance: Refers to the services of operation and maintenance of electric energy transmission facilities aimed at non-interruption of availability of these facilities, recognized based on incurred costs recognized monthly on an accrual basis.

No single consumer accounts for 10% or more of the Group’s total revenue.

3.12 Income tax and social contribution

Income tax and social contribution expenses are calculated and recognized in accordance with the legislation in force and comprise current and deferred taxes. Income tax and social contribution are recognized in the statement of profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income, when the net amounts of these tax effects are already recognized, and those arising from the initial recognition in business combinations.

Current taxes are the expected taxes payable or receivable or recoverable on the taxable profit or loss which reflects the uncertainties related to the calculation, if any. Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the equivalent amounts used for tax purposes and for tax loss carryforwards and reflects the uncertainty related to the income tax, if any.

Certain subsidiaries recognized in their financial statements the effects of tax loss carryforwards and temporarily nondeductible differences, based on projections of future taxable profits. The subsidiaries also recognized tax credits relating to the benefit of merged intangible, which are amortized on a straight-line basis over the remaining period of each concession agreement.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred income tax and social contribution assets are reviewed annually and are reduced to the extent that it is no longer probable that the related taxes benefit will be realized.

3.13 Earnings per share

Basic earnings per share are calculated by dividing the profit or loss for the year attributable to the controlling shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share are calculated by dividing the profit or loss for the year attributable to the controlling shareholders, adjusted by the effects of instruments that potentially would have impacted the profit or loss for the year by the weighted average of the number of shares outstanding, adjusted by the effects of all dilutive potential convertible notes for the reporting periods, in accordance with CPC 41 / IAS 33.

3.14 Government grants – CDE

Government grants are only recognized when it is reasonably certain that these amounts will be received by the Group. The discounts recognized related to the low income subsidy, other tariff discounts, as well as the subsidies referring to the amounts received to compensate the Company for expenses incurred are recorded in income for the years (Aporte CDE - low income, and other subsidies tariffs - note 26.3).

Subsidies received on compensation for discounts granted are supported by immediate financial support under the terms of CPC 07 (IAS 20).

Grants that aim to compensate the Group for expenses incurred are recorded on a systematic basis during the periods when related expenses are incurred, unless the conditions for receiving the grant are met after the recognition of related expenses. In this case, the grant is recognized when it becomes receivable.

3.15 Sector financial asset and liability

According to the tariff pricing mechanism applicable to the distribution companies, the energy tariffs should be set at a price level that ensures the economic and financial equilibrium of the concession. Therefore, the concessionaires and licensees are authorized to charge their consumers (after review and ratification by ANEEL) for: (i) the annual tariff increase; and (ii) every four or five years, according to each concession agreement, the periodic review for purposes of reconciliation of part of Parcel B (controllable costs) and adjustment of Parcel A (non-controllable costs).

The distributors' revenue is mainly comprised of the sale of electric energy and for the delivery (transmission) of the electric energy through the distribution infrastructure (network). The distribution concessionaires' revenue is affected by the volume of energy delivered and the tariff. The electric energy tariff is comprised of two parcels which reflect a breakdown of the revenue:

- **Parcel A** (non-controllable costs): this parcel should be neutral in relation to the entity's performance, i.e., the costs incurred by the distributors, classifiable as Parcel A, are fully passed through the consumer or borne by the Granting Authority; and
- **Parcel B** (controllable costs): comprised of capital expenditure on investments in infrastructure, operational costs and maintenance and remuneration to the providers of capital. It is this parcel that actually affects the entity's performance, since it has no guarantee of tariff neutrality and thus involves an intrinsic business risk.

This tariff pricing mechanism can cause temporary differences arising from the difference between the predicted costs (Parcel A and other financial components) included in the tariff at the beginning of the tariff period and those actually incurred while it is in effect. This difference constitutes a right of the concessionaire to receive cash when the incurred costs included in the tariff are lower than those actually incurred, or an obligation to pay if the incurred costs are higher than those actually incurred.

3.16 Lease

With the adoption of IFRS 16 (CPC 06 (R2)) – the Group began to recognize a right-of-use asset and a lease liability on the lease start date. The lease liabilities are initially measured at the present value of the lease payments that were not paid on the transition date, discounted using the incremental rate, a fixed nominal rate based on the Group's indebtedness.

The lease term is equivalent to the minimum non-cancellable period of the contracts and the Group does not add to the lease term the periods covered by a renewal option, except in cases where the Group or the subsidiary is reasonably certain that the renewal option will be exercised. The right-of-use asset is initially measured at cost, which comprises the initial measurement value of the lease liability and, when applicable, adjusted for any lease payments made in advance, initial direct costs incurred, cost estimates for dismantling and removal and incentives received.

The right-of-use asset is subsequently amortized using the same depreciation or amortization method applied to similar items of property, plant and equipment and/or intangible concession rights (distributors) and, if applicable, it will also be reduced by impairment losses. The Group remeasures the lease liability if there is a change in the lease term or if there is a change in future lease payments resulting from changes in the ratio or rate used to determine such payments, recognizing the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

3.17 Business combination

Business combinations are recorded using the acquisition method when the set of activities and assets acquired meets the definition of a business and control is transferred to the Group. In determining whether a set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and a substantive process that together contribute significantly to the ability to generate output.

The Group has the option of applying a "concentration test" that allows a simplified assessment if a set of acquired activities and assets is not a business. The optional concentration test is met if, substantially, the entire fair value of the acquired gross assets is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in a business combination is generally measured at fair value, calculated as the sum of the fair values of the assets transferred by the acquirer, the liabilities incurred at the acquisition date to the former owner of the acquiree and the equity interests issued by the Group and subsidiaries in exchange for control of the acquiree. Costs related to the acquisition are generally recognized in profit or loss, when incurred.

At the acquisition date, other assets and liabilities are recognized at fair value, except for: (i) deferred taxes, (ii) employee benefits, and (iii) share-based payments.

The noncontrolling interests are initially measured either at fair value or at the noncontrolling interests' proportionate share of the acquiree's identifiable net assets. The measurement method is chosen on a transaction-by-transaction basis.

The excess of the consideration transferred, added to the portion of noncontrolling interests, over the fair value of the identifiable assets (including the concession intangible asset) and net liabilities assumed at the acquisition date are recognized as goodwill. In the event that the fair value of the identifiable assets and net liabilities assumed exceeds the consideration transferred, a bargain purchase is identified and the gain is recognized in the statement of profit or loss at the acquisition date.

3.18 Basis of consolidation

(i) Business combinations

The Group measures goodwill as the fair value of the consideration transferred including the recognized amount of any noncontrolling interest in the acquiree, less the recognized fair value of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date.

(ii) Subsidiaries, joint ventures and associates

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Joint ventures are accounted for using the equity method of accounting from the moment joint control is established. For associates, the register is made at the time of acquisition of interest.

The accounting policies of subsidiaries and joint ventures taken into consideration for purposes of consolidation and/or equity method of accounting, as applicable, are aligned with the Group's accounting policies.

In the individual (parent company) financial statements, the financial information on subsidiaries and joint ventures is accounted for under the equity method. In the consolidated financial statements, the information on joint ventures is accounted for under the equity method.

The consolidated financial statements include the balances and transactions of the Group and its subsidiaries. The balances and transactions of assets, liabilities, income and expenses have been fully consolidated for the subsidiaries. Prior to consolidation into the Group's financial statements, the financial statements of subsidiaries CPFL Geração, CPFL Brasil, CPFL Jaguari Geração, CPFL Renováveis, CPFL Eficiência Energética and CPFL Transmissão are fully consolidated into those of their subsidiaries.

Intragroup balances and transactions, and any income and expenses derived from these transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with investees are eliminated in proportion to the Group's interest in the subsidiary, if applicable. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the CPFL Energia interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

In the case of subsidiaries, the portion related to noncontrolling interests is stated in equity and in the statements of profit or loss and comprehensive income in each year presented.

The balances of joint ventures, as well as the Group's interest in each of them are described in note 13.6.

(iii) Acquisition of noncontrolling interests

Accounted for as transaction among shareholders. Consequently, no gain or goodwill is recognized as a result of such transaction.

3.19 Changes in significant accounting policies

As of January 1, 2024, the Group adopted the amendments to CPC 26 / IAS 1 regarding the Classification of Liabilities as Current or Non-Current, issued by IFRS. The amendments aim to clarify that the classification of liabilities with restrictive contractual clauses (covenants) will only be affected when the achievement of these ratios is required by the balance sheet date.

In addition, the Group has taken into account modifications to IAS 7 (equivalent to CPC 03 (R2) - Statement of Cash Flows) and IFRS 7 (equivalent to CPC 40 (R1) - Financial Instruments: Disclosures), which clarify the characteristics of financing arrangements with suppliers and require additional disclosures on such arrangements. The disclosure requirements are intended to assist users of financial statements in understanding the impacts of these arrangements on the entity's liabilities, cash flows and liquidity risk exposure.

Other new standards have also entered into force from January 1, 2024, but similarly to those highlighted above, they have not materially affected the Group's financial statements.

3.20 New standards and interpretations not yet effective

New standards and amendments to standards and IFRS interpretations were issued by the IASB and are not yet effective for the year ended December 31, 2024. The Group has not adopted the new standards early in preparing these financial statements:

(a) IFRS 18: Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 (equivalent to CPC 26 (R1) – Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the income statement for the year, including specified totals and subtotals. In addition, entities are required to classify all income and expenses within the income statement for the year among the five categories: operating, investment, financing, income taxes, and discontinued operations, of which the first three are new.

The standard also requires the disclosure of performance measures defined by Management, subtotals of revenues and expenses, and includes new requirements for the aggregation and disaggregation of financial information based on the identified "functions" of the primary financial statements (PFS) and of the explanatory notes.

In addition, IFRS 18 introduced limited scopes changes to IAS 7 (equivalent to CPC 03 (R2) - statement of cash flows), which include changing the starting point for determining the cash flows from operations using the indirect method, from "profit or loss for the period" to "operating profit or loss" and the removal of the optionality

to the classification of cash flows from dividends and interest. In addition, there are changes in several other standards.

IFRS 18 and the amendments to other standards will become effective for reporting periods starting on or after January 1, 2027, with early application permitted and required to be disclosed, although in Brazil early adoption is not permitted. IFRS 18 will be applied retrospectively.

The Group is currently working to identify all the impacts that the amendments will have on the financial statements and their respective explanatory notes.

(b) IFRS 19: Non-publicly-accountable subsidiaries: disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the period, an entity must: (i) be a subsidiary as defined in IFRS 10 (CPC 36 (R3) – consolidated financial statements), (ii) not own government securities and (iii) must have a parent (final or intermediate) that prepares consolidated financial statements published in accordance with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application allowed.

Based on a preliminary analysis, the company understands that it is not covered by the scope of this pronouncement.

(c) (c) Amendments to CPC 18 (R3) - investment in affiliates, subsidiaries and joint ventures and ICPC 09 - individual financial statements, separate financial statements, consolidated financial statements and application of the equity method

In September 2024, the Accounting Pronouncements Committee (CPC) issued amendments to technical pronouncement CPC 18 (R3) and technical interpretation ICPC 09 (R3), with the aim of aligning Brazilian accounting standards with international standards issued by the IASB.

The update of technical pronouncement CPC 18 contemplates the application of the equity method (MEP) for the measurement of investments in subsidiaries in the individual financial statements, reflecting the change in international standards that now allow this practice in separate financial statements. This convergence harmonizes the accounting practices adopted in Brazil with international ones, without generating material impacts in relation to the standard currently in force, focusing only on wording adjustments and updating of normative references.

ICPC 09, in turn, does not have a direct correspondence with IASB standards and was, therefore, outdated, requiring changes to align its wording in order to adjust it to updates subsequent to its issuance and currently observed in the documents issued by the CPC.

The changes are effective for financial statement periods beginning on or after January 1, 2025.

(d) Amendments to IFRS 9 and IFRS 7 - contracts referencing energy from renewable sources

The amendment aims to clarify situations in which renewable energy contracts may be applied/interpreted as hedging instruments. The standard requires application to contracts for the purchase or sale of non-financial items that can be settled in cash or other financial instruments, with the exception of contracts that have been entered into and continue to be held for the purpose of actually receiving or delivering the non-financial item in accordance with the entity's operating needs (referring to contracts that have the intent of physical delivery of the non-financial item). This change takes effect from January 1, 2026.

In this sense, as long as its sales contracts are aimed at the delivery of energy and maintain the prices defined in the contract, and/or in the purchase contracts to maintain the ballast and comply with sales contracts already signed, the Company could continue to account for these contracts as normal purchase and sale agreements.

Thus, based on the preliminary analyses carried out by the Company, no impacts on the Company are expected from these changes.

(4) FAIR VALUE MEASUREMENT

Some of the Group's accounting policies and disclosures require the fair value measurement, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, additional information on the assumptions made

in the fair value measurement is disclosed in the notes specific to that asset or liability.

The Group measures fair value as the value at which an asset can be traded, or a liability settled, between interested parties, knowledgeable of the business and independent from each other, with the absence of factors that put pressure on the settlement of the transaction or that characterize a compulsory transaction.

- Property, plant and equipment, intangible and contract asset

The fair value of items of property, plant and equipment, intangible and contract asset is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

- Financial instruments

Financial instruments measured at fair value are valued based on quoted prices in an active market, or, if such prices are not available, they are assessed using pricing models, applied individually to each transaction, taking into consideration future cash flows, based on the contractual conditions, discounted to present value at rates obtained from market interest curves, having as a basis, whenever available, information obtained from the websites of B3 S.A. and “Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais – ANBIMA” (note 34) and also includes the debtor's credit risk rate.

The right to compensation, to be paid by the Federal Government when the distribution concessionaires' assets are handed over at the end of the concession period, is classified as measured at fair value through profit or loss. The methodology adopted for valuing these assets is based on the tariff review process for distributors. This process, conducted every four or five years according to each concessionaire, involves assessing the new replacement value of the distribution infrastructure, in accordance with criteria established by the granting authority (“ANEEL”). This valuation basis is also used for establishing the distribution tariff, which is adjusted annually up to the next tariff review, based on main inflation indices.

Accordingly, at the time of the tariff review, each distribution concessionaire adjusts the position of the financial asset base for compensation at the amounts ratified by the granting authority and uses the Extended Consumer Price Index (“IPCA”) as the best estimates for adjusting the original value until next tariff review process.

(5) CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Bank balances	183	174	205,831	232,617
Short-term financial investments	191,355	171,621	1,767,570	4,202,569
Overnight investment (a)	-	-	19,299	22,860
Private credit notes (b)	191,349	171,621	1,643,441	3,315,671
Investment funds (c)	6	-	104,830	864,038
Total	191,538	171,795	1,973,401	4,435,186

- Bank account balances, which earn daily interest by investment in repurchase agreements secured on Bank Certificate Deposit (CDB) and equivalent remuneration, on average, of 30% of the variation in the Interbank Certificate of Deposit (“CDI”) (15% of the CDI variation on Sunday, December 31, 2023).
- Short-term investments in: (i) Bank Certificates of Deposit (CDB) amounting to R\$ 637,837 (R\$ 2,957,163 in December 31, 2023), and (ii) secured debentures amounting to R\$ 358,508 (R\$ 608,651 in December 31, 2022). All these operations have daily liquidity, short-term maturity, low credit risk and remuneration equivalent, on average, to 100.4% of the CDI (101.63% of the CDI on December 31, 2023).
- Investments funds, with high liquidity and interest equivalent, on average, to 99.5% of the CDI (99.88% of the CDI on December 31, 2023), subject to floating rates tied to the CDI linked to federal government bonds, CDBs, financial bills and secured debentures of major financial institutions, with low credit risk and short term maturity.

(6) MARKETABLE SECURITIES

	Consolidado	
	December 31, 2024	December 31, 2023
Through investment funds (a)	1,391,363	665,935
Direct investment (b)	182,290	431,503
Total	1,573,654	1,097,438

(a) It represents amounts invested in government securities, Financial Bills ("LF") and Financial Treasury Bills ("LFT"), through investment fund quotas, yielding on average 99.5% of CDI (99.88% of CDI in December 31, 2023).

(b) It represents mainly securities without immediate liquidity and which do not have the possibility of redemption in the short term without significant loss of value, with remuneration equivalent to 102.41% of CDI (101.75% of CDI in December 31, 2023).

(7) CONSUMERS, CONCESSIONAIRES AND LICENSEES

The consolidated balance includes mainly activities from the supply of electric energy, broken down as follows at December 31, 2024 and 2023:

	Amounts not due	Consolidated		Total	
		Past due		December	December
		until 90 days	> 90 days	31, 2024	31, 2023
Current					
Consumer classes					
Residential	1,179,543	823,636	148,191	2,151,371	2,158,390
Industrial	142,002	62,725	81,907	286,634	285,922
Commercial	300,802	117,987	54,630	473,420	460,932
Rural	107,738	39,774	21,126	168,638	158,356
Public administration	96,511	24,459	11,861	132,831	134,873
Public lighting	108,304	6,600	4,351	119,255	147,028
Public utilities	84,442	25,317	27,638	137,396	113,204
Billed	2,019,342	1,100,498	349,704	3,469,545	3,458,705
Unbilled	1,455,332	-	-	1,455,332	1,939,177
Financing of consumers' debts	183,024	57,671	57,693	298,388	267,343
CCEE transactions	129,617	16,248	29,378	175,243	144,622
Concessionaires and licensees	832,645	27,932	24,802	885,379	776,701
Incentive program for the voluntary reduction of electricity consumption	(7,500)	-	-	(7,500)	(8,059)
Others	57,183	-	-	57,183	13,462
	4,669,643	1,202,349	461,577	6,333,570	6,591,951
Allowance for doubtful accounts				(449,676)	(401,822)
Total				5,883,894	6,190,130
Noncurrent					
Financing of consumers' debts	145,981	-	-	145,981	137,864
Energia livre	10,184	-	-	10,184	9,185
CCEE transactions	19,843	10,363	-	30,206	17,865
Total	176,008	10,363	-	186,371	164,914

Financing of Consumers' Debts - Refers to the negotiation of overdue credits with consumers of the residential, commercial, industrial, rural, and public administration classes. The rules for payment in installments comply with CPFL's internal policies.

Concessionaires and licensees - Refer basically to receivables for the supply of electric energy to other concessionaires and licensees, mainly by the subsidiaries CPFL Brasil, CPFL Renováveis and charges for use of the network by the subsidiary CPFL Transmissão.

Allowance for doubtful accounts

The allowance for doubtful debts is set up based on the expected credit loss (ECL), adopting the simplified method of recognizing, based on the history and future probability of default. The allowance methodology is detailed in note 34 (f).

Movements in the allowance for doubtful accounts are shown below:

	Consumers, concessionaires and licensees	Other assets (note 12)	Total
At December 31, 2022	(430,718)	(39,040)	(469,758)
Allowance - reversal (recognition)	(429,839)	662	(429,177)
Recovery of revenue	151,747	(24)	151,723
Write-off of accrued receivables	306,987	24	307,011
At December 31, 2023	(401,822)	(38,378)	(440,200)
Allowance - reversal (recognition)	(569,569)	664	(568,905)
Revenue recovery	152,097	-	152,097
Write-off of accrued receivables	369,643	3,611	373,254
At December 31, 2024	(449,676)	(34,103)	(483,779)

(8) TAXES RECOVERABLE

	Consolidated	
	December 31, 2024	December 31, 2023
Current		
Prepayments of social contribution – CSLL	7,734	10,563
Prepayments of income tax - IRPJ	27,111	22,595
Income tax and social contribution to be offset	680,919	622,089
Income tax and social contribution to be offset	715,764	655,247
Withholding income tax - IRRF on interest on capital	16,150	17,903
Withholding income tax - IRRF	110,910	107,107
State VAT - ICMS to be offset	334,303	299,259
Social Integration Program - PIS	32,565	32,302
Contribution for Social Security Funding - COFINS	154,692	127,392
Others	4,560	5,212
Other taxes to be offset	653,180	589,175
Total current	1,368,944	1,244,422
Noncurrent		
Income tax and social contribution to be offset	503,271	85,147
State VAT - ICMS to be offset	412,454	412,400
Social Integration Program - PIS	59,832	95,943
Contribution for Social Security Funding - COFINS	5,888	6,058
Others	1,286	752
Other taxes to be offset	479,460	515,153
Total noncurrent	982,731	600,300

Prepayment of Social Contribution - CSLL and Income Tax - IRPJ - refers mainly to the constitution of overpaid credits.

Withholding income tax - IRRF – Relates mainly to IRRF on financial investments and withholdings by public agencies.

State VAT - ICMS to be offset – In non-current, it refers mainly to the credit recorded on purchase of assets that results in the recognition of property, plant and equipment, intangible assets and financial assets.

Income tax and social contribution to be offset in the non-current assets - refers to the recognition of the credit generated on the financial update of undue repetition of payments. In September 2021, the Federal Supreme Court ("STF") ruled that Corporate Income Tax and Social Contribution on Net Profit do not apply to the Selic rate received by the taxpayer in the refund of taxes unduly paid (repetition of undue payment). The distribution subsidiaries had filed a lawsuit in July 2021, thus safeguarding their right to recover the overtaxed amounts in the last 5 years. In 2024, the subsidiaries received a response from the Brazilian Federal Revenue Service to the Consultation Solution previously submitted by them, which is related to the topic, making it possible to recognize the credit in the amount of R\$ 402,338.

Exclusion of ICMS from the PIS and COFINS tax base:

Asset	Consolidated	
	31/12/2024	31/12/2023
Current		
PIS over ICMS	342,331	491,213
COFINS over ICMS	1,576,796	1,864,285
Total current	1,919,127	2,355,498
Non current		
PIS over ICMS	651,595	671,508
COFINS over ICMS	3,000,918	3,490,661
Total non current	3,652,513	4,162,169

Liability - PIS/COFINS consumers return	Consolidated	
	31/12/2024	31/12/2023
Current	(1,072,326)	(1,609,435)
Non current	(3,864,430)	(4,311,128)

The subsidiaries (i) CPFL Paulista, CPFL Piratininga, RGE Sul, CPFL Santa Cruz, (ii) CPFL Brasil and (iii) CPFL Serviços filed lawsuits involving the Federal Government, claiming the recognition of the right to exclude the ICMS from the calculation base of PIS and COFINS, as well as the right to recover the amounts previously paid in the 5 years prior to the filing of the lawsuits until their final judgments.

In 2019 and 2021, most subsidiaries obtained a final and unappealable decision, recording tax assets to be offset and liabilities with consumers. Also in 2021, in view of (i) the May 2021 decision of the Federal Supreme Court that rejected the motions for clarification filed by the National Treasury in the records of RE No. 574,706 which did not modify the effects of its decision for taxpayers who had lawsuits filed before March 15, 2017, and (ii) the terms of CPC 25, item 33, which discusses the concept of classification of an asset considered "practically certain", PIS and COFINS credits were recognized in June 2021, in the subsidiaries CPFL Santa Cruz (company merged into CPFL Santa Cruz in December 2017), and RGE (company merged into RGE in December 2018). Since 2020, subsidiaries that have tax credits validated by the Brazilian Internal Revenue Service began applying them against respective debits.

Still on this process, in 2024, the subsidiaries received a response from the Brazilian Federal Revenue Service to the Consultation Solution previously submitted by them, in which the understanding about the subjection to taxation of the credit for IRPJ/CSLL and PIS/COFINS purposes was exposed. Based on the guidance provided, taxation was carried out and the amount of R\$ 1,673,405 was collected in 2024. Subsequently, such amounts were deducted from the transfer to the consumer in the annual tariff adjustment (RTA) of each distributor.

During the tariff readjustments in 2021, 2022, 2023 and 2024 of the subsidiaries CPFL Santa Cruz, CPFL Paulista, RGE and CPFL Piratininga, anticipation of the reversal of amounts arising from credits arising from the aforementioned lawsuits was considered as an extraordinary negative financial component in the amount of R\$ 283,270, R\$ 2,538,154, R\$ 1,965,834 and R\$ 1,161,197, respectively.

It is important to point out that, based on the opinion of its legal advisors, the Company understands that, for distributors, the need for reimbursement to consumers of amounts received after the final and unappealable judicial decision, such as PIS and COFINS tax credits, is limited to the statute of limitations of ten years. This

position was even expressed by the Group through a contribution presented in the process of Public Consultation No. 05/2021, which is still in progress.

On June 28, 2022, Law No. 14,385 was published, which requires ANEEL to promote, in tariff proceedings, the full allocation of the relevant credit for the benefit of consumers. The Group considers that such legal provision does not deprive it of the right to have the credits comprised by limitation term of over 10 years (negative prescription) reverted in favor of its subsidiaries. Thus, the Group awaits the regulation and operationalization of the matter by ANEEL and will evaluate, in due course, appropriate measures to safeguard its right. Regarding this subject, in December 2022, ABRADÉE (Brazilian Association of Electric Energy Distributors), an entity to which the Group Distributors are associated, filed a Direct Action of Unconstitutionality to the Federal Supreme Court, distributed under no. 7324, questioning said legislation, which is pending judgment.

Therefore, the Group's accounting decision, at this time, not to record any tax credit to its favor does not mean any waiver of rights.

(9) SECTOR FINANCIAL ASSET AND LIABILITY

The breakdown of the balances of sector financial asset and liability and the movement for the year is as follows:

	Consolidado										
	At December 31, 2023			Operating revenue (note 26)		Financial result (note 29)	Receipt		At December 31, 2024		
	Deferred	Approved	Total	Constitution	Through billing	Adjustment for inflation	PIS/COFINS credit refund	CDE Eletrobrás	Deferred	Approved	Total
Parcel "A"	512,277	(172,885)	339,393	(133,074)	130,527	(11,959)	-	(177,296)	179,225	(31,635)	147,590
CVA ^(*)											
CDE ^(**)	12,804	(146,140)	(133,336)	(545)	211,813	(28,434)	-	(177,296)	(97,860)	(29,938)	(127,798)
Electric energy cost	(726,773)	(837,703)	(1,564,477)	(519,679)	1,486,966	(91,369)	-	-	(72,653)	(615,906)	(688,558)
ESS and EER ^(**)	250,723	(103,975)	146,748	121,432	(48,238)	26,487	-	-	127,045	119,384	246,429
Proinfa	(1,415)	(31,813)	(33,228)	(29,053)	48,270	(3,364)	-	-	(677)	(16,698)	(17,375)
Basic network charges	620,631	235,179	855,811	322,147	(733,880)	81,472	-	-	204,882	320,668	525,550
Pass-through from Itaipu	(346,078)	105,386	(240,693)	(144,650)	187,436	(35,313)	-	-	18,486	(251,705)	(233,220)
Transmission from Itaipu	86,378	22,842	109,220	13,844	(89,443)	11,229	-	-	(5,385)	50,236	44,851
Neutrality of sector charges	(123,443)	(55,814)	(179,257)	(100,082)	172,660	(12,960)	-	-	(35,428)	(84,212)	(119,639)
Overcontracting	739,696	639,154	1,378,850	236,491	(1,105,056)	40,292	-	-	74,040	476,536	550,576
Billed tariff flag	(245)	-	(245)	(32,979)	-	-	-	-	(33,225)	-	(33,225)
Other financial components	(245,250)	(1,222,689)	(1,467,939)	(199,846)	1,753,406	(70,505)	(1,157,939)	-	(452,936)	(689,886)	(1,142,822)
PIS/COFINS credit refund	-	(1,204,249)	(1,204,249)	(446,129)	1,933,097	-	(1,157,939)	-	(446,129)	(429,091)	(875,220)
Others	(245,249)	(18,440)	(263,690)	246,283	(179,691)	(70,505)	-	-	(6,807)	(260,795)	(267,602)
Total	267,028	(1,395,574)	(1,128,546)	(332,920)	1,883,934	(82,464)	(1,157,939)	(177,296)	(273,711)	(721,520)	(995,231)
Current assets			293,066								393,443
Non-current assets			200,111								337,522
Current liabilities			(1,163,287)								(927,285)
Non-current liabilities			(458,436)								(798,912)

(*) Compensation account for the variation in the values of items in installment "A"

(**) Energy development account

(***) System Service Charge ("ESS") and Backup Power Charge ("EER")

CVA: refers to the variations of the Parcel A account, in accordance with note 3.15. These amounts are adjusted based on the SELIC rate and are compensated in the subsequent tariff processes.

Neutrality of sector charges: this refers to the neutrality of the sector charges contained in the electric energy tariffs, calculating the monthly differences between the revenue related to such charges and the respective amounts considered at the time the distributors' tariff was set.

Overcontracting: electric energy distribution concessionaires are required to guarantee 100% of their energy market through contracts approved, registered and ratified by ANEEL. It is also assured to the distribution concessionaires that costs or revenues derived from energy surplus will be passed through the tariffs, limited to 5% of the energy load requirement. These amounts are adjusted based on the SELIC rate and are compensated in the subsequent tariff processes.

Other financial components: mainly refers to: (i) Reimbursement of PIS/COFINS credit - in the 2023 annual tariff adjustment of the subsidiaries CPFL Santa Cruz, CPFL Paulista, RGE and CPFL Piratininga, the sectoral liability arising from PIS/COFINS credits related to the exclusion of ICMS from the PIS/COFINS calculation basis, in the amount of R\$ 1,157,939 was considered, according to Ratifying Resolution by ANEEL. This amount was recorded in "Other accounts payable - PIS/COFINS reimbursement to consumers" and was transferred to sectoral financial assets and liabilities in 2024, (ii) surpassing of demand and surplus of reactive, amounts in constitution and amounts already approved in periodic tariff review and which started to be

amortized over the period of validity of the review; and (iii) deferral of regulatory assets (Tranche B), among others.

(10) DEFERRED TAX ASSETS AND LIABILITIES

10.1 Breakdown of deferred tax assets and liabilities

	Consolidated	
	December 31, 2024	December 31, 2023
<u>Social contribution credit/(debit)</u>		
Tax losses carryforwards	180,876	154,728
Tax benefit of merged intangible	191,849	58,401
Temporarily nondeductible/taxable differences	(1,005,056)	(736,853)
Subtotal	(632,331)	(523,724)
<u>Income tax credit / (debit)</u>		
Tax losses carryforwards	504,624	429,206
Tax benefit of merged intangible	548,872	183,015
Temporarily nondeductible/taxable differences	(2,776,617)	(2,033,168)
Subtotal	(1,723,121)	(1,420,947)
<u>PIS and COFINS credit/(debit)</u>		
Temporarily nondeductible/taxable differences	(43,052)	(48,468)
Total	(2,398,504)	(1,993,138)
Total tax credit	266,798	325,404
Total tax debit	(2,665,302)	(2,318,542)

The expected recovery of the deferred tax assets arising from nondeductible temporary differences, tax benefit of merged intangible and income tax and social contribution losses, is based in the projections of future taxable income.

10.2 Tax benefit of merged intangible asset

Refers to the tax benefit calculated on the surplus asset derived from the acquisition of subsidiaries, as shown in the following table, which were merged and are recognized in accordance with the concepts of CVM Resolution No. 78/2022 (which replaced CVM of CVM Instructions No. 319/1999 and No. 349/2001 and ICPC 09 (R2) - Individual Financial Statements, Separate Financial Statements, Consolidated financial statements and Application of the Equity Method. The benefit is being realized in proportion to the tax amortization of the merged intangible assets that originated them as per CPC 27 and CPC 04 (R1) - Clarification of acceptable methods of depreciation and amortization, over the remaining concession period, as shown in note 16.

	Consolidated			
	December 31, 2024		December 31, 2023	
	Social Contribution	Income tax	Social Contribution	Income tax
CPFL Paulista	13,492	37,477	18,117	50,326
CPFL Piratininga	3,968	13,620	5,004	17,173
RGE	33,163	101,176	35,280	109,916
CPFL Renováveis	-	4,308	-	5,600
CPFL Transmissão	141,226	392,291	-	-
Total	191,849	548,872	58,401	183,015

10.3 Accumulated balances on nondeductible temporary / taxable differences

	Consolidated					
	December 31, 2024			December 31, 2023		
	Social Contribution	Income tax	PIS/COFINS	Social Contribution	Income tax	PIS/COFINS
Temporarily nondeductible/ taxable differences						
Provision for tax, civil and labor risks	119,855	332,932	-	110,830	307,860	-
Private pension fund	1,597	4,435	-	2,307	6,408	-
Allowance for doubtful accounts	46,249	128,470	-	41,229	114,524	-
Free energy supply	13,868	38,523	-	12,640	35,112	-
Research and development and energy efficiency programs	11,658	32,383	-	11,619	32,274	-
Personnel-related provisions	10,922	30,339	-	9,989	27,747	-
Derivatives	(130,742)	(363,170)	-	(13,818)	(38,383)	-
Recognition of concession - adjustment of intangible asset	(1,666)	(4,628)	-	(2,247)	(6,242)	-
Recognition of concession - adjustment of financial asset	(616,409)	(1,712,248)	-	(525,685)	(1,460,236)	-
Recognition of concession - adjustment of contract asset	(216,678)	(587,012)	(43,147)	(188,721)	(510,954)	(48,438)
Actuarial losses	3,541	9,836	-	25,153	69,870	-
Fair value measurement - Derivatives	18,119	50,332	-	(1,906)	(5,294)	-
Fair value measurement - Debts	(30,487)	(84,687)	-	(19,817)	(55,047)	-
Other	8,861	24,624	95	(3,879)	(10,724)	(30)
Temporarily nondeductible differences - accumulated comprehensive income:						
Property, plant and equipment - adjustment of deemed cost	(29,613)	(82,257)	-	(32,808)	(91,134)	-
Actuarial losses	2,452	6,812	-	77,562	215,453	-
Fair value measurement - Derivatives	26	71	-	103	286	-
Fair value measurement - Debts	(95)	(265)	-	(1,350)	(3,752)	-
Temporarily nondeductible differences - business combination						
Deferred taxes - asset:						
Provision for tax, civil and labor risks	10,915	30,319	-	12,007	33,352	-
Fair value of property, plant and equipment (negative value added of assets)	12,219	33,941	-	13,405	37,237	-
Deferred taxes - liability:						
Value added derived from determination of deemed cost	(16,056)	(44,601)	-	(15,767)	(43,799)	-
Added value arising from the acquisition of control of Enercan	(77,021)	(213,946)	-	(86,372)	(239,917)	-
Intangible asset - exploration right/authorization in indirect subsidiaries acquired	(142,795)	(396,326)	-	(157,550)	(437,314)	-
Other temporary differences	(3,778)	(10,494)	-	(3,778)	(10,494)	-
Total	(1,005,056)	(2,776,617)	(43,052)	(736,853)	(2,033,168)	(48,468)

10.4 Expected period of recovery

The expected period of recovery of the deferred tax assets recorded in noncurrent assets derived from temporarily nondeductible or taxable differences and tax benefit of merged intangible assets is based on the average period of realization of each item included in deferred assets, and tax loss carryforwards are based on the projections of future profits. Recoverable assets are comprised as follows:

	Consolidated
<u>Expectation of recovery</u>	
2025	676,039
2026	545,432
2027	366,977
2028	263,312
2029	18,104
2030 to 2032	157,708
2033 to 2035	45,159
Total	2,072,731

10.5 Reconciliation of the income tax and social contribution amounts recognized in the statements of profit or loss for 2024 and 2023:

	Parent Company			
	2024		2023	
	Social Contribution	Income tax	Social Contribution	Income tax
Income before taxes	5,537,203	5,537,203	5,579,957	5,579,957
Adjustments to reflect effective rate:				
Equity in subsidiaries	(5,607,957)	(5,607,957)	(5,636,482)	(5,636,482)
Amortization of intangible asset acquired	(13,528)	-	(13,528)	-
Interest on capital expenses	381,222	381,222	257,780	257,780
Other permanent additions (exclusions), net	20,428	28,534	19,443	26,198
Tax base	317,368	339,002	207,170	227,453
Statutory rate	9%	25%	9%	25%
Tax credit/(debit)	(28,563)	(84,751)	(18,646)	(56,863)
Tax credit adjustments	8,541	25,222	5,592	17,061
Total	(20,022)	(59,529)	(13,054)	(39,802)
Current	(19,928)	(59,269)	(13,190)	(40,181)
Deferred	(94)	(260)	136	379

	Consolidated			
	2024		2023	
	Social Contribution	Income tax	Social Contribution	Income tax
Profit before taxes	8,088,893	8,088,893	8,022,782	8,022,782
Reconciliation to reflect effective rate:				
Equity in subsidiaries	(336,462)	(336,462)	(318,708)	(318,708)
Amortization of intangible asset acquired	108,733	122,261	82,547	96,636
Effect of presumed profit system	(763,333)	(849,597)	(746,921)	(843,188)
Adjustment of revenue from excess demand and excess reac	252,896	252,896	220,560	220,560
Adjustment to fair value in investment	(102,638)	(102,638)	49,607	49,607
Impairment	(56,022)	(56,022)	334,193	334,193
Other permanent additions (exclusions), net	(55,006)	(32,938)	79,312	12,752
Tax base	7,137,062	7,086,394	7,723,371	7,574,634
Statutory rate	9%	25%	9%	25%
Tax credit/(debit)	(642,336)	(1,771,599)	(695,103)	(1,893,658)
Tax credit adjustments	21,752	64,771	26,777	78,374
Provision for tax risks	(94)	166	(227)	(1,784)
Total	(620,678)	(1,706,661)	(668,553)	(1,817,068)
Current	(484,961)	(1,331,115)	(637,899)	(1,724,695)
Deferred	(135,717)	(375,546)	(30,654)	(92,373)

Amortization of intangible asset acquired – Refers to the permanent nondeductible portion of amortization of intangible assets derived from the acquisition of investees. In the parent company, these amounts are classified in the line item of equity in subsidiaries, in conformity with ICPC 09 (R2) (note 13).

Tax credit adjustments- refers to the net between (i) tax credit refers to the amount of tax credit on tax loss carryforwards recorded as a result of review of projections of future profits and (ii) unrecognized tax credit refers to losses generated for which currently it is not probable that enough future taxable profits will be generated to absorb them.

Deferred income tax and social contribution income recognized in profit or loss of R\$ 511,263 (R\$ 123,027 in 2023) mainly refers to (i) tax income carryforwards pf R\$ 101,566 (R\$ 68,051 in 2023); (ii) expense with realization of tax benefit of the merged goodwill of R\$ 499,305 (R\$ 34,211 in 2023) and (iii) expenses with temporary differences of R\$ 89,608 (R\$ 20,765 in 2023).

10.6 Deferred income tax and social contribution recognized directly in equity

The deferred income tax and social contribution recognized directly in equity (other comprehensive income) in 2024 and 2023 were as follows:

	Consolidated			
	2023		2022	
	CSLL	IRPJ	CSLL	IRPJ
Actuarial losses (gains)	(1,350,037)	(1,350,037)	301,534	301,534
Limits on the asset ceiling	511,871	511,871	(29,837)	(29,837)
Basis of calculation	(838,166)	(838,166)	271,697	271,697
Statutory rate	9%	25%	9%	25%
Calculated taxes	75,435	209,542	(24,453)	(67,924)
Limitation on recognition (reversal) of tax credits	19,655	54,602	47,306	131,404
Taxes recognized in other comprehensive income	95,090	264,144	22,853	63,480
Credit risk fair value measurement of financial liabilities	3,385	3,385	1,713	1,713
Deemed cost of property, plant and equipment	16,582	16,582	40,321	40,321
Subtotal	19,966	19,966	42,034	42,034
Statutory rate	9%	25%	9%	25%
Calculated taxes	(1,797)	(4,992)	(3,783)	(10,509)
Total taxes recognized in other comprehensive income	93,293	259,153	19,070	52,971

10.7 Unrecognized tax credits

As at December 31, 2024, the parent company has tax credits on tax loss carryforwards that were not recognized amounting to R\$ 59,947 since at present there is no reasonable assurance of the generation of future taxable profits. This amount can be recognized in the future, according to the annual reviews of taxable profit projections.

Some subsidiaries have also income tax and social contribution credits on tax loss carryforwards that were not recognized because currently there is no reasonable assurance that enough future taxable profits will be generated to absorb them. As at December 31, 2024, the main subsidiaries that have such unrecorded credits were CPFL Brasil R\$ 156,088, Sul Geradora R\$ 72,774, CPFL Telecom R\$ 16,022, Jaguari Geração R\$ 2,575, Paulista Lajeado R\$ 1,202, Clion R\$ 120 e CPFL Renováveis subsidiaries R\$ 35,812. These tax losses can be carried forward indefinitely.

(11) CONCESSION FINANCIAL ASSET

	Consolidated
At December 31. 2022	18,202,007
Non-current	18,202,007
Transfer - contract asset	2,512,521
Transfer - intangible asset	(33,765)
Fair value adjustment	1,066,824
Disposals	(130,066)
At December 31. 2023	21,617,521
Non-current	21,617,521
Fair value adjustment	1,104,267
Transfer - contract asset	2,690,645
Transfer - intangible asset	(8,185)
Disposals	(194,481)
At December 31. 2024	25,209,768
Non-current	25,209,768

The amount refers to the financial asset corresponding to the right established in the concession agreements of the energy distributors to receive cash by compensation upon the return of the assets to the granting authority at the end of the concession, the difference to adjust the balance at fair value (new replacement value – “VNR” – note 4) is recognized as a balancing item to the operating income account (note 26) in the statement of profit or loss for the year.

In 2024, write-offs of R\$ 194,484 (R\$ 130,066 in 2023) refer to both the write-off of assets of R\$ 93,326 (R\$ 68,604 in 2023) and the write-off of the respective update of R\$ 98,156 (R\$ 61,462 in 2023).

(12) OTHER ASSETS

	Consolidated			
	Current		Noncurrent	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Advances - Pension Plan	22,255	13,197	-	-
Advances to suppliers	18,806	15,935	-	-
Pledges, funds and restricted deposits	85,749	80,396	21,636	8,387
Orders in progress	303,394	433,420	12,992	11,950
Services rendered to third parties	27,225	20,063	-	-
Energy pre-purchase agreements	-	-	-	17,976
Prepaid expenses	233,270	196,655	34,986	58,348
Receivables - CDE	519,831	336,895	-	-
Advances to employees	28,928	29,526	-	-
Incentive program for the voluntary reduction of electricity consumption	4,445	4,462	-	-
Others	298,606	346,313	261,473	280,653
(-) Allowance for doubtful debts (note 7)	(34,103)	(38,378)	-	-
Total	1,508,406	1,438,485	331,087	377,313

Pledges, funds and restricted deposits: Pledges related to CCEE operations and financial investments required by debt contracts in the subsidiaries.

Orders in progress: encompass costs and revenues related to ongoing decommissioning or disposal of intangible assets and the service costs related to expenditure on projects in progress under the Energy Efficiency ("PEE") and Research and Development programs ("P&D"). Upon the closing of the respective projects, the balances are amortized against the respective liability recognized in other payables (note 23).

Prepaid expenses - mainly refers to advance expenses with PROINFA and software license.

Receivables – CDE: refer to low-income subsidies amounting and other tariff discounts granted to consumers amounting.

"The right-of-use of lease contracts is presented in other (note 3.16).

(13) INVESTMENTS

	Parent Company		Consolidated	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Equity method				
By equity method of the subsidiary (and joint venture)	20,359,378	17,957,758	577,389	516,376
Advances for future capital increases	-	59,000	-	-
Subtotal	20,359,378	18,016,758	577,389	516,376
Fair value of assets, net	196,863	268,394	3,974	4,285
Goodwill	6,054	6,054	-	-
Total	20,562,295	18,291,206	581,364	520,662

13.1 Equity interests – equity method

The main information on investments in direct equity interests is as follows:

	December 31, 2024				December 31, 2024	December 31, 2023	2024	2023
Investment	Total assets	Issued capital	Equity	Profit or loss for the period	Share of equity of investees		Share of profit (loss) of investees	
CPFL Paulista	21,128,975	1,395,747	3,055,109	1,422,412	3,055,109	2,229,207	1,422,412	1,544,447
CPFL Piratininga	8,014,456	272,262	640,372	496,717	640,372	592,154	496,717	542,941
CPFL Santa Cruz	2,696,505	252,576	617,612	135,111	617,612	514,590	135,111	102,347
RGE	19,630,916	2,864,105	5,458,159	942,323	4,851,937	4,176,401	849,507	1,004,802
CPFL Geração	4,051,279	972,729	3,614,428	1,336,916	3,614,428	4,220,527	1,336,916	1,171,358
CPFL Renováveis	8,795,595	2,632,292	4,942,943	1,182,988	2,429,457	2,352,323	581,439	668,452
CPFL Jaguarí Geração	81,527	40,108	81,486	44,496	81,486	36,990	44,496	452
CPFL Brasil	5,288,661	2,958,474	4,344,907	617,851	4,344,907	3,191,680	617,851	526,192
CPFL Planalto	4,248	630	3,350	3,719	3,350	4,914	3,720	4,284
CPFL Serviços	682,956	318,663	443,809	39,677	443,809	419,406	39,677	12,723
CPFL Atende	24,785	7,167	15,124	789	15,124	16,589	789	2,254
CPFL Infra	23,109	299	10,747	11,150	10,747	8,317	11,150	7,720
CPFL Pessoas	12,821	811	7,691	14,384	7,691	16,329	14,384	15,356
CPFL Finanças	21,064	385	13,419	25,426	13,419	27,300	25,426	26,838
CPFL Supre	13,597	826	8,789	13,630	8,789	10,530	13,629	9,539
CPFL Telecom	20,239	1,928	19,674	17,516	19,674	3,648	17,516	339
CPFL Eficiência	-	-	-	-	-	-	-	7,019
AUTHI	10,655	6,400	10,408	759	10,408	14,591	759	1,942
Alesta	197,021	95,000	186,377	67,911	186,377	176,657	67,911	60,903
Clion	6,058	4,242	4,681	78	4,681	4,603	78	119
Subtotal - by subsidiary's equity					20,359,378	18,016,758	5,679,488	5,710,026
Amortization of fair value adjustment of assets					-	-	(71,531)	(73,544)
Total					20,359,378	18,016,758	5,607,957	5,636,482

Asset surplus (value added) of net assets acquired in business combinations are classified in the parent's statement of profit or loss in the group of Investments. In the parent company's statement of profit or loss, the amortization of the asset surplus (value added) of net assets of R\$ 71,531 (R\$ 73,544 at December 2023) was classified in line item "share of profit (loss) of investees", in conformity with ICPC 09 (R2).

The movements, in the parent company, of the balances of investments in subsidiaries for years of 2024 and 2023 were as follows:

Investments	December 31, 2023	Share of profit (loss) of investees	Other comprehensive income	Corporate restructuring	Dividend and Interest on capital	Others	December 31, 2024
CPFL Paulista	2,229,207	1,422,412	224,401	-	(820,911)	-	3,055,109
CPFL Piratininga	592,154	496,717	(129,173)	-	(319,326)	-	640,372
CPFL Santa Cruz	514,590	135,111	-	-	(34,586)	-	617,612
RGE	4,176,401	849,507	32,121	-	(206,093)	-	4,851,937
CPFL Geração	4,220,527	1,336,916	1,762	(562,949)	(1,383,910)	2,081	3,614,428
CPFL Renováveis	2,352,323	581,439	1,703	-	(508,019)	2,011	2,429,457
CPFL Jaguarí Geração	36,990	44,496	-	-	-	-	81,486
CPFL Brasil	3,191,680	617,851	341,979	562,949	(370,669)	1,117	4,344,907
CPFL Planalto	4,914	3,720	-	-	(5,284)	-	3,350
CPFL Serviços	419,406	39,677	-	-	(15,274)	-	443,809
CPFL Atende	16,589	789	-	-	(2,254)	-	15,124
CPFL Infra	8,317	11,150	-	-	(8,720)	-	10,747
CPFL Pessoas	16,329	14,384	-	-	(23,022)	-	7,691
CPFL Finanças	27,300	25,426	-	-	(39,307)	-	13,419
CPFL Supri	10,530	13,629	-	-	(15,370)	-	8,789
CPFL Telecom	3,648	17,516	-	-	(1,490)	-	19,674
AUTHI	14,591	759	-	-	(4,942)	-	10,408
Alesta	176,657	67,911	-	-	(58,191)	-	186,377
Clion	4,603	78	-	-	-	-	4,681
	18,016,758	5,679,488	472,793	-	(3,817,366)	5,207	20,359,378

Investment	December 31, 2022	Capital increase /payment of capital	Share of profit (loss) of investees	Other comprehensive income	Dividend and Interest on capital	Advances for future capital increases	Others	December 31, 2023
CPFL Paulista	1,193,678	-	1,544,447	(74,687)	(434,232)	-	-	2,229,207
CPFL Piratininga	366,553	-	542,941	(4,680)	(312,659)	-	-	592,154
CPFL Santa Cruz	442,243	-	102,347	-	(30,000)	-	-	514,590
RGE	3,517,956	-	1,004,802	17,762	(364,119)	-	-	4,176,401
CPFL Geração	4,044,252	(700,000)	1,171,358	1,172	(296,548)	-	294	4,220,527
CPFL Renováveis	2,830,016	(688,100)	668,452	1,212	(459,541)	-	284	2,352,323
CPFL Jaguarí Geração	25,432	-	452	-	11,106	-	-	36,990
CPFL Brasil	3,091,351	-	526,192	(299,747)	(124,971)	-	(1,145)	3,191,680
CPFL Planalto	5,039	-	4,284	-	(4,409)	-	-	4,914
CPFL Serviços (*)	188,900	-	12,723	-	(2,946)	-	220,729	419,406
CPFL Atende	14,335	-	2,254	-	-	-	-	16,589
CPFL Infra	6,547	-	7,720	-	(5,950)	-	-	8,317
CPFL Pessoas	12,834	-	15,356	-	(11,861)	-	-	16,329
CPFL Finanças	17,105	-	26,838	-	(16,643)	-	-	27,300
CPFL Supri	5,926	-	9,539	-	(4,935)	-	-	10,530
CPFL Telecom	3,613	-	339	-	(304)	-	-	3,648
CPFL Eficiência (*)	155,650	-	7,019	-	(940)	59,000	(220,729)	-
AUTHI	14,096	-	1,942	-	(1,446)	-	-	14,591
Alesta	118,647	-	60,903	-	(2,893)	-	-	176,657
Clion	484	4,000	119	-	-	-	-	4,603
	16,054,658	(1,384,100)	5,710,025	(358,968)	(2,063,291)	59,000	(568)	18,016,758

(*) On December 29, 2023, CPFL Serviços carried out, at an Extraordinary General Meeting, the merger of CPFL Eficiência, which is a company of the same economic group and a direct subsidiary of CPFL Energia. The objective of this operation was to aiming at greater operational, administrative and financial efficiency, with the rationalization and maximization of results, as well as minimizing costs. Once the merger was effected, CPFL Eficiência was extinguished and succeeded by CPFL Serviços in all its rights, assets and obligations. The value of the incorporated liquid assets was R\$ 158,616.

In the consolidated, the investment balances refer to interests in joint ventures accounted for using the equity method:

	December 31, 2024	December 31, 2023	2024	2023
Investments	Share of equity	Share of equity	Share of profit (loss)	Share of profit (loss)
Baesa	102,883	113,621	(10,737)	(2,665)
Chapecoense	218,843	144,776	254,795	241,008
EPASA	210,302	207,772	87,017	76,678
CSC-Central de Serv.Compartilhados S/A	1,855	1,555	311	465
Investments CPFL Transmissão	43,506	48,654	5,406	3,799
Fair value adjustments of assets, net	3,974	4,285	(329)	(577)
	581,364	520,662	336,462	318,708

13.2 Fair value adjustments and goodwill

Fair value adjustments refer basically to the right to the concession acquired through business combinations. The goodwill refers basically to acquisitions of investments and is based on projections of future profits.

In the financial statements, these amounts are classified as Intangible Assets (note 16).

13.3 Interest on capital and dividends receivable

At December 31, 2024 and 2023, the Company had the following amounts receivable from the subsidiaries below, relating to dividends and interest on capital:

Subsidiary	Parent Company					
	Dividend		Interest on capital		Total	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
CPFL Paulista	237,004	-	74,204	35,360	311,208	35,360
CPFL Piratininga	102,136	-	11,220	7,395	113,356	7,395
CPFL Santa Cruz	15,440	-	14,152	12,920	29,592	12,920
RGE	69,259	237,723	52,962	-	122,221	237,723
CPFL Geração	275,227	271,590	59,003	21,250	334,230	292,840
CPFL Brasil	146,740	124,971	-	-	146,740	124,971
CPFL Serviços	9,423	2,946	-	629	9,423	3,575
CPFL Renováveis	145,360	165,677	-	-	145,360	165,677
Alesta	3,226	2,893	-	-	3,226	2,893
	1,003,815	805,800	211,541	77,554	1,215,355	883,352

The consolidated balance included dividends and interest on capital receivable amounting to R\$ 19,115 on December 31, 2024 and R\$ 10,286 at December 31, 2023 related basically to joint ventures.

After resolutions of the AGMs/EGMs of its direct subsidiaries, the Company recognized in 2024 R\$ 2,401,346 relating to dividends for 2023. In addition, the subsidiaries declared in 2024 relating to results for 2024, and reversal of statutory reserves; (i) R\$ 1,035,931 as a dividend and (ii) R\$ 324,039 as interest on capital.

From the amounts recognized as receivables, R\$ 3,429,313 was paid to the Company by subsidiaries in 2024.

13.4 Incorporation of Cone Sul by CPFL Transmissão

On February 28, 2024, the indirect subsidiary CPFL Transmissão communicated to the market a material fact, informing its shareholders and the market in general, that the Board of Directors approved the terms and conditions of the proposed reversed merger of its parent company CPFL Cone Sul. The aforementioned merger was approved by the National Electric Energy Agency ("ANEEL"), through Order 538, of February 27, 2024; the Extraordinary General Meeting of the indirect subsidiary CPFL Transmissão approved the reversed merger of the Southern Cone, with net assets of R\$ 2,875,907. The merged company, as a consequence, was extinguished, and CPFL Transmissão became the successor of its assets, rights and obligations.

The merger was carried out with the aim of rationalizing the current corporate structure of the Company's assets, optimizing the group's administrative and operational costs and improving synergy between the Group's member companies. In the merger, the concepts of CVM Resolution No. 78/2022 were applied, so that a provision for rectifying the surplus value was recorded, generating a tax credit for CPFL Transmissão, and for the consolidated financial statements, in the amount of R\$ 533,517 (note 10).

13.5 Corporate restructuring of CPFL Geração and CPFL Transmissão (controlled by CPFL Brasil)

On April 26, 2024, as part of the Group's corporate restructuring process, the subsidiary CPFL Geração approved the partial spin-off of its net assets, consisting of its investments in the companies CPFL Transmissão Piracicaba Ltda, CPFL Transmissão Morro Agudo Ltda, CPFL Transmissão Maracanaú Ltda, CPFL Transmissão Sul I Ltda, CPFL Transmissão Sul II Ltda, in the amount of R\$ 1,095,653 and debts related to the respective investments, in the amount of R\$ 519,628. On the same date, CPFL Transmissão (controlled by CPFL Brasil) approved the capital increase in the same amount. This spin-off was carried out on the basis of the account balances as at 31 March 2024.

13.6 Noncontrolling interests and joint ventures

The disclosure of interests in subsidiaries, in accordance with IFRS 12 and CPC 45, is as follows:

13.6.1 Movements in noncontrolling interests

	CERAN	ENERCAN	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	TESB	Total
At December 31, 2022	99,333	995,120	41,398	66,697	64,173	16,621	1,283,345
Equity interest and voting capital	35.00%	47.88%	40.00%	Between 5% and 10%	40.07%	3.15%	
Equity attributable to noncontrolling interests	(2,601)	37,077	21,352	1,006	(49,988)	3,216	10,061
Gain (loss) on interest with no change in control	-	-	-	43	-	1,145	1,190
Dividends	5,111	(163,062)	(21,794)	(2,957)	9,897	-	(172,805)
Other movements	-	2,176	(4,000)	-	(396)	(284)	(2,504)
At December 31, 2023	101,843	871,311	36,956	64,789	23,687	20,699	1,119,287
Equity interest and voting capital	35.00%	47.88%	40.00%	Between 5% and 10%	40.07%	2.23%	
Equity attributable to noncontrolling interests	(16,061)	237,856	19,963	1,347	60,503	293	303,902
Gain (loss) on interest with no change in control	-	-	-	-	-	(1,117)	(1,117)
Capital reduction	-	-	(2,374)	(1,702)	-	(2,191)	(6,268)
Dividends	-	(317,271)	(20,275)	(1,818)	(6,309)	(324)	(345,999)
Other movements	-	(894)	-	-	(5,645)	-	(6,539)
At December 31, 2024	85,782	791,002	34,270	62,616	72,236	17,361	1,063,267
Equity interest and voting capital	35.00%	47.88%	40.00%	Between 5% and 10%	40.07%	1.99%	

(*) On December 31, 2024, the shareholding in TESB was 98.01% (97.77% on December 31, 2023).

13.6.2 Summarized financial information on subsidiaries that have noncontrolling interests

The summarized financial information on subsidiaries that had non-controlling interests at December 31, 2024 and 2023, is as follows:

Balance sheet

	December 31, 2024						December 31, 2023					
	CERAN	ENERCAN	TESB	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	CERAN	ENERCAN	CPFL Transmissão and subsidiaries	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado
Current assets	56,127	394,561	93,667	13,984	63,534	15,469	96,612	431,059	1,393,098	14,076	87,345	15,422
Cash and cash equivalents	18,471	179,572	21,294	3,084	6,159	10,208	74,778	160,469	374,296	2,649	34,209	8,552
Noncurrent assets	710,415	2,206,251	322,716	78,349	459,464	152,619	700,926	2,270,150	5,970,735	83,252	475,215	50,539
Current liabilities	312,314	290,374	20,867	3,861	70,837	21,704	303,869	266,340	647,414	5,741	74,995	6,390
Borrowings and debentures	-	-	-	-	10,281	-	-	-	19,008	-	11,632	4,037
Other financial liabilities	32,619	-	1,647	1,262	4,549	1,178	29,590	-	145,900	1,269	9,605	1,238
Noncurrent liabilities	209,136	646,494	36,749	-	153,596	950	202,688	596,844	3,962,237	-	137,847	908
Borrowings and debentures	-	-	-	-	96,499	-	-	-	2,129,313	-	101,795	-
Other financial liabilities	137,604	-	-	-	-	-	133,929	-	-	-	-	-
Equity	245,091	1,663,944	358,766	88,472	298,566	145,435	290,980	1,838,026	2,754,182	92,388	349,718	58,664
Equity attributable to owners of the Company	159,309	872,942	341,405	54,202	235,950	73,199	189,137	966,715	2,733,483	55,432	284,929	34,977
Equity attributable to noncontrolling interests	85,782	791,002	17,361	34,270	62,616	72,236	101,843	871,311	20,699	36,956	64,789	23,687

Income statement

	2024						2023					
	CERAN	ENERCAN	TESB	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado	CERAN	ENERCAN	CPFL Transmissão and subsidiaries	LUDESA	Other subsidiaries of CPFL Renováveis	Paulista Lajeado
Net operating revenue	106,143	1,002,708	61,682	68,757	97,854	18,950	107,764	1,007,075	1,792,452	66,008	112,741	18,528
Operational costs and expenses	(86,269)	(110,230)	4,962	(6,631)	(33,741)	83,625	(78,610)	(508,431)	(792,409)	(5,567)	(36,654)	(71,605)
Depreciation and amortization	(41,985)	(144,782)	(4)	(5,393)	(24,987)	(436)	(42,051)	(179,344)	(57,811)	(5,359)	(23,682)	(2,875)
Interest income	6,326	21,934	15,143	296	6,744	887	9,308	20,114	51,341	745	6,142	393
Interest expense	(16,357)	(5,610)	(729)	-	(7,110)	(98)	(9,379)	(1,473)	(365,185)	-	(6,773)	(405)
x expense	4,179	(262,848)	(16,625)	(2,704)	(6,468)	(28)	4,571	(237,568)	(192,761)	(2,344)	(5,632)	-
Profit (loss) for the year	(45,888)	498,152	67,335	52,176	26,988	105,118	(7,432)	97,952	521,463	53,379	42,351	(50,006)
Profit (loss) attributable to owners of the Company	(29,827)	280,296	67,042	32,213	25,641	44,615	(4,831)	60,875	518,248	32,027	41,345	(18)
Profit (loss) attributable to noncontrolling interests	(16,061)	237,856	293	19,963	1,347	60,503	(2,601)	37,077	3,216	21,352	1,006	(49,988)

13.6.3 Joint ventures

The summarized financial information on joint ventures at December 31, 2024 and December 31, 2023, is as follows:

Balance sheet

	December 31, 2024			December 31, 2023		
	Baesa	Chapecoense	Epasa	Baesa	Chapecoense	Epasa
Current assets	66,695	480,981	512,120	52,839	410,738	415,233
Cash and cash equivalents	23,751	191,988	387,427	13,099	222,719	243,076
Noncurrent assets	974,115	2,075,999	1,492	1,013,972	2,202,641	95,258
Current liabilities	101,076	631,742	118,676	110,840	619,332	81,740
Borrowings and debentures	-	234,315	-	-	234,447	-
Other financial liabilities	66,663	149,618	4,721	68,586	141,833	5,528
Noncurrent liabilities	528,297	1,496,134	695	501,595	1,706,804	39,254
Borrowings and debentures	-	426,240	-	-	653,355	-
Other financial liabilities	427,758	1,061,047	-	414,639	1,044,375	-
Equity	411,436	429,104	394,241	454,375	287,243	389,497

Income statement

	December 31, 2024			December 31, 2023		
	Baesa	Chapecoense	Epasa	Baesa	Chapecoense	Epasa
Net operating revenue	227,729	1,279,058	356,302	195,121	1,271,750	352,131
Operational costs and expenses	(130,306)	(261,070)	(98,519)	(142,993)	(273,892)	(112,451)
Depreciation and amortization	(58,173)	(102,984)	(91,599)	(57,559)	(103,200)	(92,690)
Interest income	2,833	31,323	33,144	4,313	46,393	31,221
Interest expense	(61,661)	(198,728)	-	(16,010)	(178,594)	-
Income tax expense	(21,903)	(249,084)	(27,212)	6,798	(277,168)	(32,809)
Profit (loss) for the year	(42,939)	499,584	163,125	(10,658)	446,913	143,745
Equity Interests and voting capital	25.01%	51.00%	53.34%	25.01%	51.00%	53.34%

By holding more than 50% of the equity interest in Epasa and Chapecoense, the subsidiary CPFL Geração jointly controls these investments with other shareholders. The analysis of the classification of the type of investment is based on the Shareholders' Agreement of each joint venture.

The borrowings from BNDES obtained by the joint venture Chapecoense establish restrictions on the payment of dividend to subsidiary CPFL Geração above the minimum mandatory dividend of 25% without the prior consent of BNDES.

13.6.4 Joint ventures operation

Through its wholly-owned subsidiary CPFL Renováveis, the Group holds part of the assets of the Serra da Mesa hydropower plant, located on the Tocantins River, in Goiás State. The concession and the right to operate the hydropower plant are held by Furnas Centrais Elétricas S.A. In order to maintain these assets operating jointly with Furnas (jointly operation), CPFL Renováveis was assured 51.54% of the installed power of 1,275 MW (657 MW) and the assured average energy of 605.7 MW (assured average energy of 312.18 MW) until 2028.

(14) PROPERTY, PLANT AND EQUIPMENT

	Consolidated							
	Land	Reservoirs, dams and water mains	Buildings, construction and improvements	Machinery and equipment	Vehicles	Furniture and fittings	In progress	Total
At December 31. 2022	176,680	2,688,446	1,017,593	5,943,976	61,047	14,026	712,301	10,614,068
Historical cost	250,014	4,271,046	1,889,777	11,301,083	170,218	34,607	712,301	18,629,045
Accumulated depreciation	(73,334)	(1,582,601)	(872,184)	(5,357,107)	(109,171)	(20,581)	-	(8,014,978)
Additions	-	-	-	-	-	-	671,474	671,474
Disposals	-	(1,493)	(11,452)	(163,242)	(17,959)	(78)	(147,886)	(342,110)
Transfers	(1,677)	13,157	(19,885)	209,229	12,149	1,186	(214,161)	-
Depreciation	(4,289)	(71,411)	(47,439)	(451,888)	(16,826)	(945)	-	(592,797)
Write-off of depreciation	-	949	3,507	112,030	2,764	59	-	119,310
Impairment	(521)	(268,028)	(32,807)	(32,827)	-	(9)	-	(334,193)
At December 31. 2023	170,193	2,361,619	909,517	5,617,278	41,175	14,239	1,021,728	10,135,751
Historical cost	247,816	4,014,682	1,825,633	11,314,243	164,408	35,706	1,021,728	18,740,376
Accumulated depreciation	(77,623)	(1,653,063)	(916,116)	(5,696,965)	(123,233)	(21,467)	-	(8,604,625)
Additions	-	-	-	-	-	-	589,870	589,870
Disposals	(1,825)	(6,207)	(61,959)	(401,484)	(7,973)	(224)	(115,396)	(595,069)
Transfers	(5,498)	(46,018)	54,843	209,671	90,448	(5,438)	(298,009)	-
Transfers from/other asset (cost)	-	-	-	-	-	-	(44,792)	(44,791)
Depreciation	(4,734)	(133,591)	(57,912)	(446,497)	(15,856)	(1,092)	-	(659,683)
Write-off of depreciation	-	3,411	18,739	241,194	6,697	144	-	270,185
Impairment	88	44,996	5,498	5,439	-	-	-	56,021
At December 31. 2024	158,224	2,224,210	868,726	5,225,599	114,491	7,629	1,153,402	9,752,282
Historical cost	240,581	4,007,453	1,824,015	11,127,868	246,883	30,044	1,153,402	18,630,247
Accumulated depreciation	(82,357)	(1,783,243)	(955,289)	(5,902,268)	(132,392)	(22,415)	-	(8,877,965)
Average depreciation rate 2023	3.86%	2.71%	3.80%	4.06%	12.19%	2.77%		
Average depreciation rate 2024	5.44%	3.70%	3.93%	4.58%	14.28%	6.15%		

The balance of construction in progress, in the consolidated balances, refers mainly to works in progress of operating for the projects of subsidiary CPFL Renováveis, which has construction in progress of R\$ 852,070 at December 31, 2024 (R\$ 867,703 at December 31, 2023), with emphasis on the construction of PCH Cherobim and maintenance works, especially in wind farms.

In conformity with CPC 20 (R1) and IAS 23, the interest on borrowings taken by subsidiaries to finance the works is capitalized during the construction phase. In the consolidated balances, for the year 2024 and 2023, there was no interest capitalized on qualifying assets, in accordance to CPC 20 (R1) and IAS 23.

In the consolidated balances, the depreciation amounts are recognized in the statement of profit or loss in line item "depreciation and amortization".

At December 31, 2024, the total amount of property, plant and equipment pledged as collateral for borrowings, as mentioned in note 18, is approximately R\$ 529,342 (R\$ 550,986 at December 31, 2023), mainly relating to the subsidiary CPFL Renováveis.

Asset impairment test

Annually, the Group evaluates possible indications of devaluation of its assets that could generate the need for impairment tests in line with CPC 01 (R1) - Impairment of Assets. This assessment was based on external and internal sources of information, taking into account variations in interest rates, changes in market conditions, among others.

For the year 2023, the Group identified indicators related to the hydrological conditions of high supply in the country, for the businesses of some Cash Generating Units ("UGCs") in the power generation segment, which generated a change in the cash generation projection of these assets. The recoverable value of these UGCs, was calculated based on the value in use of each cash-generating unit, using the free cash flow to equity approach, a valuation technique that reflects the future cash flow of each project. Management relied on multi-year budget assumptions, available market information, and performance in previous periods.

The assumptions used to calculate the discounted cash flow of each project included: (i) energy generation volume expectations; (ii) expectations regarding future energy prices; (iii) availability of power generation capacity; (iv) concession/authorization period; and (v) other market conditions. The discount rate used by the Group was approximately 11%.

As a result of the tests performed, a provision for losses of R\$ 334,193 was recognized in December 2023, for its investment in UGC Enercan (composed of investment under the equity method and capital gains). In December 2024, the company reassessed the impairment test and, mainly due to the long-term energy price, part of this provision was reversed, in the amount of R\$ 56,022. The recoverable amount of this UGC was estimated at R\$ 1,670,011. The loss in 2023, as well as the reversal in 2024, was allocated to the income statement under the heading "Other Operating Expenses" (explanatory note 28).

For the other UGCs, there was no need to recognize a provision for impairment of their fixed assets or intangible assets from business combinations.

(15) CONTRACT ASSET

	Distribution	Transmission	Consolidated
At December 31. 2022	1,971,872	5,846,260	7,818,132
Current	-	709,222	709,222
Non-current	1,971,872	5,137,038	7,108,910
Additions	3,835,530	879,534	4,715,064
Transfer - intangible assets in service	(722,747)	-	(722,747)
Transfer - financial assets	(2,512,521)	-	(2,512,521)
Monetary adjustment	-	602,241	602,241
Amortization	-	(686,906)	(686,906)
Others	-	(44,617)	(44,617)
At December 31. 2023	2,572,134	6,596,512	9,168,646
Current	-	746,783	746,783
Non-current	2,572,134	5,849,729	8,421,862
Additions	4,598,173	1,045,997	5,644,170
Transfer - intangible assets in service	(648,785)	-	(648,785)
Transfer - financial assets	(2,690,645)	-	(2,690,645)
Monetary adjustment	-	676,625	676,625
Amortization	-	(724,925)	(724,925)
Transfer - other assets	-	(297,186)	(297,186)
Others	-	10,806	10,806
At December 31. 2024	3,830,876	7,307,830	11,138,706
Current	-	774,368	774,368
Non-current	3,830,876	6,533,462	10,364,338

Contractual asset of distribution companies: Refers to concession infrastructure assets of the distribution companies during the construction period.

Contract asset of transmission companies: refers to the right to receive the “Permitted Annual Revenue – RAP” over the concession period as well as an indemnity at the end of the concession of the transmission subsidiaries.

In conformity with CPC 20 (R1) and IAS 23, the interest on borrowings taken by subsidiaries for construction financing is capitalized during the construction stage for qualifying assets. In the consolidated, for of the year of 2024, R\$ 43,870 were capitalized at a rate of 7.56% p.a..

Asset impairment test

For all the years presented, the Group evaluated any indications of devaluation of its assets that could generate the need for tests on the recovery value. This assessment was based on external and internal sources of information, taking into account variations in interest rates, changes in market conditions, among others. For the years 2024 and 2023, there was no need for a recovery provision.

(16) INTANGIBLE ASSETS

	Consolidated					Total
	Goodwill	Acquired in business combinations	Concession right Distribution infrastructure - operational	Public utilities/Concession asset	Other intangible assets	
At December 31, 2022	436,148	3,276,065	5,582,431	262,079	350,621	9,907,344
Historical cost	436,184	8,215,704	15,349,493	302,746	609,851	24,913,978
Accumulated amortization	(37)	(4,939,639)	(9,767,062)	(40,666)	(259,230)	(15,006,634)
Additions	17,664	-	-	-	18,834	36,498
Amortization	-	(355,349)	(1,103,285)	(11,195)	(48,019)	(1,517,847)
Transfer - contract assets	-	-	722,747	-	1,120	723,866
Transfer - financial asset	-	-	33,765	-	-	33,765
Disposal and transfer - other assets	(447,697)	447,697	(83,229)	-	(14,624)	(97,853)
Disposal and transfer - other	-	(112,009)	-	-	-	(112,009)
At December 31, 2023	6,115	3,256,404	5,152,429	250,884	307,932	8,973,764
Historical cost	6,152	8,551,392	16,022,776	302,745	615,181	25,610,254
Accumulated amortization	(37)	(5,294,988)	(10,870,347)	(51,861)	(307,249)	(16,636,490)
Additions	-	-	-	-	19,421	19,421
Amortization	-	(332,791)	(1,192,042)	(32,150)	(15,603)	(1,572,587)
Transfer - contract assets	-	-	648,591	-	194	648,785
Transfer - financial asset	-	-	8,185	-	-	8,185
Disposal and transfer - other assets	-	(186,112)	(56,088)	210,498	(221,435)	(253,137)
At December 31, 2024	6,115	2,737,501	4,561,076	429,232	90,508	7,824,433
Historical cost	6,152	8,365,280	16,623,464	513,243	413,361	25,921,500
Accumulated amortization	(37)	(5,627,779)	(12,062,388)	(84,011)	(322,852)	(18,097,067)

In the consolidated financial statements the amortization of intangible assets is recognized in the income statement as follows: (i) “depreciation and amortization” for amortization of distribution infrastructure intangible assets, use of public asset and other intangible assets; and (ii) “amortization of concession intangible asset” for amortization of the intangible asset acquired in business combination.

In conformity with CPC 20 (R1) and IAS 23, the interest on borrowings taken by subsidiaries for construction financing is capitalized during the construction stage for qualifying assets. In the consolidated, for of the year of 2024, R\$ 47,587 were capitalized (R\$ 38,858 at December 31, 2023) at a rate of 7.66% p.a. (at a rate of 7.28% p.a. at December 31,2023).

16.1 Intangible asset acquired in business combinations

The breakdown of the intangible asset related to the right to operate the concessions acquired in business combinations is as follows:

	Consolidated					
	December 31, 2024			December 31, 2023	Annual amortization rate	
	Historic cost	Accumulated amortization	Net value	Net value	2024	2023
Intangible asset - acquired in business combinations						
Intangible asset acquired and not merged						
CPFL Paulista	304,861	(276,900)	27,961	37,947	3.28%	3.28%
CPFL Piratininga	39,065	(34,102)	4,962	6,257	3.31%	3.31%
RGE	3,768	(3,249)	519	695	4.67%	4.67%
CPFL Geração	54,555	(48,404)	6,150	7,996	3.38%	3.38%
Jaguari Geração	7,896	(5,739)	2,157	2,427	3.41%	3.41%
CPFL Renováveis	3,665,802	(2,024,353)	1,641,449	1,787,410	3.98%	4.33%
CPFL Transmissão	503,191	(100,552)	402,639	643,985	4.83%	4.71%
Enercan	354,736	(55,627)	299,112	301,500	6.04%	10.19%
Subtotal	4,933,874	(2,548,925)	2,384,951	2,788,215		
Intangible asset acquired and merged						
RGE	1,433,007	(1,283,548)	149,459	201,515	3.63%	3.63%
CPFL Renováveis	426,450	(393,228)	33,221	43,188	2.34%	2.34%
Subtotal	1,859,457	(1,676,776)	182,680	244,703		
Intangible asset acquired and merged – reassembled						
CPFL Paulista	1,074,026	(980,097)	93,930	126,134	3.00%	3.00%
CPFL Piratininga	115,762	(101,056)	14,706	18,542	3.31%	3.31%
Jaguari Geração	15,275	(11,596)	3,679	4,139	3.01%	3.01%
RGE	366,887	(309,330)	57,557	74,673	4.67%	4.67%
Subtotal	1,571,950	(1,402,078)	169,871	223,488		
Total	8,365,279	(5,627,779)	2,737,501	3,256,404		

The intangible assets acquired in business combinations are related to the right to operate the concessions and comprises:

- Intangible asset acquired, not subsumed

Refers to basically to the intangible asset from acquisition of the shares held by noncontrolling interests prior to adoption of CPC 15 and IFRS 3.

- Intangible asset acquired and subsumed

Refers to the intangible asset from the acquisition of subsidiaries that were incorporated into the respective equity, without application of CVM legal instructions No. 319/1999 and No. 349/2001. (current CVM Resolution 78/22), that is, without segregation of the related tax benefit installment amount.

-Intangible asset acquired and merged – Reassembled

In order to comply with ANEEL requirements and avoid the amortization of the intangible asset resulting from the merger of parent company causing a negative impact on dividend paid to noncontrolling interests, at the time of the merger, the subsidiaries applied the concepts of CVM legal instructions No. 319/1999 and No. 349/2001 to the intangible asset. These instructions were revoked in 2022 and the concepts were substantially maintained by Resolution 78/22. A reserve was therefore recognized to adjust the intangible, against a special goodwill reserve on the merger of equity in each subsidiary, so that the effect of the transaction on the equity reflects the tax benefit of the merged intangible asset. These changes affected the Group's investment in subsidiaries, and in order to adjust this, a nondeductible intangible asset was recognized for tax purposes, in order to recompose it.

16.2 Impairment Test of Assets

As mentioned in explanatory note no. 14, for all the presented financial years, the Group evaluated possible signs of devaluation of its assets that could generate the need for impairment tests. This assessment was based on external and internal sources of information, taking into account variations in interest rates, changes in market conditions, among others. For the fiscal years 2024 and 2023, there was no need for a provision for impairment of the Groups's intangible assets.

(17) TRADE PAYABLES

	Consolidated	
	December 31, 2024	December 31, 2023
Current		
System service charges	41,431	68,633
Energy purchased	1,833,922	1,764,180
Electricity network usage charges	589,131	559,269
Materials and services	1,167,174	1,077,528
Free market energy	259,170	222,880
Total	3,890,827	3,692,489
Noncurrent		
Energy purchased	254,229	397,008
Materials and services	135	414
Total	254,364	397,422

In June 2015, the Brazilian Association for Clean Energy Generation (ABRAGEL) filed a lawsuit challenging the mechanism for reviewing the physical guarantee provided for in MME Ordinance No. 463/2009, having obtained, on June 23, 2015, a preliminary injunction implemented by SPE/MME Ordinance No. 267/2015, reinstating the original amount of specific physical guarantees for several SHPs and CGHs of the subsidiary CPFL Renováveis. Management had been recording the corresponding liability to this reduction in the physical guarantees under the heading "Suppliers"

Additionally, according to MME Ordinance No. 376/2015, the application of the physical guarantee review mechanism is suspended until a new methodology is proposed that meets the needs of hydroelectric plants that are not centrally dispatched.

In March 2024, the publication of REN No. 1,085/2024 established the Unavailability Measurement System (SMI). This system will measure the discharged flow, making it possible to differentiate when the plant does not generate due to lack of water (hydrological risk), from when it is due to equipment failure, the main disagreement of the agents and the central motivation of the lawsuit entered by ABRAGEL representing its members.

This regulation and the implementation of the SMI will meet the demands of the sector, correcting the regulatory gap, enabling the proposition of a fairer methodology for the physical guarantee reviews for SHPs and CGHs.

Considering that, in the best scenario, the SMI data will be used as of March 2025 and that MME Ordinance No. 376/2015 remains in force, suspending the application of the physical guarantee review mechanism until a new methodology is proposed that meets the needs of hydroelectric plants not centrally dispatched, the Group understands that it favors the technical discussion, which justifies the write-off made in 2024 of the provisioned balances related to this discussion, in the amount of R\$ 216,557 (note 22.1).

(18) BORROWINGS

The movement in borrowings were as follows:

Category	Consolidated						At December 31, 2024
	At December 31, 2023	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Exchange rates variation	Interest paid	
Local currency							
Measured at cost							
Post fixed							
TJLP	334,632	-	(48,736)	26,988	-	(24,484)	288,399
IPCA	5,368,421	60,000	(469,481)	493,548	-	(191,071)	5,261,416
Selic	-	300,000	-	4,902	-	-	304,902
CDI	1,266,700	-	(1,029,620)	66,615	-	(303,695)	-
Borrowing costs	(30,739)	(9,117)	-	8,506	-	-	(31,351)
Subtotal	6,939,013	350,883	(1,547,837)	600,559	-	(519,250)	5,823,367
Measured at fair value							
Pre fixed	578,983	361,436	(572,000)	15,657	-	(19,380)	364,696
Mark to market	(4,304)	-	-	(62,318)	-	-	(66,622)
Subtotal	574,679	361,436	(572,000)	(46,661)	-	(19,380)	298,074
Total - Local currency	7,513,692	712,319	(2,119,837)	553,898	-	(538,630)	6,121,442
Foreign currency							
Measured at fair value							
Dollar	4,291,337	28,700	(1,157,185)	141,283	939,357	(141,904)	4,101,588
Euro	567,276	-	-	7,802	110,250	(7,131)	678,196
Iene	1,297,128	199,100	(220,895)	16,350	211,253	(15,666)	1,487,270
Fair value measurement	(158,057)	-	-	47,554	-	-	(110,503)
Total - Foreign currency	5,997,684	227,800	(1,378,080)	212,989	1,260,860	(164,701)	6,156,551
Total	13,511,377	940,119	(3,497,918)	766,887	1,260,860	(703,331)	12,277,993
Current	3,531,710						4,587,739
Noncurrent	9,979,666						7,690,254

Category	Consolidated						At December 31, 2023
	At December 31, 2022	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Exchange rates variation	Interest paid	
Local currency							
Measured at cost							
Pre fixed	1,808	-	(1,806)	12	-	(14)	-
Post fixed							
TJLP	402,853	-	(71,973)	32,930	-	(29,179)	334,632
IPCA	5,448,388	80,000	(399,239)	476,618	-	(237,346)	5,368,421
CDI	1,165,179	-	(52,801)	157,997	-	(3,675)	1,266,700
IGP-M	13,250	-	(12,920)	211	-	(541)	-
Borrowing costs	(39,628)	-	-	8,889	-	-	(30,739)
Subtotal	6,991,850	80,000	(538,739)	676,657	-	(270,755)	6,939,013
Measured at fair value							
Pre fixed	578,983	-	-	38,581	-	(38,581)	578,983
Mark to market	(36,288)	-	-	31,984	-	-	(4,304)
Subtotal	542,695	-	-	70,565	-	(38,581)	574,679
Total - Local currency	7,534,545	80,000	(538,739)	747,222	-	(309,336)	7,513,692
Foreign currency							
Measured at fair value							
Dollar	4,898,615	1,448,290	(1,751,505)	144,091	(306,988)	(141,166)	4,291,337
Euro	1,614,653	81,564	(1,119,220)	12,753	(17,865)	(4,609)	567,276
Yen	-	1,461,000	-	4,946	(163,240)	(5,578)	1,297,128
Mark to market	(280,146)	-	-	122,089	-	-	(158,057)
Total foreign currency	6,233,122	2,990,854	(2,870,725)	283,880	(488,093)	(151,353)	5,997,684
Total	13,767,666	3,070,854	(3,409,464)	1,031,102	(488,093)	(460,689)	13,511,377
Current	3,362,615						3,531,710
Non-current	10,405,052						9,979,666

In accordance with CPC 48, borrowing costs refer to costs directly attributable to debts and these are classified as (i) financial liabilities measured at amortized cost and (ii) financial liabilities measured at fair value through profit or loss.

The classification as financial liabilities of loans and financing measured at fair value aims to confront the effects of the recognition of income and expenses arising from the marking to market of hedging derivatives, linked to the respective debts, in order to obtain more relevant accounting information and consistent, reducing the accounting mismatch.

Changes in the fair values of these debts are recognized in the Group's financial result. At December 31, 2024, the unrealized accumulated gains obtained from the fair value measurement were R\$ 177,125 (gain of R\$ 162,361 at December 31, 2024) which reduced by the unrealized losses obtained with the fair value measurement of derivative financial instruments of R\$ 148,258 (loss of R\$ 173,900 at December 31, 2023), contracted to hedge against the exchange rate variation (note 34), generated a net gain not realized of R\$ 28.867 (loss of R\$ 11,539 on December 31, 2023).

The detail on borrowings are as follows:

Category	Annual interest	Consolidated		Maturity range	Collateral
		December 31. 2024	December 31. 2023		
Measured at cost - Local currency					
Post Fixed					
TJLP					
FINEM	TJLP and TJLP + from 1,72% to 3,05%	288,399	334,632	2012 to 2039	(i) Pledge and liens on equipment; (ii) Pledge and liens on credit rights (iii) Reserve. centralizing and receivables accounts; (iv) Pledge of shares (v) Pledge of emergents rights authorized by ANEEL; (vi) Pledge of beneficiary shares; (vii) CPFL Renováveis. CPFL Energia and State Grid Brazil Power guarantee; (viii) Bank guarantee (IX) Fiduciary Assignment of Federal Public Securities. Treasury Note - Series B
		288,399	334,632		
IPCA					
FINEM	IPCA + 4,18% to 4,80%	5,066,542	5,164,034	2020 to 2040	CPFL Energia guarantee and receivables
BNB	IPCA + from 1,06 to 1,48%	194,874	204,387	2022 to 2044	Bank guarantee
		5,261,416	5,368,421		
SELIC					
FINEM	SELIC-10 +1,52%	304,902	-	2025 to 2027	CPFL Energia guarantee and receivables
		304,902			
CDI					
Promissory notes	CDI + 0,96%	-	1,266,700	2024	CPFL Energia guarantee
		-	1,266,700		
Borrowing costs (*)		(31,351)	(30,739)		
Subtotal		5,823,367	6,939,013		
Measured at fair value - Local currency					
Pre fixed					
Bank loans (Law 4.131)	Pre-fixed from 6,16% to 7,38%	-	578,983	2024	CPFL Energia guarantee and Promissory notes
FINEM	Pre-fixed from 2,35% to 7,42%	364,696	-	2025 to 2029	(i) Liens on equipment; (ii) Pledge and liens on credit rights; (iii) Reserve. centralizing and receivables accounts; (iv) CPFL Renováveis. CPFL Energia e State Grid Brazil Power guarantee
Mark to Market		(66,622)	(4,304)		
Subtotal		298,074	574,679		
Total - Local currency		6,121,442	7,513,692		
Measured at cost - Foreign Currency					
Bank loans (Law 4.131)					
Bank loans (Law 4.131)	US\$ + Sofr + from 0,87% to 0,99%	207,621	324,670	2023 to 2025	CPFL Energia guarantee and Promissory notes
Bank loans (Law 4.131)	US\$ + from 1,74% to 6,29%	3,893,967	3,966,667	2024 to 2026	CPFL Energia guarantee and Promissory notes
Dólar	US\$ + SOFR + from 0,87% to 0,99% e US\$ + from 0,78% to 6,29%	4,101,588	4,291,337	2018 to 2026	CPFL Energia guarantee and Promissory notes
Euro	Euro + from 0,69% to 4,22%	678,196	567,276	2021 to 2025	CPFL Energia guarantee and Promissory notes
Iene	Iene + 0,92% to 1,20%	1,487,270	1,297,128	2023 to 2026	CPFL Energia guarantee and Promissory notes
		6,267,055	6,155,741		
Mark to Market		(110,503)	(158,057)		
Total in foreign currency		6,156,551	5,997,684		
		12,277,993	13,511,377		

Certain bank loans, especially those contracted in foreign currency, have a swap that converts exchange rate variation and pre-fixed rate, into interest rate variation. For more information on the rates considered, see note 34. The effective rate of loans measured at cost range from 50.3% to 112.5% of the CDI.

The maturities of the principal of borrowings recorded in noncurrent liabilities are scheduled as follows:

<u>Maturity</u>	<u>Consolidated</u>
2026	2,972,910
2027	2,166,949
2028	2,088,714
2029	77,527
2030	52,133
2031 to 2035	265,396
2036 to 2040	175,151
2041 to 2045	24,727
Subtotal	7,823,506
Fair value measurement	(133,252)
Total	7,690,254

The main indexes used for adjusting borrowings for inflation and the indebtedness profile in local and foreign currency, already considering the effects of the derivative instruments, are as follows:

<u>Index</u>	<u>Accumulated variation %</u>		<u>Consolidated</u>	
	<u>% of debt</u>			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
TJLP	7.43	6.84	2.3	2.5
IPCA	4.83	4.62	42.6	39.5
CDI	12.15	11.65	52.6	58.0
Others			2.5	0.0
			100	100

Borrowings raised in the year:

Category Subsidiary	Released (R\$ thousand)		Interest payment	Repayment	Utilization	Annual rate and effective annual rate	Effective rate with derivative
	Total approved	Released in 2024					
Foreign currency - Law 4131							
RGE	199,100	199,100	Semester	Bullet in August 2024	Working capital	JPY+ 0.69%	CDI + 0.55%
CPFL Santa Cruz	28,700	28,700	Semester	Bullet in February 2025	Working capital	USD + 5.72%	CDI + 0.60%
Local currency - IPCA							
CPFL Renováveis	221,936	60,000	Quarterly	Monthly after July 2024	Investment	IPCA + 4.18%	Does not apply
Local currency - pre fixed							
RGE	290,000	61,436	Quarterly and Monthly with the principal	Monthly after January 2026	Investment	2.35%	CDI -11.545%
RGE	400,000	300,000	Quarterly and Monthly with the principal	Monthly after September 2025	Working capital	7.42%	CDI -5.21%
Local currency - SELIC							
RGE	704,000	290,883	Quarterly and Monthly with the principal	Monthly after September 2025	Working capital	SELIC-10 + 1.52%	Does not apply
	1.843.736	940.119					

Pre-payment:

During 2024, R\$ 1,029,620 of commercial notes were settled in advance, whose original maturities were until October 2024.

Covenants

Borrowings raised by Group companies require compliance with certain restrictive financial clauses, under penalty of restriction in the distribution of dividends and/or advance maturity of the related debts. Furthermore, failure to comply with the obligations or restrictions mentioned may result in default in relation to other contractual obligations (cross default), depending on each borrowing agreement. Additionally, borrowings contain non-financial covenants, which are met as per the last calculation period.

The calculations are made on an annual or semiannual basis, as appropriate. As the maximum and minimum ratios vary among the contracts, we present below the most critical parameters of each ratio, considering all contracts in effect at December 31, 2024.

Ratios required in the consolidated financial statements of CPFL Energia

- Net debt divided by adjusted EBITDA lower than or equal to 3.75
- Adjusted EBITDA divided by Finance Income (Costs) greater than or equal to 2.25.
- Equity divided by equity plus net debt greater than or equal to 0.28.

Ratios required in the individual financial statements of subsidiaries of CPFL Renováveis, holders of the contract

- Debt Service Coverage Ratio (ICSD) greater than or equal to an index ranging to 1.2
- Own Capitalization Ratio greater than or equal to 30%.

Ratios required in the individual financial statements of the distribution's subsidiaries, which hold the contracts

- Net debt divided by EBITDA adjusted less than or equal to 4.0

Ratio required in the consolidated financial statements of State Grid Brazil Power Participações S.A.

- Equity divided by Total Assets (disregarding the effects of IFRIC 12 / OCPC 01) minimum of to 0.3.

For purposes of determining covenants, the definition of EBITDA at the Group takes into consideration mainly the consolidation of subsidiaries, associates and joint ventures based on the Group's direct or indirect interests in those companies (for both EBITDA and assets and liabilities).

The Group's Management monitors these ratios on a systematic and continuous basis, ensuring that all the covenants are met. On December 31, 2024, the Group's Management did not identify events or conditions of non-compliance with any financial or non-financial clauses.

(19) DEBENTURES

The movement in debentures was as follows:

Category	Consolidated					At December 31, 2024
	At December 31, 2023	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Interest paid	
Measured at cost - Post fixed						
CDI	7,940,787	4,897,000	(2,368,525)	1,139,524	(1,118,475)	10,490,311
IPCA	568,980	-	(389,027)	28,996	(24,280)	184,669
Borrowing costs	(20,509)	(12,869)	-	9,635	-	(23,743)
Total at cost	8,489,259	4,884,131	(2,757,552)	1,178,155	(1,142,754)	10,651,238
Measured at fair value - Post fixed						
IPCA	4,520,525	1,937,000	(286,965)	578,609	(296,668)	6,452,502
Fair value measurement	(84,057)	-	-	(509,337)	-	(593,394)
Total at fair value	4,436,469	1,937,000	(286,965)	69,273	(296,668)	5,859,107
Total	12,925,727	6,821,131	(3,044,517)	1,247,427	(1,439,423)	16,510,345
Current	980,841					815,233
Noncurrent	11,944,886					15,695,112

Category	Consolidated					At December 31, 2023
	At December 31, 2022	Raised	Repayment	Interest, monetary adjustment and fair value measurement	Interest paid	
Measured at cost - Post fixed						
CDI	8,414,989	490,000	(858,068)	1,115,409	(1,221,543)	7,940,787
IPCA	912,796	-	(372,879)	70,358	(41,295)	568,980
Borrowing costs	(25,555)	(1,053)	-	6,099	-	(20,509)
Total at cost	9,302,230	488,947	(1,230,947)	1,191,866	(1,262,838)	8,489,259
Measured at fair value - Post fixed						
IPCA	2,625,069	1,750,000	-	284,252	(138,796)	4,520,525
Mark to market	(312,541)	-	-	228,484	-	(84,057)
Total at fair value	2,312,528	1,750,000	-	512,736	(138,796)	4,436,469
Total	11,614,758	2,238,947	(1,230,947)	1,704,602	(1,401,634)	12,925,727
Current	1,323,011					980,841
Non-current	10,291,747					11,944,886

In accordance with CPC 48, borrowings costs refer to costs directly attributable to debts and these are classified as (i) financial liabilities measured at amortized cost and (ii) financial liabilities measured at fair value through profit or loss.

The classification as financial liabilities of debentures measured at fair value aims to compare the effects of the recognition of income and expenses arising from the fair value measurement of hedge derivatives, linked to the respective debentures, in order to reduce the accounting mismatch.

Changes in the fair values of these debentures are recognized in the Group's financial results. As at December 31, 2024, the accumulated unrealized gains obtained in the fair value measurement of said debentures amounted to R\$ 593,394 (gain of R\$ 84,057 on December 31, 2023), which deducted from the unrealized losses obtained with the mark-to-market derivative financial instruments of R\$ 429,844 (gain of R\$ 213,320 on December 31, 2023), contracted to hedge against interest rate variations (Note 35), generated a total net unrealized gain of R\$ 163,550 (gain of R\$ 297,377 on December 31, 2023).

The details on debentures are as follows :

Category	Annual Interest	Consolidated		Maturity range	Collateral
		December 31. 2024	December 31. 2023		
Measured at cost - Post fixed					
CDI	(i) From 104,30% to 107% of the CDI	10,490,311	7,940,787	2021 a 2031	CPFL Energia guarantee
IPCA	(ii) CDI + 0,49% a 1,50%	184,669	568,980	2024 a 2027	CPFL Energia guarantee
Borrowing costs	IPCA + 5,05%	(23,743)	(20,508)		
		10,651,238	8,489,259		
Measured at fair value - Post fixed					
IPCA	IPCA + 4,30% a 6,30%	6,452,501	4,520,525	2023 a 2039	CPFL Energia guarantee
Mark to Market		(593,394)	(84,057)		
Total		16,510,345	12,925,727		

Some debentures have a swap that converts IPCA variation to CDI variation. For more information on the rates considered, see note 34. The effective rate of debentures measured at cost range from 84.1% to 112.7% of the CDI.

The maturities of the principal of debentures recognized in noncurrent liabilities are as follows:

<u>Maturity</u>	<u>Consolidated</u>
2026	5,038,089
2027	387,478
2028	1,674,732
2029	2,403,240
2030	1,229,648
2031 to 2035	5,093,912
2036 to 2040	362,018
Subtotal	16,189,117
Fair value measurement	(494,005)
Total	15,695,112

Debentures raised in the year:

Category Subsidiary	Emission	Issued quantity	Released (R\$ thousand)		Interest payment	Repayment	Destinação do recurso	Effective annual rate	Effective rate with derivatives
			Released in 2023	Net of borrowing costs					
Local currency									
IPCA									
CPFL Santa Cruz	26/02/2024	181,000	181,000	181,000	Semester	Bullet in March 2031	Investment	IPCA + 5.79%	CDI + 0.30%
CPFL Renováveis	11/03/2024	132,000	132,000	132,000	Semester	Bullet in March 2031	Investment	IPCA + 5.81%	CDI + 0.30%
CPFL Piratininga	09/05/2024	293,000	293,000	293,000	Semester	3 annual installments from April 2032 and 3 annual installments from April 2037	Investment	IPCA + 6.23% and IPCA + 6.30%	CDI + 0.17% to CDI + 0.30%
RGE	17/05/2024	696,000	696,000	696,000	Semester	3 annual installments from April 2032 and 3 annual installments from April 2037	Investment	IPCA + 6.14% and IPCA + 6.20%	CDI + 0.10% to CDI + 0.27%
CPFL Transmissão	21/05/2024	635,000	635,000	635,000	Semester	3 annual installments from April 2032 and 3 annual installments from April 2037	Investment	IPCA + 6.10% and IPCA + 6.16%	CDI + 0.15% to CDI + 0.27%
CDI									
CPFL Paulista	15/03/2024	1,018,000	1,018,000	1,015,064	Quarter	Bullet in January 2026	Working capital	CDI + 0.55%	Does not apply
CPFL Paulista	20/09/2024	750,000	750,000	748,063	Quarter	5 quarterly installments from September 2028	Liability management	CDI + 0.49%	Does not apply
CPFL Piratininga	12/03/2024	481,000	481,000	479,190	Quarter	17 quarterly installments from June 2024	Working capital	CDI + 0.57%	Does not apply
CPFL Piratininga	18/09/2024	554,000	554,000	552,517	Quarter	5 quarterly installments from September 2028 and 5 quarterly installments from September 2030	Liability management and working capital	CDI + 0.49% and CDI + 0.59%	Does not apply
RGE	28/02/2024	449,000	449,000	447,870	Semester	2 annual installments from February 2030	Working capital	CDI + 1.00%	Does not apply
CPFL Santa Cruz	18/09/2024	300,000	300,000	298,019	Quarter	5 quarterly installments from September 2030	Working capital	CDI + 0.59%	Does not apply
CPFL Geração	20/09/2024	482,000	482,000	482,000	Quarter	5 quarterly installments from September 2030	Working capital	CDI + 0.59%	Does not apply
CPFL Transmissão	10/10/2024	260,000	260,000	260,000	Quarter	5 quarterly installments from September 2028	Liability management	CDI + 0.49%	Does not apply
RGE	16/10/2024	603,000	603,000	601,408	Quarter	5 quarterly installments from September 2028	Liability management	CDI + 0.49%	Does not apply
			6,834,000	6,821,131					

The resources are intended for investments by subsidiaries.

Pre-payment

During 2024, R\$ 2,065,500 of debentures were settled in advance, whose original maturities were until December 2028

Covenants

The debentures issued by the Group companies require compliance with certain financial covenants. The calculations are made on an annual or semiannual basis, as appropriate. As the maximum and minimum ratios vary among the contracts, we present below the most critical parameters of each ratio, considering all contracts in effect at December 31, 2024.

Ratios required in the consolidated financial statements of CPFL Energia

- Net Debt divided by adjusted EBITDA less than or equal to 3.75.
- Adjusted EBITDA divided by finance income (costs) higher than or equal to 2.25.

The Group's management monitors these ratios on a systematic and constant basis, so that all conditions are met. In the opinion of the Group's management, all covenants and financial and non-financial clauses are properly complied with as on December 31, 2024

(20) PRIVATE PENSION PLAN

The subsidiaries sponsor supplementary retirement and pension plans for their employees, with the following characteristics :

20.1 Characteristics

CPFL Paulista

The plan currently in force for the employees of the subsidiary CPFL Paulista through VIVEST two plans with the following characteristics:

- PPCPFL – Mixed benefit plan (closed for new adhesions)

(ii) Defined Benefit Plan (“BD”) – in force until October 31, 1997 – a defined benefit plan, which grants a Proportional Supplementary Defined Benefit (“BSPS”), in the form of a lifetime income convertible into a pension, to participants enrolled prior to October 31, 1997, the amount being defined in proportion to the accumulated past service time up to that date, based on compliance with the regulatory requirements for granting. The total responsibility for coverage of actuarial deficits of this plan falls to the subsidiary.

(iii) Mixed model, as from November 1, 1997, which covers:

- benefits for risk (disability and death), under a defined benefit plan, in which the subsidiary assumes responsibility for the Plan’s actuarial deficit, and
- scheduled retirement, under a variable contribution plan, consisting of a benefit plan, which is a defined contribution plan up to the granting of the income, and does not generate any actuarial liability for the subsidiary. The benefit plan only becomes a defined benefit plan, consequently generating actuarial responsibility for the subsidiary, after the granting of a lifetime income, convertible or not into a pension.

On August 30, 2022, an amendment was approved to the plan’s regulations, to allow beneficiaries and pensioners to carry out the voluntary conversion of Lifetime Income to Financial Income. Opting for Financial Income, the beneficiary ceases to have a defined benefit and starts to have a flexible benefit, according to the accumulated balance.

2) CD CPFL – Defined contribution plan (open for new adhesions)

A plan whose programmed benefits have their value permanently adjusted to the account balance maintained in favor of the participant, including in the benefit-realization phase, considering the net result of its application, the amounts contributed and the benefits paid.

Additionally, the subsidiary’s Managers may opt for a Free Benefit Generator Plan – PGBL (defined contribution), operated by Bradesco.

CPFL Piratininga

As a result of the spin-off of Bandeirante Energia S.A. (the subsidiary’s predecessor), the subsidiary CPFL Piratininga assumed the responsibility for the actuarial liabilities of that company’s employees retired and terminated until the date of spin-off, as well as for the obligations relating to the active employees transferred to the subsidiary.

On April 2, 1998, the Secretariat of Pension Plans – “SPC” approved the restructuring of the retirement plan previously maintained by Bandeirante, creating a “Proportional Supplementary Defined Benefit Plan – BSPS”, and a “Mixed Benefit Plan”, with the following characteristics:

(iv) PSAP/Piratininga plan (closed for new adhesions and settled):

- (i) Defined Benefit Plan (“BD”) – in force until March 31, 1998 – a defined benefit plan, which grants a Proportional Supplementary Defined Benefit (BSPS), in the form of a lifetime income convertible into a pension to participants enrolled until March 31, 1998, in an amount calculated in proportion to the accumulated past service time up to that date, based on compliance with the regulatory requirements for granting. In the event of death while working or the onset of a disability, the benefits incorporate the entire past service time. The subsidiary has full responsibility for covering the actuarial deficits of this Plan.
- (ii) Defined Benefit Plan – in force after March 31, 1998 – defined-benefit type plan, which grants a lifetime income convertible into a pension based on the past service time accumulated after March 31, 1998, based on 70% of the average actual monthly salary for the last 36 months of active service. In the event of death while working or the onset of a disability, the benefits incorporate the entire past service time. The responsibility for covering the actuarial deficits of this Plan is equally divided between the subsidiary and the participants.
- (iii) Variable Contribution Plan – implemented together with the Defined Benefit plan effective after March 31, 1998. This is a defined-contribution type pension plan up to the granting of the income and generates no actuarial liability for the subsidiary. The pension plan only becomes a Defined Benefit type plan after the granting of the lifetime income, convertible (or not) into a pension, and accordingly starts to generate actuarial liabilities for the subsidiary.

On May 31, 2022, an amendment was approved to the plan's regulation to settle the supplementary benefit and allow active, assisted and pensioners to carry out the voluntary conversion of Lifetime Income to Financial Income. Opting for Financial Income, the beneficiary ceases to have a defined benefit and starts to have a flexible benefit, according to the accumulated balance.

2) CD CPFL – Defined contribution plan (open for new adhesions)

Plan whose programmed benefits have their value permanently adjusted to the account balance maintained in favor of the participant, including in the benefits realization phase, considering the net result of its application, the amounts contributed and the benefits paid.

Additionally, the subsidiary's Managers may opt for a Free Benefit Generator Plan – PGBL (defined contribution), operated Bradesco.

RGE

The subsidiary RGE has retirement and pension plans for its employees and former employees managed by Fundação Família Previdência. Before called Fundação CEEE de Previdência Privada, comprising:

- (i) "Plan 1": A "defined benefit" plan with benefit level equal to 100% of the inflation adjusted average of the last 36 salaries, deducting the presumed benefit from the Social Security, with a Segregated Net Asset. That is closed to new participants since 2011. This plan was recorded at the dissolved Rio Grande Energia S.A. until the merger of the distribution companies approved on December 31, 2018, and
- (ii) "Plan 2": (Plan from AES Sul) A "defined benefit" plan that is closed to new participants since February 2011. The subsidiary's contribution matches the contribution from the benefitted employees, in the proportion of one for one, including as regards the Fundação's administrative funding plan.

For employees hired after the closing of the plans of Fundação Família Previdência, "defined contribution" private pension plans were implemented, being Bradesco Vida e Previdência for employees hired between 1997 and 2018 by the dissolved Rio Grande Energia S.A., and Itauprev for employees hired by RGE as from 2011, as well as for new employees to be hired after the event of merger of the distribution companies.

CPFL Santa Cruz

With the grouping of subsidiaries that took place in 2017, the company's official plan became CMSPREV, managed by IHPREV Fundo de Pensão. Employees who had the benefit plan managed by BB Previdência – Banco do Brasil Pension Fund, maintained the same plan.

CPFL Renováveis

After the integration of CPFL Renováveis in 2020, some of the employees formerly linked to CPFL Geração, integrated into CPFL Renováveis and remained in the PPCPFL plan of origin. For this reason, CPFL Renováveis became the sponsor of this plan, which has been closed to new enrollments since April 2020. For other employees, the PGBL plan administered by Bradesco was maintained, which is currently offered to new employees.

CPFL Transmissão

The indirect subsidiary CPFL Transmissão maintains supplementary retirement and pension plans for its employees and former employees, managed by Fundação Família Previdência, formerly called Fundação CEEE de Previdência Privada, as follows:

- (i) **"CEEEPREV Plan":** CEEEPREV is a plan with defined contribution variable because it contains a defined contribution part and a defined benefit part characteristics, except for the risk benefits and part of the settled benefits.

In 2014, a lawsuit was filed (Case nº 0065790-57.2014.4.01.3400) related to non-parity contributions, filed by Fundação Família Previdência (Former Fundação ELETROCEEE) against PREVIC, due to the Ordinance of the regulatory body that required the presentation of definitive solution on the articles of the Regulation of the Benefit Plan that deal with the employer's liability in the event of a possible insufficiency of equity coverage in the reserves that support the benefits, which are irregular under the applicable legislation.

This is because the CEEEPREV Benefit Plan provided for the sponsor's exclusive liability in the event of an eventual insufficiency of equity coverage, which, according to PREVIC, and an understanding supported by the subsidiary's Management, violates the provisions of Complementary Law No. 108/2001. The result in the 1st and 2nd instance was unfavorable to the Foundation and favorable to the subsidiary, with no suspensive effect on pending appeals.

Already in 2019, a second lawsuit was filed (Case No. 5051477-51.2019.8.21.0001) related to the subject, filed by the then CEEE-D and by the then CEEE-GT (before the split between the Generation and Transmission segments) against the Foundation, with the objective of recognizing the nullity of the clauses of the CEEEPREV Benefit Plan, in order to nullify the exclusive responsibility of the sponsors in the event of insufficiency of equity coverage. After the filing of the demand by the companies that were members of the former CEEE Group, the State of Rio Grande do Sul itself joined the dispute, as assistant to the plaintiff. On October 14 2021, the first instance sentence decided that the action was partly valid to recognize the nullity of the benefit plan clauses which do not apply the contributory parity (in the same sense as the sentence and judgment of Action No 0065790-57.2014.4.01.3400). After appeals were filed by the parties, the TJRS (Court of Justice of the State of Rio Grande do Sul) issued a decision on July 28, 2022, maintaining, in full, the sentence under appeal. Regarding the judgment rendered, the Parties filed motions for clarification against the Appellate Judgment in order to obtain clarifications, which were dismissed. Subsequently, all parties involved filed Special and Extraordinary Appeals, respectively, to the STJ and STF. In a judgment of admissibility, the TJRS dismissed all the Extraordinary and Special Appeals presented, with the exception of the Special Appeal filed by the Fundação Família Previdência. In addition, the Appeal of the Fundação Família Previdência was granted suspensive effect to maintain in force the clauses of the Plan's regulations that attribute to the Sponsors the responsibility for the full payment of extraordinary contributions, which was later revoked. Currently, Interlocutory Appeals were filed for the elevation of the Special and Extraordinary Appeal and a preliminary injunction with suspensive effect to the STJ, which was accepted, determining until the final judgment of the Special Appeal: I) the suspension of the debated collection and/or payment of contributions within the scope of the CEEEPREV Plan, without the observance of contribution parity; II) admit the enforceability of the defrayal of half of the deficit constituted prior to the issuance of the judgment of partial merit, suspending any blocking or constrictive measure in the applicant's accounts, with respect to the excess part.

In compliance with the decisions rendered in Case No. 5051477-51.2019.8.21.0001, the subsidiary has been paying its extraordinary contribution since March 2022, on an equal basis, and the Foundation has not been paying the installment for solving the deficit that would be due from the participants. In view of the implementation of the decision, Fundação Família Previdência filed an Injunction (Case No. 5179986-58.2023.8.21.0001) in which it requests that a provisional injunction be granted to determine that Banrisul promote the execution of the Guarantee Agreement against the Sponsors of the supplementary pension benefit plans, in accordance with the agreement entered into between the parties, transferring the cash to the current account held by the Foundation, up to the limit of R\$ 147,037, of which R\$ 72,430 are discussed as CEEE-T's debt under the CEEEPREV Plan. In an analysis of the preliminary injunction request, the judge of first instance granted the aforementioned measure, limited to R\$ 145,050 excluding the amounts of CEEE-G, in view of which the Company filed the competent appeal. On January 8, 2024, covered by the preliminary injunction granted by the STJ in Case No. 5051477-51.2019.8.21.0001, a decision was issued that suspends the effects of the injunction previously granted and ordered Banrisul to release the constrained amounts.

The amount involved in the lawsuit (Process no. 5051477-51.2019.8.21.0001) corresponds to approximately 50% of all the plan's deficits, and the legal advisors assess the chance of success as possible, with a probable bias. The Company estimates that between March and December 2024, the amount of R\$ 137,531 should have been charged to participants, but this amount is allocated within the plan's total deficit, not representing additional financial repercussions.

Considering the legal grounds, supported by recent court decisions, in the cases that deal with the matter in detail, the subsidiary, as a sponsor of the CEEEPREV Plan, understands that from the new court decision of October 2021, and other court decisions, the best estimate for measuring this liability is to use risk sharing as a reducer of the actuarial liability as of the year ended December 31, 2021.

- (ii) **“Plan Único”:** Plan Único has a defined benefit modality and has been closed to new participants since September 2, 2002. This plan receives equal contributions between the sponsor and employees.

Whereas the Regulations of the Single Plan prescribe that any insufficiencies (deficits) will be resolved in accordance with the applicable legislation, the liabilities of the Single Plan are recognized in equal proportion.

- (iii) **“Accounts Payable Incentive Retirement – CTP”:** As a result of a collective bargaining agreement, as of 1997, the Company was responsible for paying the pension supplementation benefit for length of service that has been granted by the Social Security to participants who are regularly enrolled with Fundação Família Previdência and who have not yet completed all the requirements for its enjoyment, at which time the former employee was definitively retired by the Foundation. Currently, they receive the complement of funds that were not included in the INSS calculation, and the company is sentenced by the court to pay for life. For this, the Company provisioned the full amounts of future commitments related to these salary supplements,

considering the average payment term of these benefits, adjusted to present value, including contributions to the Foundation.

20.2 Movements in the defined benefit plans

	December 31, 2024							
	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão		
				Plano 1	Plano 2	Plano Único	CTP	CEEPREV BD
Present value of actuarial obligations	5.238.925	1.262.430	120.010	389.941	516.508	1.216.684	3.115	2.080.162
Fair value of plan's assets	(5.147.905)	(1.531.662)	(118.238)	(443.253)	(467.674)	(813.209)	-	(1.256.040)
(Net) actuarial liability recognized in the statement of financial position	91.019	(269.232)	1.772	(54.312)	48.834	403.475	3.115	824.122
Effect on the maximum asset recognition limit	156.833	291.598	14.291	54.312	-	-	-	517.034
Effect of risk sharing (parcel attributed to participants)	(57.738)	(22.366)	(1.326)	-	(47.695)	(297.929)	-	(544.353)
Net actuarial liability recognized in the statement of financial position	190.114	-	14.737	-	1.139	105.546	3.115	279.769

	December 31, 2023							
	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE Sul (RGE)		CPFL Transmissão		
				Plan 1	Plan 2	Single Plan	CTP	CEEPREV BD
Present value of actuarial obligations	5.988.341	1.468.447	137.927	471.126	634.759	1.391.131	3,415	2.421.746
Fair value of plan's assets	(5.019.754)	(1.453.794)	(115.613)	(473.065)	(500.812)	(903.617)	-	(1.359.252)
(Net) actuarial liability recognized in the statement of financial position	968,587	14,653	22,314	(1,939)	133,947	487,514	3,415	1,062,494
Effect on the maximum asset recognition limit	-	-	-	1,939	-	-	-	1,939
Effect of risk sharing (parcel attributed to participants)	-	-	-	-	(73,755)	(282,004)	-	(523,833)
Net actuarial liability recognized in the statement of financial position	968,587	14,653	22,314	-	60,192	205,510	3,415	538,661

The movements in the present value of actuarial obligations and the fair value of plan assets are as follows:

	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
				Plan 1 (*)	Plan 2	Plan Único	CTP	CEEPREV BD	
Present value of actuarial obligations at December 31, 2022	6,263,349	1,537,214	150,383	439,609	589,674	1,084,136	3,335	1,757,866	11,825,567
Gross current service cost	903	-	19	(80)	848	(33)	-	(10,075)	(8,418)
Interest on actuarial obligations	620,717	153,286	14,898	43,830	58,821	67,042	338	111,805	1,070,737
Participants' contributions transferred during the year	-	-	-	164	739	-	-	866	1,769
Actuarial loss (gain): effect of financial assumptions	(68,284)	(26,458)	(2,870)	23,182	32,825	113,543	50	274,679	346,667
Effect of risk sharing (parcel attributed to participants)	-	-	-	(73,755)	(7,783)	(7,783)	-	(110,256)	(28,718)
Benefits paid during the year	(722,656)	(149,928)	(15,539)	(35,579)	(48,148)	(147,778)	-	(208,510)	(1,328,139)
Benefit paid directly by the company	-	-	-	-	-	-	(308)	-	(308)
Gain resulting from voluntary conversion of income *	(105,687)	(45,667)	(8,964)	-	-	-	-	-	(160,318)
Present value of actuarial obligations at December 31, 2023	5,988,342	1,468,447	137,927	471,126	561,004	1,109,127	3,415	1,897,913	11,637,300
Gross current service cost	623	-	11	(2,156)	(879)	-	-	(5)	(2,406)
Interest on actuarial obligations	559,491	136,935	12,801	44,388	52,031	65,262	313	114,103	985,324
Participants' contributions transferred during the year	-	-	-	91	834	-	-	628	1,553
Actuarial loss (gain): effect of financial assumptions	(643,450)	(207,301)	(19,215)	(77,971)	(96,814)	(89,050)	(303)	(209,219)	(1,343,322)
Effect of risk sharing (parcel attributed to participants)	(57,738)	(22,366)	(1,326)	-	26,060	15,925)	-	(20,520)	(91,815)
Benefits paid during the year	(666,081)	(135,651)	(11,514)	(36,594)	(49,451)	(150,658)	-	(215,784)	(1,265,734)
Benefit paid directly by the company	-	-	-	-	-	-	(309)	-	(309)
Present value of actuarial obligations at December 31, 2024	5,181,187	1,240,064	118,684	388,941	468,813	918,754	3,116	1,535,809	9,855,367

	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
				Plan 1 (*)	Plan 2	Plan Único	CTP	CEEPREV BD	
Fair value of actuarial assets at December 31, 2021	(4,980,779)	(1,411,114)	(119,199)	(468,394)	(499,465)	(889,288)	-	(1,465,818)	(9,834,057)
Expected return during the year	(514,680)	(147,567)	(12,213)	(46,955)	(49,605)	(43,061)	-	(71,680)	(885,761)
Participants' contributions transferred during the year	-	-	-	(164)	(739)	-	-	(866)	(1,769)
Sponsors' contributions	(402,475)	(123,686)	(7,696)	(2,304)	(4,481)	(32,562)	-	(69,159)	(642,363)
Actuarial loss (gain): return on actuarial assets	67,112	30,973	(742)	9,173	5,330	(86,484)	-	39,761	65,123
Benefits paid during the year	722,656	149,928	15,539	35,579	48,148	147,778	-	208,510	1,328,138
Loss resulting from voluntary conversion of income *	88,412	47,672	8,698	-	-	-	-	-	144,782
Fair value of actuarial assets at December 31, 2022	(5,019,754)	(1,453,734)	(115,613)	(473,065)	(500,812)	(903,617)	-	(1,359,252)	(9,825,907)
Expected return during the year	(505,134)	(141,299)	(10,993)	(45,875)	(48,120)	(42,023)	-	(64,835)	(856,279)
Participants' contributions transferred during the year	-	-	-	(91)	(834)	-	-	(628)	(1,553)
Sponsors' contributions	(323,109)	(90,257)	(6,965)	(2,639)	(6,019)	(34,767)	-	(54,980)	(108,749)
Actuarial loss (gain): return on actuarial assets	34,010	18,037	3,809	41,823	38,660	16,539	-	7,871	160,749
Benefits paid during the year	666,081	135,651	11,514	36,594	49,451	150,658	-	215,784	1,265,734
Fair value of actuarial assets at December 31, 2024	(5,147,906)	(1,531,662)	(118,238)	(443,253)	(467,674)	(813,209)	-	(1,256,040)	(9,777,982)

* The process of voluntary conversion from lifetime income to financial income was initiated in August 2022, with adhesions to it ending on January 31, 2023.

20.3 Movements in recognized assets and liabilities

The movements in net liability are as follows:

	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
				Plan 1 (*)	Plan 2	Plan Único	CTP	CEEEPREV BD	
Net actuarial liability at December 31, 2023	968,587	14,653	22,314	-	60,192	205,510	3,415	538,662	1,813,332
Expenses (income) recognized in the statement of profit or loss	56,944	(4,364)	1,819	(2,383)	3,032	23,239	313	49,264	127,863
Sponsors' contributions transferred during the year	(323,109)	(90,257)	(6,955)	(2,639)	(6,019)	(34,767)	-	(54,980)	(518,726)
Actuarial loss (gain): effect of changes in demographic assumptions	-	-	-	(9,943)	(23,972)	-	-	(31,307)	(65,222)
Actuarial loss (gain): effect of financial assumptions	(643,450)	(207,301)	(19,215)	(77,971)	(96,814)	(89,050)	(303)	(209,219)	(1,343,322)
Actuarial loss (gain): return on actuarial assets	34,010	18,037	3,809	41,823	38,660	16,539	-	7,871	160,749
Effect of Risk Sharing	(57,738)	(22,366)	(1,326)	-	26,060	(15,925)	-	(20,520)	(91,815)
Effect of asset ceiling	-	-	-	-	-	-	(309)	-	(309)
Other contributions	154,869	291,598	14,291	51,113	-	-	-	-	511,871
Net Actuarial liability at December 31, 2024	190,114	0	14,737	-	1,139	105,546	3,116	279,770	594,421
Financial Debit	117,122	65,341	3,709	-	-	-	-	-	186,172
Other contributions	-	-	-	-	-	-	-	-	7,320
Total liabilities									787,912

	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE Sul (RGE)		CPFL Transmissão			Total
				Plan 1 (*)	Plan 2	Single Plan	CTP	CEEEPREV BD	
Net actuarial liability at December 31, 2022	1,282,569	126,099	31,184	-	90,208	194,848	3,335	292,048	2,020,291
Expenses (income) recognized in the statement of profit or loss	89,665	7,725	2,437	(214)	10,064	23,948	338	29,344	163,307
Sponsors' contributions transferred during the year	(402,475)	(123,686)	(7,695)	(2,304)	(4,481)	(32,562)	-	(68,453)	(641,656)
Actuarial loss (gain): effect of financial assumptions	(68,284)	(26,458)	(2,870)	23,182	32,825	113,543	50	274,679	346,667
Actuarial loss (gain): return on plan assets	67,112	30,973	(742)	9,173	5,330	(86,484)	-	39,761	65,123
Effect of Risk Sharing	-	-	-	-	(73,755)	(7,783)	-	(28,718)	(110,256)
Benefit paid directly by the company	-	-	-	-	-	-	(308)	-	(308)
Effect on maximum asset recognition limit	-	-	-	(29,837)	-	-	-	-	(29,837)
Net Actuarial liability at December 31, 2023	968,587	14,653	22,314	-	60,192	205,510	3,415	538,661	1,813,332
Financial Debit	151,646	75,932	4,953	-	-	-	-	-	232,531
Other contributions	-	-	-	-	-	-	-	-	6,843
Actuarial liabilities at December 31, 2023									2,052,706
Current									549,589
Noncurrent									1,503,118

* The process of voluntary conversion from lifetime income to financial income was initiated in August 2022, with adhesions to it ending on January 31, 2023.

20.4 Expected contributions and benefits

The expected contributions to the plans for 2025 are shown below:

	2025
CPFL Paulista	326,887
CPFL Piratininga	91,394
CPFL Geração	7,001
RGE - Plan 1	2,691
RGE - Plan 1	6,488
CPFL Transmissão - Plano Único	37,007
CPFL Transmissão - CTP	392
CPFL Transmissão - CEEEPREV BD	67,045
Total	538,904

The expected benefits to be paid by in the next 10 years are shown below:

	2025	2026	2027	2028	2029 to 2034	Total
CPFL Paulista	576,101	586,618	596,143	604,126	3,710,894	6,073,882
CPFL Piratininga	123,769	127,350	130,921	134,192	870,887	1,387,119
CPFL Geração	12,875	13,095	13,296	13,496	83,219	135,981
RGE - Plan 1	38,653	39,822	41,015	42,250	275,835	437,575
RGE - Plan 1	51,639	53,080	54,567	56,272	367,019	582,577
CPFL Transmissão - Plano Único	142,415	143,952	145,239	146,206	874,317	1,452,129
CPFL Transmissão - CTP	392	380	365	347	1,507	2,991
CPFL Transmissão - CEEEPREV BD	211,370	216,871	222,495	227,376	1,454,326	2,332,438
Total	1,157,214	1,181,168	1,204,041	1,224,265	7,638,004	12,404,692

At December 31, 2024, the average duration of the defined benefit obligation was 7.1 years for CPFL Paulista, 8 years for CPFL Piratininga, 7.4 years for CPFL Renováveis, 8 years for RGE Plan 1 and 8.8 years for RGE Plan 2, and 8.7 years for plan único and 10.1 years for plan CEEEPREV BD of CPFL Transmissão.

20.5 Recognition of private pension plan income and expense

Based on the opinion of an external actuarial estimate, the Group's management presents the actuarial estimate of the expenses and/or income to be recognized in 2025 and the income/expense recognized in 2024 and 2023 are as follows:

2025 estimated								
CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
			Plan 1	Plan 2	Plan Único	CTP	CEEEPREV BD	
Service cost	259	-	9	(2,204)	(1,240)	-	(184)	(3,360)
Interest on actuarial obligations	578,369	139,335	13,280	43,688	52,362	100,180	345	169,041
Expected return on plan assets	(593,754)	(179,203)	(13,640)	(50,401)	(52,751)	(89,892)	-	(139,972)
Effect of the asset limit to be registered	18,538	34,468	1,689	6,420	-	-	-	61,115
Total income	3,412	(5,400)	1,338	(2,497)	(1,629)	10,288	345	28,885
34,742								
Performed in 2024								
CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão			Total
			Plan 1	Plan 2	Plan Único	CTP	CEEEPREV BD	
Service cost	623	-	11	(2,156)	(879)	-	(5)	(2,406)
Interest on actuarial obligations	559,491	136,935	12,801	44,388	52,031	65,262	313	114,103
Expected return on plan assets	(505,134)	(141,299)	(10,993)	(45,875)	(48,120)	(42,023)	-	(64,835)
Effect of the asset limit to be registered	1,964	-	-	1,260	-	-	-	3,224
Total income	56,944	(4,364)	1,819	(2,383)	3,032	23,239	313	49,264
127,863								
Performed in 2023								
CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE Sul (RGE)		CPFL Transmissão			Total
			Plan 1	Plan 2	Single Plan	CTP	CEEEPREV BD	
Service cost	903	-	19	(80)	848	(33)	-	(10,075)
Effect of voluntary income conversion	(17,275)	2,005	(266)	-	-	-	-	(15,536)
Interest on actuarial obligations	620,717	153,286	14,898	43,830	58,821	67,042	338	111,805
Expected return on plan assets	(514,680)	(147,567)	(12,213)	(46,955)	(49,605)	(43,061)	-	(72,386)
Effect of the asset limit to be registered	-	-	-	2,991	-	-	-	2,991
Total income	89,665	7,724	2,438	(214)	10,064	23,948	338	29,344
163,307								

The main assumptions taken into consideration in the actuarial calculation at the end of the reporting period were as follows:

	CPFL Paulista, CPFL Renováveis and CPFL Piratininga		RGE (Plans 1 and 2)		CPFL Transmission (Plan Único e CEEEPREV BD)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Nominal discount rate for actuarial liabilities:	11,82% p.y.	9,71% p.y.	11,82% p.y.	9,71% p.y.	11,82% p.y.	9,71% p.y.
Nominal return rate on plan assets:	11,82% p.y.	9,71% p.y.	11,82% p.y.	9,71% p.y.	11,82% p.y.	9,71% p.y.
Estimated rate of nominal salary increase:	4,49% p.y.(*)	4,45% p.y.(*)	5,77% p.y.(**)	5,73% p.y.(**)	3,89% p.y.	3,85% p.y.
Estimated rate of nominal benefits increase:	3,89% p.y.	3,85% p.y.	3,89% p.y.	3,85% p.y.	3,89% p.y.	3,85% p.y.
Estimated long-term inflation rate (basis for the nominal rates above)	3,89% p.y.	3,85% p.y.	3,89% p.y.	3,85% p.y.	3,89% p.y.	3,85% p.y.
General biometric mortality table:	AT2000(-10)	AT-2000 (-10)	BR-EMSsb v.2021 (segregated by sex) (***)	BR-EMS sb v.2015 (-10) (***)	BR-EMSsb v.2021 reduced by 10% (segregated by sex) (****) (****)	BREMS sb v.2015 (****)
Biometric table for the onset of disability:	Mercer Disability, reduced 50% Masculine	Mercer Disability (-50)	Weak light	Weak light	Weak light	Weak light
Expected turnover rate:	ExpR 2013 a 2021	ExpR 2013 a 2021	Null	Null	Null	Null
Likelihood of reaching retirement age:	After 15 years of filiation and 35 years of service time for men and 30 years of service time for women	After 15 years of filiation and 35 years of service time for men and 30 years of service time for women	100% when a beneficiary first becomes eligible for a full benefit	100% when a beneficiary first becomes eligible for a full benefit	100% when a beneficiary first becomes eligible for a full benefit	100% when a beneficiary first becomes eligible for a full benefit

(*) The estimated rate of nominal salary increase for CPFL Piratininga was 3.89% in 2024 and 3.85% in 2023.

(**) The estimated rate of nominal salary increase for RGE Plan I was 4.34% in 2024 and 4.30% in 2023.

(***) The biometric table for the onset of disability for the RGE Sul Plan I is BR-EMSsb v.2015 reduced in 20% by gender in 2024 and 2023.

(****) The biometric table for the onset of disability for the "Plan Único" is the AT-2000 by gender.

20.6 Plan assets

The following tables show the allocation (by asset segment) of the assets of the Group CPFL pension plans, at December 31, 2024 and 2023 managed by VIVEST and Fundação Família Previdência and CEEEPREV (fundações). The tables also show the distribution of the guarantee resources established as target for 2025, obtained in light of the macroeconomic scenario in December 2024.

Assets managed by the plans are as follows:

	Assets managed by Fundação CESP				Assets managed by Fundação CEEE				Assets managed by Fundação CEEE			
	CPFL Paulista and CPFL		CPFL Piratininga		RGE		RGE Sul		RGE		RGE Sul	
	Geração											
	2024	2023	2024	2023	2024	2023	2024	2023	0	-1	0	-1
Fixed rate	86%	85%	89%	89%	85%	76%	84%	80%	82%	67%	80%	65%
Federal government bonds	34%	35%	31%	34%	69%	67%	65%	67%	49%	58%	53%	56%
Corporate bonds (financial institutions)	0%	0%	0%	0%	1%	3%	1%	3%	1%	4%	1%	5%
Corporate bonds (non financial institutions)	1%	1%	0%	1%	0%	2%	0%	3%	0%	3%	0%	3%
Multimarket funds	0%	0%	0%	0%	14%	4%	18%	7%	32%	3%	25%	1%
Other fixed income investments	51%	49%	57%	54%	-	-	-	-	0%	0%	0%	0%
Variable income	8%	8%	8%	6%	4%	12%	4%	15%	5%	19%	6%	21%
Investment funds - shares	8%	8%	8%	6%	4%	12%	4%	15%	5%	19%	6%	21%
Structured investments	2%	3%	1%	2%	10%	9%	10%	0%	10%	7%	12%	9%
Equity funds	0%	-	-	-	0%	0%	0%	0%	0%	0%	0%	0%
Real estate funds	1%	-	-	-	0%	0%	0%	0%	0%	0%	0%	0%
Multimarket fund	1%	3%	1%	2%	10%	9%	10%	-	10%	7%	11%	9%
	96%	96%	98%	97%	98%	97%	98%	95%	97%	94%	97%	96%
Real estate	1%	1%	0%	1%	0%	1%	1%	1%	1%	1%	1%	1%
Transactions with participants	1%	1%	1%	1%	2%	2%	2%	4%	3%	3%	3%	4%
Other investments	1%	3%	0%	0%	-1%	0%	-1%	0%	-1%	2%	-1%	-1%
Escrow deposits and othes	1%	3%	0%	0%	-1%	0%	-1%	0%	-1%	2%	-1%	-1%
	4%	5%	2%	3%	2%	3%	2%	5%	3%	6%	3%	4%

The plan assets do not include any properties occupied or assets used by the Company.

	Target for 2025					
	VIVEST		FAMÍLIA PREVIDÊNCIA		FAMÍLIA PREVIDÊNCIA	
	CPFL Paulista e	CPFL	RGE		CPFL Transmissão	
	CPFL Renováveis	Piratininga	Plan 1	Plan 2	Plano Único	CEEEPREV BD
Fixed rate	83.9%	79.3%	81.4%	80.5%	76.2%	75.7%
Variable income investments	13.1%	1.7%	6.0%	6.0%	10.0%	9.3%
Structured investments	1.4%	0.8%	0.8%	0.9%	1.1%	0.9%
Loans and Financing	1.4%	1%	1.8%	2.6%	2.7%	3.4%
Structured investments	0.2%	15.0%	10.0%	10.0%	10.0%	10.7%
Investments abroad	0.0%	2.3%	0%	0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The allocation target for 2025 was based on the recommendations for allocation of assets made at the end of 2024 by VIVEST and Fundação Família Previdência, in their Investment Policy. This target may change at any time during 2025, in light of changes in the macroeconomic situation or in the return on assets, among other factors.

The asset management aims at maximizing the return on investments, but always seeking to minimize the risks of actuarial deficit. Accordingly, investments are always made considering the liability that they must honor. The two main studies for the foundations to achieve the investment management objectives are the Asset Liability Management – ALM and the Technical Study of Compliance and Appropriateness of the Real Interest Rate, both conducted at least once a year, taking into consideration the projected flow of benefit payments (liability flow) of the pension plans managed by the Foundations.

The ALM study is used as a base to define the strategic allocation of assets, which comprises the target participations in the asset classes of interest, from the identification of efficient combinations of assets, considering the existence of liabilities and the need for return, immunization and liquidity of each plan, considering projections of risk and return. The simulations generated by the ALM studies assist in the definition of the minimum and maximum limits of allocation in the different asset classes, defined in the plans' Investment Policy, which is also used as a risk-control mechanism.

The Technical Study of Compliance and Appropriateness of the Real Interest Rate aims at proving the appropriateness and compliance of the annual real interest rate to be adopted in the actuarial valuation of the plans and the projected annual real rate of return of the investments, considering their projected flows of revenues and expenses.

These studies are used as a base to determine the assumptions of estimated real return of the pension plans' investments for short-term and long-term horizons and assist in the analysis of their liquidity, since they consider the flow of benefit payments against the assets considered liquid. The main assumptions considered in the studies are, in addition to the liability flow projections, the macroeconomic and asset price projections, through which estimates of the expected short-term and long-term profitability are obtained, taking into account the current portfolios of the benefit plans.

20.7 Sensitivity analysis

The significant actuarial assumptions for determining the defined benefit obligation are discount rate and mortality. The following sensitivity analyses were based on reasonably possible changes in the assumptions at the end of the reporting period, with the other assumptions remaining constant.

In the presentation of the sensitivity analysis, the present value of the defined benefit obligation was calculated using the projected unit credit method at the end of the reporting period, the same method used to calculate the defined benefit obligation recognized in the statement of income, according to CPC 33 / IAS 19.

See below the effects on the defined benefit obligation if the discount rate were 0.25 percentage points lower (higher) and if general biometric mortality table were to be softened (aggravated) in one year:

	Gain (loss)	CPFL Paulista	CPFL Piratininga	CPFL Renováveis	RGE		CPFL Transmissão***		Total
					Plan 1	Plan 2	Plano Único	CEEEPREV BD	
Nominal discount (*)	-0,25 p.p.	92,488	25,090	2,207	7,832	10,376	20,095	39,396	197,484
	+0,25 p.p.	(89,519)	(24,204)	(2,130)	(7,552)	(10,004)	(19,482)	(38,055)	(190,946)
General biometric mortality table (**)	+1 year	(119,761)	(23,848)	(2,525)	(6,665)	(10,374)	(32,141)	(40,972)	(236,286)
	-1 year	117,698	23,178	2,479	6,433	10,067	31,666	39,758	231,279

* The Company's assumption based on the actuarial report for the nominal discount rate was 11.82%. Projected rates are eased or increased by 0.25 p.p., to 11.57% p.a. and 12.07% p.a.

** The assumption used in the actuarial report for the mortality table was AT-2000(-10) for VIVEST plans and BREMS sb v.2015 suav. 10% MF (RGE) and AT 2000 MF (RGE Sul), BREMS sb v.2015 (CEEEPREV) and AT-2000 MF (Plano Único), for Fundação Família Plans. The projections were made with a 1-year aggravation or smoothing in the respective mortality tables.

*** Not including estimates for the CTP plan.

20.8 Investment risk

The major part of the resources of the Group's benefit plans is invested in the fixed income segment and, within this segment, the greater part of the funds is invested in federal government bonds, indexed to the IGP-M, IPCA and SELIC, which are the index for adjustment of the actuarial liabilities of the Group's plans (defined benefit plans), representing the matching between assets and liabilities. In the first quarter, the regulatory body, Previc, approved the change of the index that readjusts the benefits of the plans from IGP-DI to IPCA, which allows for better conditions for the balance between assets (investments) and liabilities (payment of benefits).

At Família Previdência, the Group's benefit plans are managed by the Investment Management, Investment Advisory Committee, Executive Board and Deliberative Council, in addition to oversight bodies, such as the Fiscal Council and external and internal audits. Among the tasks of the aforementioned Committee is the analysis and approval of investment policies, the plan for applying the plans' assets and the plans' pension management. Investment results are monitored by the Investment and Asset Management and periodically presented to the Investment Committee, the Management Committee and the Deliberative Council.

In the Família Previdência, the management of the Group's benefit plans is monitored by the Investment Management, Investment Advisory Committee, Executive Board and Deliberative Council, in addition to supervisory bodies such as the Fiscal Council and external and internal audits. Among the tasks of the Investment Advisory Committee, there is the analysis, maintenance, disapproval and approval of investment recommendations made by the investment managers of Fundação Família Previdência, which occurs at least monthly. The Fundação Família Previdência carried out the following movements throughout 2024: a) acquisition of government bonds on the curve; and b) reduction in the exposure of the Variable Income Segment. At VIVEST, the "appetite" for investment risks is formalized in the Corporate Risk Management Policy, approved by the Entity's Deliberative Council, and this "appetite" for investment risks is deployed to the investment areas in the form of "tolerances" for investment risks, which are risk limits approved by the Executive Board and controlled by the GRC Executive Management, an area that reports directly to Vivest's Chief Executive Officer.

VIVEST and Fundação Família Previdência uses the following tools to control market risks in the fixed income and variable income segments: VaR, Tracking Risk, Tracking Error and Stress Test:

Fundação Família Previdência also uses Sharpe, Generalized Sharpe and Drawn Down Additionally, to assess the market risk exposure of the plan portfolios.

The Investment Policies determine additional restrictions that, along with those already established by law, define the percentages of diversification for investments and establish the strategy of the plans, including the limit of credit risk in assets issued or co-obligation of the same legal entity to be adopted internally. The plan assets do not include any properties occupied or assets used by the Company.

(21) TAXES, FEES AND CONTRIBUTIONS

	Consolidated	
	December 31, 2024	December 31, 2023
Current		
IRPJ (corporate income tax)	327,940	575,356
CSLL (social contribution on net income)	112,964	196,543
Income tax and social contribution	440,904	771,899
ICMS (State VAT)	330,832	516,796
PIS (tax on revenue)	38,492	46,166
COFINS (tax on revenue)	178,628	214,233
Income tax withholding on interest on capital	-	17,291
Other taxes	96,092	87,029
Tax transaction related to litigation - private pension debt	140,454	194,493
Other taxes	784,498	1,076,007
Total current	1,225,402	1,847,906
Noncurrent		
Prepayments of income tax - IRPJ	224,364	249,414
CSLL (social contribution on net income)	20,778	25,562
Income tax and social contribution payable	245,142	274,976
IRPJ/CSLL installment	(1,153,402)	4,397
Tax transaction related to litigation - private pension debt	2,150,192	925,899
Other	989	3,952
Other taxes	997,778	934,248
Total noncurrent	1,242,920	1,209,224

Tax transaction related to legal litigation – IRPJ/CSLL on private pension debt - CPFL Paulista

On December 27, 2022, a tax transaction was entered into between the subsidiary CPFL Paulista and the National Treasury Attorney's Office ("PGFN"), based on Law No. 14,375, of June 21, 2022, regulated by Ordinance PGFN/ME 6,757 of July 29, 2022 and Ordinance PGFN 10,826 of December 22, 2022, regarding related processes to the discussions about deductibility, for IRPJ and CSLL purposes, of the expenses recognized in the year 1997, referring to the novation of the debt related to pension plan of CPFL Paulista employees before the Fundação CESP (currently "Vivest"), in view of the current stage of the discussion and the financial benefits linked to this modality. Management based its decision to enter into the transaction and withdraw from the judicial discussion after considering the current stage of discussion of the process, possible risk of outcome in return for the financial benefits linked to the conclusion of the transaction. Under the terms of said agreement and, in return to the extinction of the lawsuits under the same case, the amount of the tax debt determined in the Transaction, on the base date of November 1, 2022, was R\$ 1,288,174.

The amounts deposited in court by CPFL Paulista in the proceedings of the Tax Executions were used for amortization of tax debt balances, resulting in a total net debt of R\$ 1,022,048 (as of November 1, 2022), which, updated to December 31, 2022, is R\$ 1,025,193.

In May 2023, the Attorney General's Office of the National Treasury "PGFN" consolidated the tax debt determined in the Transaction, in the amount of R\$ 1,055,378. As part of the agreement, this balance must be paid in 60 (sixty) monthly installments, and, from May to December 2023, 8 installments were paid, in the total amount of R\$ 10,824 and the updated balance of the open installments, in December 2023, is R\$ 1,119,942.

In May 2023, the Attorney General's Office of the National Treasury "PGFN" consolidated the tax debt determined in the Transaction, in the amount of R\$ 1,055,378. At the time, the agreement established that the aforementioned balance would be paid in 60 (sixty) installments; however, in 2024, an Amendment was signed, which changed the original condition, increasing the number of installments to 120 (one hundred and twenty) while maintaining all other terms and conditions of the transaction unchanged. The updated balance of the installment plan on December 31, 2024 is R\$ 1,128,035.

In relation to financial guarantees (insurance and bank finance), the amount of which as of December 31, 2024 is R\$1,139,224 (R\$1,716,086 as of December 31, 2023), will be maintained in an amount sufficient to guarantee the Transaction, and there may be a change in the value with prior authorization from the National Treasury, in proportion to the amortization of the subsidy within the scope of the transaction.

Upon conclusion of the Tax Transaction and accounting recognition of the debt, the Company will adopt the appropriate legal measures to comply with the established conditions and to extinguish the related lawsuits, in accordance with the terms of the Transaction.

IRPJ: in noncurrent, this refers to the reclassification of provision for tax risks related to taxes on profit. The largest case amount refers to the Writ of Mandamus filed by the subsidiary CPFL Piratininga, which discusses the possibility of excluding the CSLL from the calculation base of the IRPJ; for such case, it is more probable that the Tax Authorities will not accept the procedure in question.

The Group has some uncertain income tax treatments for which management concluded that it is probable more likely than not that they will be accepted by the tax authority and for which the effects of potential contingencies is disclosed in note 23 – Provision for tax, civil and labor risks and escrow deposits.

(22) PROVISION FOR TAX, CIVIL AND LABOR RISKS AND ESCROW DEPOSITS

	Consolidated			
	December 31, 2024		December 31, 2023	
	Provision for tax, civil and labor risks	Escrow deposits	Provision for tax, civil and labor risks	Escrow deposits
Labor	632,533	243,319	568,319	231,537
Civil	347,977	40,254	392,972	35,875
Tax	387,442	426,426	387,787	519,230
Others	194,028	39,938	164,293	3,092
Total	1,561,980	749,936	1,513,371	789,734

The movements in the provision for tax, civil, labor and other risks are shown below:

	Consolidated				
	At December 31, 2023	Additions	Reversals	Payments	At December 31, 2024
Labor	568,319	157,279	(90,553)	(63,391)	632,533
Civil	392,972	307,988	(117,953)	(287,731)	347,977
Tax	387,787	11,255	(4,114)	(23,625)	387,442
Others	164,293	20,278	(19)	-	194,028
Total	1,513,371	496,800	(212,639)	(374,747)	1,561,980

The provision for tax, civil, labor and other risks was based on the assessment of the risks of losing the lawsuits to which the Group is part, where the likelihood of loss is probable in the opinion of the outside legal counselors and the Management of the Group.

The principal pending issues relating to litigation, lawsuits and tax assessments are summarized below:

- a. **Labor:** The main labor lawsuits relate to claims filed by former employees or labor unions for payment of salary adjustments (overtime, salary parity, severance payments and other claims).
- b. **Civil**

Bodily injury - refer mainly to claims for indemnities relating to accidents in the Company's electrical grids, damage to consumers, vehicle accidents, etc.

Tariff increase - refer to various claims by industrial consumers as a result of tariff increases imposed by DNAEE Administrative Rules 38 and 45, of February 27 and March 4, 1986, when the "Plano Cruzado" economic plan price freeze was in effect.

- c. **Tax** - this refers to lawsuits in progress at the judicial and administrative levels resulting from the subsidiaries' operations, related to tax matters involving IRPJ, CSLL, INSS, FGTS, SAT, PIS and COFINS.
- d. **Others:** The line item of "others" refers mainly to lawsuits involving regulatory matters.

The Company's management, based on the opinion of its external legal advisors, believes that the amounts accrued reflect the current best estimate.

Possible losses

The Group is part to other lawsuits in which Management, supported by its external legal counselors, believes that the chances of a successful outcome are possible due to a solid defensive position in these cases, therefore no provision was recognized. It is not yet possible to predict the outcome of the courts' decisions or any other decisions in similar proceedings considered probable or remote.

The claims relating to possible losses at December 31, 2024 and 2023 were as follows:

	Consolidated		Main causes
	December 31. 2024	December 31. 2023	
Labor	684,129	694,744	Work accidents. risk premium for dangerousness at workplace and overtime
Civil	2,699,688	2,655,320	Compensation claims. electrical damages. overfed tariffs. review of contracts
Tax	3,356,569	3,558,093	and charges for occupation of the right-of-way.
Tax - Others	3,246,062	2,979,793	Income tax and social contribution
Regulatory	195,648	173,440	INSS. ICMS. FINSOCIAL. PIS and COFINS
Total	10,182,096	10,061,390	Technical. commercial and economic-financial supervisions

In addition to the lawsuits contemplated in the table above, the Group is involved in legal disputes, classified as at possible risk of loss, related to: (i) legal disputes between Fundação Família Previdência and PREVIC and the subsidiary CPFL Transmission, involving the non-parity contributions of the CEEE Prev Plan (note 20.1) in the amount of R\$ 544,353 and (ii) common lawsuit filed by ABRAGEL (to which the subsidiaries of CPFL Renováveis are associated), against the Federal Government, against the extraordinary review of the physical guarantee suspended by force of MME Ordinance No. 267/2015 (note 17) in the amount of R\$ 344,900. In the event of any unfavorable decisions in these lawsuits, the expected impacts on the Company's subsidiaries will occur, in the current scenarios, through non-parity contributions to the CEEE Prev Plan and through adjustments in the amounts settled within the scope of CEEE, respectively.

Civil

In 2014, the subsidiaries CPFL Bio Pedra, CPFL Bio Buriti and CPFL Renováveis received a request for arbitration from Grupo Pedra, requesting compensation arising from alleged non-compliance with obligations under the consortium constitution agreement, entered into between the parties.

In March 2023, a final arbitral award was issued, unfavorable to the subsidiaries, which ordered them to pay the compensation requested by Grupo Pedra. In June 2023, the subsidiaries filed an action for annulment of the final arbitral award, to contest the amount of the indemnity, set at R\$ 456 million (updated until May 2023). In November 2023, a judgment was issued that upheld the action to annul the arbitration award, in favor of the subsidiaries. Grupo Pedra filed an appeal.

In September 2024, the parties requested the suspension of the proceedings due to negotiations initiated by the parties to end the dispute, which was granted by the Judiciary. The subsidiaries and Grupo Pedra entered into an agreement to end to the dispute, which provides for, among other obligations, the early termination of the Usina da Pedra Consortiums.

In November 2024, ANEEL authorized the transfer of the concessions of the Bio Pedra, Bio Buriti and Bio Ipê thermoelectric plants, held, respectively, by CPFL Bio Pedra, CPFL Bio Buriti and CPFL Bio Ipê, to Grupo Pedra. In December 2024, all conditions precedent of the agreement were fulfilled, extinguishing all existing contractual relationships between the parties. The litigation between the parties was extinguished by the

Judiciary in January 2025. The economic impact for the Group was the recording of a net expense in the amount of R\$ 199 million in the 2024 fiscal year.

Tax

(i) Withholding Income Tax (IRRF): In August 2016, the subsidiary CPFL Renováveis received a tax infringement notice relating to the collection of Withholding Income Tax - IRRF on the remuneration of capital gain incurred with parties resident and/or domiciled abroad, arising from the sale of Jantus SL in December 2011, for which the Company's management, supported by the opinion of its outside legal counselors, assessing the chances of loss as possible loss; In June 2023, there was a partially favorable decision, culminating in a 53% reduction in the infraction notice, which represents the updated amount of R\$ 206,449

(ii) Corporate Income Tax and Social Contribution on Net Profit (IRPJ and CSLL): In 2016 the subsidiary CPFL Geração received a tax infringement notice in the inflation adjusted amount of R\$ 470,355 related to the collection of IRPJ and CSLL for the calendar year 2011, calculated on the alleged capital gain identified on the acquisition of ERSA Energias Renováveis S.A. and on the recording of differences in the fair value remeasurement of SMITA Empreendimentos e Participações S.A., company acquired in a downstream merger, for which the Company's management, supported by the opinion of its outside legal counselors, assessing the chances of loss as possible. In November 2024, CARF granted the Company's Voluntary Appeal, however, the decision is not yet final and the National Treasury may appeal. As of September 2020, as a result of the integration of CPFL Renováveis, the processes migrated to CPFL Renováveis.

(iii) Corporate Income Tax and Social Contribution on Net Profit (IRPJ and CSLL): In 2012, RGE received the Tax Foreclosure filed by the Federal Government for the collection of IRPJ and CSLL for the years 1999 to 2003, related to the amortization of the goodwill recorded in the acquisition of RGE by DOC3, in the updated amount of R\$ 702,646 In March 2024, the TRF4 ruled on the appeals filed by the Company and by the Federal Government, adopting an understanding unfavorable to RGE. The case is still awaiting judgment on the Motion for Clarification filed by RGE before the TRF4, to correct a material error. The Company's Management, supported by its external legal advisors, classified the risk of loss of the case as possible. The next step is to file appeals to the higher courts (STJ and STF).

22.2 Lawsuits challenging Technical Notes No. 23/2003-SEM/ANEEL and 81/2003-SFF/ANEEL

In 2004, the subsidiary CPFL Brasil filed lawsuits seeking to annul the effects of the retroactive application of the criteria established in Technical Notes No. 23/2003-SEM/ANEEL and 81/2003-SFF/ANEEL and of the other acts, demanding that the prices of the electricity trading contracts previously signed would remain governed by the Resolutions of the National Electric Energy Agency ("ANEEL"), which govern the so-called "normative value" at the time of the execution of the contracts.

The lawsuits filed by CPFL Brasil seek to remove the intervention promoted by ANEEL in the Electricity Purchase and Sale Agreement signed by CPFL Brasil, in which intervention ANEEL denied the approval of the marketing Agreement and demanded the reduction of the contracted price as provided by the terms of Technical Notes No. 23/2003-SEM/ANEEL and 81/2003-SFF/ANEEL.

On July 2, 2024, a sentence in one of CPFL Brasil's lawsuits, with a favorable decision for the subsidiary, became final.

With the final and unappealable decision, in August 2024, the execution of the sentence promoted before the first instance began. The deadline for CPFL to present in Court the information necessary for the continuation of the execution is ongoing. These data may be contested by ANEEL and, subsequently, submitted to the scrutiny of the Judiciary. On the date of this accounting information, there are still no defined values in the process, and their consolidated estimate is not yet feasible.

(23) OTHER PAYABLES

	Consolidated			
	Current		Noncurrent	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Regulatory liabilities	100,722	170,138	-	-
Estimated pay roll	221,712	198,994	-	-
Use of public asset	23,253	24,124	175,914	171,351
Consumers and concessionaires	713,351	478,793	80,994	76,025
Bonus Itaipu	181,864	-	-	-
Energy efficiency program - PEE	226,708	305,168	12,077	10,950
Research & Development - P&D	130,763	226,067	78,953	63,806
EPE / FNDCT / PROCEL (*)	45,149	68,703	-	-
Reversion fund	1,712	1,712	4,057	5,769
Advances	720,228	614,909	151,190	148,380
Tariff discounts - CDE	7,362	18,388	-	-
Payroll	36,144	35,123	-	-
Profit sharing	145,226	142,505	55,327	56,779
Collection agreements	146,083	126,542	-	-
Business acquisition	12,210	11,858	-	-
Others	271,752	186,315	270,480	381,031
Total	2,984,242	2,609,339	828,992	914,090

(*) EPE - Energy Research Company; FNDCT- National Fund for Scientific and Technological Development; PROCEL - National Electricity Conservation Program

Consumers and concessionaires: refer to liabilities with consumers in connection with overpayments and adjustments of billing to be offset or returned.

Itaipu Bonus: refers to the amount received from the Companhia Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A. (ENBPar) as a result of the annual surplus balance of the Electric Energy Trading Account of the Itaipu hydroelectric plant (Itaipu Account) for the year 2023, which will be passed on to consumers in the residential and rural classes who had at least one month of consumption of less than 350 kWh in the same year that there was a surplus in the Itaipu Account, through the application of the Bonus Tariff defined by ANEEL's Superintendence of Tariff Management and Economic Regulation (STR) In 2024, the "Itaipu Bonus" was approved, received by the distribution subsidiaries and will be passed on to eligible consumers in the invoices that will be issued as of January 2025.

Advances: refer mainly to advances from customers in relation to advance billing by the subsidiary CPFL Renováveis, before the energy or service has actually been provided or delivered.

PEE and R&D: the distribution subsidiaries recognized liabilities related to amounts already billed in tariffs (1% of net operating revenue), but not yet invested in PEE and R&D programs. Such amounts are subject to monthly monetary restatement, based on the SELIC rate, until their effective realization. Additionally, Law No. 14,120 on March 1, 2021 and ANEEL Dispatch No. 904 of March 30, 2021, establish that between September 1, 2020 and December 31, 2025, up to 30% of the amounts provided for the Programs R&D and PEE, not committed to projects contracted or started by August 31, 2020, should be allocated to the CDE in favor of low tariffs. The collections to CDE are made on the 10th of each month, and the first payment was made in April 2021.

Profit sharing: mainly comprised by:

(i) in accordance with a collective labor agreement, the Group introduced an employee profit-sharing program, based on the achievement of operating and financial targets previously established;

(ii) Long-Term Incentive Program: refers to the Long-Term Incentive Plan for the Group's Executives, approved by the Board of Directors, which consists in an incentive in financial resources based on salary multiples and that are driven by the Group's results and average performance in the three fiscal years after each concession.

Collection agreements: refer to agreements signed with city halls and companies for collection through the electric energy bill and subsequent transfer of amounts referring to the contribution of public lighting, newspapers, medical assistance, home insurance, among others.

Lease liabilities are presented under the line Others (Note 3.16).

(24) EQUITY

The shareholders' interest in the Company's equity at December 31, 2024 and 2023 is shown below:

Shareholders	Number of shares			
	December 31, 2024		December 31, 2023	
	Common shares	Interest %	Common shares	Interest %
State Grid Brazil Power Participações S.A.	730,435,698	63.39%	730,435,698	63.39%
ESC Energia S.A.	234,086,204	20.32%	234,086,204	20.32%
Members of the Board of Directors	-	0.00%	23,600	0.00%
Members of the Executive Board	500	0.00%	500	0.00%
Other shareholders	187,732,038	16.29%	187,708,438	16.29%
Total	1,152,254,440	100.00%	1,152,254,440	100.00%

24.1 Capital management

The Groups's policy is to maintain a solid capital base in order to keep the trust of the investor, the creditors and the market and to ensure the business sustainability. Management monitors the return on capital and the strategy of rising dividends from the subsidiaries to the Company and from the Company to the controlling shareholders.

The Group manages the leverage ratio analyzing the advantages and the security provided by an improved equity capital position. The Company monitors capital using the gearing ratio calculated by net debt to EBITDA.

In 2024, the consolidated capital structure and leverage ratio of CPFL Energia remained at adequate levels. The Group's net debt reached 2.07 times the EBITDA at the end of 2024 (1.87 times at December 31, 2023) under the criterion for measuring the Group's financial covenants, higher than in the prior year. The Group's policy is to keep such ratio below 3.75, since most of its agreements use this measurement. Historically, the Company has not acquired its own shares in the market.

24.2 Capital reserve

It basically refers to (i) registration of transactions involving the subsidiary CPFL Renováveis in business combinations and public offering of shares from 2011 to 2014 (R\$ 467,927); (ii) reduction due to the acquisition of a stake in CPFL Renováveis, previously by the parent company, State Grid, in 2019 (R\$ 2,034,920); (iii) increase due to the acquisition of an additional stake by the subsidiary CPFL Cone Sul, in CPFL Transmissão, in 2022 (R\$ 250,347) and (iv) reduction due to other changes in stakes without change in control (R\$ 78,311).

In accordance with ICPC 09 (R2) and IFRS 10 / CPC 36, these effects were recognized as transactions between shareholders, directly in Equity.

24.3 Earnings reserve

The profit reserve balance on December 31, 2024 was R\$ 11,985,281, comprising: (i) legal reserve of 1,877,614, (ii) unrealized profit reserve of R\$ 3,075.193 and (iii) working capital reinforcement reserve R\$ 7,033,014.

24.4 Accumulated comprehensive income

Accumulated comprehensive income is comprised of:

(i) Deemed cost: Refers to the recognition of the fair value adjustment of the deemed cost of the generating plants' property, plant and equipment, of R\$ 235,452;

(ii) Private pension plan: the debt balance of R\$ 1,338,073 (net of IRPJ and CSLL) refers to the effects recognized directly in comprehensive income, in accordance with IAS 19 / CPC 33 (R2); and

(iii) Effects of the credit risk in the fair value measurement of financial liabilities, net of income taxes, in accordance with IFRS 9 / CPC 48 (credit amount of R\$ 259).

24.5 Dividends

The Ordinary and Extraordinary General Meeting of April 26, 2024 approved the proposed additional declaration of dividends of R\$ 2,735,872 for the year 2023.

The Company is proposing, for the year 2024, the amount of R\$ 1,364,413 of mandatory minimum dividend, and R\$ 1,855,190 of proposed additional dividend.

In 2024, the Company paid R\$ 3,163,683 in dividends.

24.6 Allocation profit for the year

The Company's bylaws establish the payment of minimum dividend of 25% of the profit for the year, adjusted as required by law, to the holders of its shares.

The proposal for allocation of profit for the year is shown in the table below:

	2024
Net income for the year - parent company	5,457,652
	3,234
Realization of comprehensive income	12,050
Time-barred dividends	16,928
Net income considered for allocation	5,489,864
Legal reserve	-
Profit reserve - unrealized profit	(874,241)
Profit reserve - Working capital reinforcement	(1,396,020)
Mandatory minimum dividends	(1,364,413)
Proposed additional dividends	(1,855,190)

Considering the Group's high Capex plan for the coming years, especially for distributors, the Group's Management is proposing the allocation of R\$ 1,396,020 to the statutory reserve - reinforcement of working capital. In addition, part of the profit for the year was allocated to the Reserve for Unrealized Profits, in the amount of R\$ 874,241, referring mainly to the monetary restatement of the Financial Assets of the Distributors Concession. The remaining amount of R\$ 1,855,190 was proposed as an additional dividend, which added to the mandatory minimum dividend summarized R\$ 3,219,603.

(25) EARNINGS PER SHARE

Earnings per share – basic and diluted

The calculation of the basic and diluted earnings per share as at December 31, 2024 and 2023 was based on the profit for the year attributable to controlling shareholders and the weighted average number of common shares outstanding during the reporting years:

	2024	2023
Numerator		
Profit attributable to controlling shareholders	5,457,652	5,527,101
Denominator		
Weighted average number of shares held by shareholde	1,152,254,440	1,152,254,440
Earnings per share	4.74	4.80

(26) NET OPERATING REVENUE

	Consolidated					
	Number of consumers		GWh		R\$ thousand	
	2024	2023	2024	2023	2024	2023
Revenue from Electric Energy Operations						
Consumer class						
Residential	9,666,619	9,487,461	23,304	21,980	20,468,525	18,193,735
Industrial	52,665	54,550	5,836	6,849	3,028,932	3,652,842
Commercial	551,850	543,944	8,240	8,599	6,526,859	6,429,795
Rural	316,434	323,402	2,628	2,601	1,884,687	1,735,262
Public administration	70,579	67,973	1,519	1,409	1,279,212	1,129,648
Public lighting	11,397	10,905	1,878	1,944	970,341	946,804
Public services	11,923	11,594	1,785	1,869	1,287,727	1,273,541
Billed	10,681,467	10,499,829	45,191	45,250	35,446,282	33,361,626
Own consumption	-	-	37	36	-	-
Unbilled (net)	-	-	-	-	(549,732)	325,733
(-) Reclassification to Network Usage Charge - TUSD - Captive Consumers	-	-	-	-	(18,219,331)	(17,413,175)
Electricity sales to final consumers	10,681,467	10,499,829	45,229	45,287	16,677,219	16,274,184
Other concessionaires and licensees			26,784	17,908	5,869,448	5,233,055
(-) Reclassification to Network Usage Charge - TUSD - Captive Consumers			-	-	(181,233)	(198,767)
Spot market energy			5,959	7,436	749,845	541,100
Electricity sales to wholesalers			32,742	25,344	6,438,060	5,575,388
Revenue due to Network Usage Charge - TUSD - Captive Consumers					18,400,564	17,611,942
Revenue due to Network Usage Charge - TUSD - Free Consumers					7,048,418	6,279,340
(-) Compensation paid for failure to comply with the limits of continuity					(123,300)	(117,650)
Revenue from construction of concession infrastructure					5,595,365	4,670,893
Sector financial asset and liability (Note 9)					1,551,014	1,524,723
Concession financial asset - fair value adjustment (Note 11)					1,007,941	1,005,362
Energy development account - CDE - Low-income, Tariff discounts					2,394,318	2,029,907
Other revenues and income					2,095,285	1,868,089
Other operating revenues					37,969,605	34,872,606
Total gross operating revenue					61,084,883	56,722,177
Deductions from operating revenues						
ICMS					(7,150,339)	(5,992,312)
PIS					(758,950)	(722,980)
COFINS					(3,496,690)	(3,339,845)
ISS					(40,055)	(32,436)
Global reversal reserve - RGR					(618)	(265)
Energy development account - CDE					(5,942,641)	(5,838,850)
Research and development and energy efficiency programs					(311,145)	(300,808)
PROINFRA					(340,949)	(353,258)
Tariff flags and others					(41,112)	(4,778)
Financial compensation for the use of water resources - CFURH					(44,929)	(41,282)
Other					(329,244)	(352,173)
					(18,456,673)	(16,978,987)
Net operating revenue					42,628,210	39,743,190

Other revenues and income: This line contains revenue from the Transmission segment arising from the operation and maintenance and remuneration of the contractual asset of R\$ 944,218 (R\$ 1,333,424 in 2023).

Revenue from construction of concession infrastructure: Refers to revenue from construction of concessions in the Distribution segment of R\$ 4,557,189 (R\$ 3,791,031 in 2023) and Transmission segment of R\$ 1,038,184 (R\$ 879,862 in 2023) .

26.1 Adjustment of revenues from excess demand and excess reactive power

As provided for in Sub-module 2.7 of the Tariff Regulation Procedures – PRORET, approved through Normative Resolution No. 463/2011, since the 4th cycle of period tariff review of the distribution subsidiaries, the revenues earned from excess demand and excess reactive power have been recorded as a sector liability since May 2015. The recorded amounts will be amortized as from the 5th cycle, (already in effect for subsidiary CPFL Piratininga) when they will be deducted from Portion B (portion of manageable costs of the tariffs), except for subsidiary CPFL Santa Cruz, whose amortization started in the Annual Tariff Review – RTA of March 2017 due to the renewal of its concession in 2015.

26.2 Periodic tariff review (“RTP”) and Annual tariff adjustment (“RTA”)

Distributor	Month	2024		2023	
		RTA / RTP	Effect perceived by consumers (a)	RTA / RTP	Effect perceived by consumers (a)
CPFL Paulista	April	3.91%	1.46%	3.36%	4.89%
CPFL Piratininga	October	1.33%	3.03%	-0.73%	-4.37%
RGE	June 2023	0.00%	0.00%	1.67%	1.10%
	August 2024				
CPFL Santa Cruz	March	7.02%	5.63%	5.65%	9.02%

(a) Represents the average effect perceived by the consumer, as a result of the elimination from the tariff

base of financial components that had been added in the prior tariff adjustment.

On June 18, 2024, ANEEL extended, at the request of RGE, the validity of the Company's Energy Tariffs (TE) and Tariffs for the Use of the Distribution System (TUSD), defined on the June 2023 Tariff Review, for the period from June 19 to August 18, 2024, pursuant to Ratifying Resolution ("REH") No 3.335. This extension was necessary for RGE to seek an alternative to mitigate the tariff impact on consumers this year.

On July 23, 2024, ANEEL approved, at the request of RGE and Abradee, an exceptional calculation for the restoration of the effects of any tariff extensions and deferrals applicable to distributors affected by extreme weather events in the State of Rio Grande do Sul, discussed within the scope of Public Consultation No. 15/2024 and embodied in Order No. 2.133/2024, enabling RGE to seek a feasible alternative to mitigate the tariff impact on its consumers.

On August 13, 2024, ANEEL published REH No. 3,372, relating to the RTA, with a total average effect to be perceived by consumers of 0.0%.

26.3 Energy Development Account (CDE) – Low income, other tariff subsidies and tariff discounts - injunctions

Law 12,783 of January 11, 2013 determined that the amounts related to the low-income subsidy, as well as other tariff discounts shall be fully subsidized by amount from the CDE.

Income of R\$ 2,394,318 was recognized in 2024 (R\$ 2,029,907 in 2023), these items were recognized against other assets in the line item Receivables – CDE (note 12) and other payables in line item Tariff discounts – CDE (note 23).

26.4 Energy development account ("CDE")

ANEEL, through REH No. 3,305, of November 14, 2023, established the provisional monthly quotas of the CDE-USO.

REH No. 3,426, of Tuesday, December 10, 2024, established the definitive CDE-USO quotas of 2024, and the CDE-GD quotas, created by Law No. 14,300 of 2022, whose amounts were paid as of the month following the 2024 tariff process.

The CDE Conta-Covid was created by REN No. 885, of June 23, 2020, with the quotas approved by Order No. 181, of January 26, 2021, with rectification by means of Order No. 939, of April 5, 2021. Order No. 689 of March 6, 2024, approved the revised amounts of the monthly quotas of the CDE Conta-Covid.

The CDE Water Scarcity, created by REN No. 1,008 of March 15, 2022, whose quotas were approved by Order No. 510 of January 24, 2023, with the amounts being paid as of the month following the 2023 tariff process.

Provisional Measure No. 1,212/2024 and Interministerial Ordinance MME/MF No. 1/2024 regulated the early settlement of CDE Conta-Covid and CDE Water Scarcity, using the resources from CDE Eletrobrás. Payments for these accounts were terminated in September 2024.

(27) COST OF ELECTRIC ENERGY

	Consolidated			
	GWh		R\$ thousand	
	2024	2023	2024	2023
<u>Electricity Purchased for Resale</u>				
Itaipu Binacional	9,852	9,885	2,260,094	2,133,963
PROINFA	906	937	366,612	420,363
Energy purchased through auction in the regulated market, bilateral contracts and spot market	60,105	57,117	13,114,532	11,252,096
PIS and COFINS credit	-	-	(1,373,557)	(1,223,021)
Subtotal	70,863	67,938	14,367,680	12,583,399
<u>Electricity network usage charge</u>				
Basic network charges			4,079,259	3,888,958
Transmission from Itaipu			362,487	363,184
Connection charges			116,628	108,045
Charges for use of the distribution system			41,550	85,080
System service charges - ESS net of CONER pass through (*)			172,972	164,719
Reserve energy charges - EER			926,156	1,026,085
PIS and COFINS credit			(547,265)	(550,652)
Subtotal			5,151,788	5,085,419
Total			19,519,468	17,668,819
(*) Energy reserve account				

(28) OTHER OPERATING COSTS AND EXPENSES

	Consolidated											
	Cost of operation		Cost of Services Rendered to Third Parties		Operating Expenses							
					General and administrative expenses				Other operating expenses			
					Selling expenses							
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
Personnel	1,516,009	1,452,219	-	-	246,096	211,789	498,586	495,503	-	-	2,260,691	2,159,511
Private Pension Plans	127,863	163,307	-	-	-	-	-	-	-	-	127,863	163,307
Materials	463,711	342,821	2,530	2,185	29,042	30,655	21,140	20,111	-	-	516,423	395,772
Third party services	316,342	233,843	3,572	3,158	204,990	207,681	543,150	546,299	-	-	1,068,054	990,981
Costs of infrastructure construction	-	-	5,161,968	4,370,793	-	-	-	-	-	-	5,161,968	4,370,793
Provision of impairment (note 14)	-	-	-	-	-	-	-	-	(56,022)	334,193	(56,022)	334,193
	-	-	-	-	-	-	-	-	(102,638)	49,607	(102,638)	49,607
Others	130,369	142,951	64	35	73,644	76,898	383,139	431,448	331,489	170,888	918,705	822,221
Collection fees	-	-	-	-	73,386	76,758	-	-	-	-	73,386	76,758
Leases and rentals	89,574	89,001	-	-	(537)	(1,086)	(22,304)	(13,835)	-	-	66,733	74,080
Publicity and advertising	20	-	-	-	141	-	33,277	32,112	-	-	33,438	32,112
Legal, judicial and indemnities	-	-	-	-	50	731	369,734	402,866	-	-	369,784	403,397
Gain (loss) on disposal, retirement and other noncurrent assets	-	-	-	-	-	-	-	-	341,593	163,736	341,593	163,736
Others	40,773	53,951	64	35	604	495	134	10,505	(10,104)	7,152	31,473	72,138
Total	2,554,294	2,335,142	5,168,134	4,376,171	553,772	527,024	1,446,015	1,493,361	172,829	554,686	9,895,044	9,286,385

(29) FINANCE INCOME (COSTS)

	Consolidated	
	2024	2023
<u>Financial income</u>		
Income from financial investments	482,395	672,161
Late payment interest and fines	353,567	321,666
Adjustment for inflation of tax credits	582,157	616,885
Adjustment for inflation of escrow deposits	43,166	50,933
Adjustment for inflation and exchange rate changes	61,842	104,416
Discount on purchase of ICMS credit	36,803	51,372
Adjustments to the sector financial asset (note 9)	62,258	138,235
PIS and COFINS on other financial income	(36,980)	(45,341)
Other	16,659	25,006
Total	1,601,868	1,935,333
<u>Financial expenses</u>		
Interest on debts	(2,148,498)	(1,848,282)
Adjustment for inflation and exchange rate changes	(1,331,539)	(1,532,358)
(-) Capitalized interest	91,457	38,858
Adjustments to the sector financial liability (note 9)	(144,722)	(71,825)
Intragroup loans (note 31)	(311,573)	(396,460)
Exclusion of ICMS from PIS/COFINS base (note 8)	(272,586)	(494,801)
Other	(225,742)	(187,305)
Total	(4,343,203)	(4,492,173)
Financial income (expenses), net	(2,741,335)	(2,556,840)

Interests were capitalized at an average rate of 7.61% p.a. in 2024 (7.28% in 2023) on qualifying assets, in accordance with CPC 20 (R1) and IAS 23.

In line item of monetary adjustment and exchange rate changes, the expense includes the net effects of gains with derivative instruments of R\$ 1,861.723 at 2024 (losses of R\$ 1,250.634 at 2023) (note 34).

(30) SEGMENT INFORMATION

The segregation of the Group's operating segments is based on the internal financial information and management structure and is made by type of business: electric energy distribution, electric energy generation, electric energy transmission, electric energy commercialization and services rendered activities.

Profit or loss segment include items directly attributable to the segment, as well as those that can be allocated on a reasonable basis, if applicable. Prices charged between segments are determined based on similar market transactions. Note 1 presents the subsidiaries according to their areas of operation and provides further information on each subsidiary and its business line and segment.

The information segregated by segment is presented below, according to the criteria established by the Group's officers:

	Distribution	Generation	Transmission	Commercialization	Services	Subtotal	Other (*)	Elimination	Total
2024									
Net operating revenue	34,211,839	3,307,367	1,762,461	3,051,524	294,289	42,627,480	730	-	42,628,210
(-) Intersegment revenues	12,582	1,712,482	435,592	26,291	959,284	3,146,232	-	(3,146,232)	-
Cost of electric energy	(18,032,696)	(656,299)	-	(3,019,169)	-	(21,708,164)	-	2,188,696	(19,519,468)
Operating costs and expenses	(8,432,017)	(669,431)	(1,072,175)	(71,612)	(974,358)	(11,219,592)	(49,795)	957,535	(10,311,852)
Depreciation and amortization	(1,253,421)	(862,666)	(38,894)	(6,529)	(59,034)	(2,220,545)	(66,141)	-	(2,286,685)
Income from electric energy service	6,506,288	2,831,453	1,086,984	(19,495)	220,181	10,625,411	(115,205)	-	10,510,205
Equity interests in subsidiaries, associates and joint ventures	-	331,056	5,406	-	-	336,462	-	-	336,462
Financial income	1,265,031	215,386	76,023	46,748	19,365	1,622,553	(15,128)	(5,568)	1,601,868
Financial expenses	(3,363,970)	(530,512)	(371,702)	(69,479)	(10,359)	(4,346,021)	(2,739)	5,568	(4,343,203)
Profit (loss) before taxes	4,407,348	2,847,383	796,712	(42,226)	229,187	8,238,404	(133,072)	-	8,105,332
Income tax and social contribution	(1,410,785)	(599,676)	(188,795)	(10,192)	(55,461)	(2,264,910)	(62,430)	-	(2,327,339)
Profit (loss) for the period	2,996,563	2,247,707	607,916	(52,418)	173,726	5,973,494	(195,502)	-	5,777,992
Purchases of contract asset PP&E and intangible assets	4,543,589	410,761	757,586	3,298	78,688	5,793,922	873	-	5,794,795
2023									
Net operating revenue	32,401,575	3,354,500	1,529,940	2,291,390	165,514	39,742,919	271	-	39,743,190
(-) Intersegment revenues	12,174	1,642,824	424,516	18,309	845,944	2,943,768	-	(2,943,768)	-
Cost of electric energy	(17,016,789)	(547,098)	-	(2,202,898)	-	(19,766,785)	-	2,097,966	(17,668,819)
Operating costs and expenses	(7,492,797)	(1,039,463)	(977,502)	(67,386)	(783,406)	(10,360,553)	(49,086)	845,801	(9,563,838)
Depreciation and amortization	(1,171,213)	(896,084)	(57,811)	(5,710)	(50,823)	(2,181,641)	(67,978)	-	(2,249,618)
Income from electric energy service	6,732,950	2,514,680	919,143	33,706	177,229	10,377,708	(116,793)	-	10,260,915
Equity interests in subsidiaries, associates and joint ventures	-	314,909	3,799	-	-	318,708	-	-	318,708
Financial income	1,560,891	220,183	86,219	55,898	23,573	1,946,764	235	(11,666)	1,935,333
Financial expenses	(3,303,374)	(785,467)	(267,309)	(133,777)	(11,659)	(4,501,587)	(2,253)	11,666	(4,492,173)
Profit (loss) before taxes	4,990,467	2,264,304	741,852	(44,173)	189,143	8,141,594	(118,811)	-	8,022,782
Income tax and social contribution	(1,686,038)	(490,782)	(209,414)	(1,593)	(44,851)	(2,432,677)	(52,944)	-	(2,485,621)
Profit (loss) for the period	3,304,429	1,773,523	532,438	(45,765)	144,292	5,708,917	(171,755)	-	5,537,162
Purchases of contract asset PP&E and intangible assets	3,792,884	446,468	734,722	4,837	91,456	5,070,367	2,841	-	5,073,208

(*) Others – refer basically to assets and transactions which are not related to any of the identified segments.

(31) RELATED PARTY TRANSACTIONS

The Company's controlling shareholders are as follows:

- State Grid Brazil Power Participações S.A.

Indirect subsidiary of State Grid Corporation of China, a Chinese state-owned company primarily engaged in developing and operating businesses in the electric energy sector.

- ESC Energia S.A.

Subsidiary of State Grid Brazil Power Participações S.A.

The direct and indirect interests in operating subsidiaries are described in note 1.

Controlling shareholders, subsidiaries, associates, joint ventures and entities under common control and that in some way exercise significant influence over the Company and its subsidiaries and associates were considered as related parties.

The main transactions are listed below:

- Purchase and sale of energy and charges** – refer basically to energy purchased or sold by distribution, commercialization and generation subsidiaries through short or long-term agreements and tariffs for the use of the distribution system (TUSD). Such transactions, when conducted in the free market, are carried out under conditions considered by the Groups as similar to market conditions at the time of the trading, according to internal policies previously established by the Group's management. When conducted in the regulated market, the prices charged are set through mechanisms established by the regulatory authority.
- Intangible assets, property, plant and equipment, materials and service** – refers mainly to rendered services in advisory and management of energy plants, consulting and engineering.

- c) **Other financial operations** – Refer mainly to the issuance of debentures by the subsidiaries CPFL Paulista and RGE, acquired by State Grid Brazil Power Participações S.A. The effective annual rate of these debentures is CDI + 1,20% with maturity in December 2026.

Certain subsidiaries of the Company have retirement supplementation plans with Vivest and Família Previdência, offered to their employees. For additional information, see note 20 Private Pension Plan.

The Group has a “Related Parties Committee”, comprising representatives of two independent members and one officer of the Company, which evaluates the main transactions with related parties.

Management has considered the closeness of relationship with the related party together with other factors to determine the level of detail of the disclosed transactions and believes that significant information regarding transactions with related parties has been adequately disclosed.

The total compensation of key management personnel in 2024, in accordance with CVM Decision 642/2010 and CPC 05(R1), was R\$ 80,597 (R\$ 90,507 in 2023). This amount comprises R\$ 65,017 (R\$ 70,261 in 2023) in respect of short-term benefits and R\$ 1,675 (R\$ 1,572 in 2023) of post-employment benefits, and a recovery of R\$ 13,905 of expenses related to other long-term benefits (R\$ 18,673 in 2023), and refers to the amount registered under the accrual method.

The intercompany loan received balance at the parent company at December 31, 2024 in the amount of R\$ 153,103 refers mainly to the loan raised in the year to the subsidiary CPFL Serviços (R\$ 37,293) and CPFL Renováveis subsidiaries (R\$ 115,810), with maturity until March and December 2025 and subject to interest equivalent to 105.75% of the CDI (R\$ 37,942 at December 31, 2023).

The balance of the intercompany loan payable in the consolidated, in the amount of R\$ 2,485,694 (R\$ 3,140,112 at December 31, 2023), mainly refers to the loan between subsidiary CPFL Renováveis R\$ 2,104,917 (R\$ 2,639,042 at December 31, 2023) and CPFL Brasil R\$ 380,777 (R\$ 501,070 at December 31, 2023) and the parent company State Grid Brazil Power – SGBP, maturing up to June 2028 and bearing interest corresponding to CDI + 1.1% p.a. spread.

Transactions with entities under common control basically refers to transmission system charge paid by the Company's subsidiaries to the direct or indirect subsidiaries of State Grid Corporation of China.

Transactions involving controlling shareholders, entities under common control or significant influence and joint ventures:

	Consolidated							
	ASSETS		LIABILITIES		INCOME		EXPENSES	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Other Financial Operations								
State Grid Brazil Power Participações S.A.	-	-	1,507,938	1,565,111	-	-	177,955	207,140
Energy purchase and sales, and charges								
Entities under common control	-	-	-	25	1,314	308	410,890	411,947
Jointly controlled ventures (CPFL Energia consolidated)	-	-	104,378	94,211	474	601	965,058	957,628
Intangible assets, property, plant and equipment, materials and service rendered								
Entities under common control	15,355	12,567	702	11,639	-	12,618	96,285	9,153
Jointly controlled ventures (CPFL Energia consolidated)	250	98	-	-	6,614	5,518	-	46
Intragroup loans								
State Grid Brazil Power Participações S.A.	-	-	2,485,694	3,140,112	-	-	311,573	396,460
Dividends and interest on capital								
Joint ventures (CPFL Energia consolidated)	19,022	7,502	-	-	-	-	-	-
Others								
Instituto CPFL	-	-	-	-	-	-	5,115	3,913

(32) INSURANCE

The Group maintain insurance policies with coverage based on specialized advice and takes into account the nature and degree of risk. The amounts are considered sufficient to cover any significant losses on assets and/or responsibilities. The main insurance policies are:

<u>Description</u>	<u>Type of coverage</u>	<u>December 31, 2024</u>
Fixed asset	Operation Risks. Loss of Profits. Named Risks.	3,317,404
Transport	Engineering Risks and Multi- Risk National and internacional transport	1,459,231
Civil liability	General. civil works. installation and assembly.eletricity distribution concessionaires or not. environmental risks and resp. professional civilian	299,416
Personnel	Group life and personal accidents	2,179,224
Guarantee	Guarantee insurance	6,257,001
Others	Operational risks and others	150,000
Total		13,662,276

Certain policies for coverage of fixed assets and civil liability are shared between Group companies. The premium is paid proportionately by each company involved in accordance with criteria defined by Management.

(33) RISK MANAGEMENT

The Group's businesses comprise mainly the generation, transmission, commercialization and distribution of electricity. As concessionaire of public services, the activities and/or tariffs of its major subsidiaries are regulated by ANEEL.

Risk management structure

In the Group, risk management is conducted through a structure that involves the business areas, the Audit, Risk, Integrity and DPO (Data Protection Officer) Departments, the Executive Board of CPFL Energia, the Audit Committee and the Board of Directors of CPFL Energia. This management is regulated by the Risk Management Policy, which describes the risk management model as well the main responsibilities of the parties involved and the limits of exposure to the main risks.

CPFL Energia's Board of Directors is responsible for:

- Guiding the conduct of business, observing, among others, the monitoring of business risks exercised through the corporate risk management model adopted by the Company;
- Ensuring that the Executive Board has mechanisms and internal controls to know and assess the Risks;
- To be aware of changes in the Corporate Risk Map;
- To decide on the changes in the risk limit forwarded by the Executive Board of CPFL Energia;
- To decide on the inclusion or exclusion of Risk(s) in the Corporate Risk Map;
- To be aware of exposures and action plans in case of any risk limit exceedance, forwarded by the Executive Board of CPFL Energia.

The Audit Committee is responsible for:

- To evaluate and monitor the Company's risk exposures;
- To advise the Board of Directors of CPFL Energia in the monitoring and quality controlling of the financial statements, internal controls and in risk management.

The Fiscal Council is responsible for, among other things:

- To ensure that the Management has the means to identify the risks to which the CPFL Group is exposed to in the preparation, disclosure and accuracy of the financial statements, as well as to monitor the effectiveness of the control environment.

The Executive Board of CPFL Energia is responsible for:

- To recommend changes in risk limit methodologies to the Board of Directors of CPFL Energia;
- To evaluate the effectiveness of the Risk Management Policy and risk management systems and to report to CPFL Energia's Board of Directors on this assessment;
- To be aware of exposures and action plans in case of possible exceedance of risk limits.

CPFL Energia's Audit, Risk, Compliance and DPO Board is responsible for:

- Coordinate the corporate risk assessment process, developing and keeping updated Corporate Risk Management methodologies;
- To develop and define, together with business managers, indicators for monitoring risks, exposure classification criteria and limit proposals. In addition, upon request, to assess the need for revisions;
- To monitor risk exposures according to their respective update frequency and to monitor the implementation of action plans by business managers;
- To report every six months, at the Executive Board Meeting of CPFL Energia, the Audit Committee and the meeting of the Board of Directors of CPFL Energia, on the exposures of the Corporate Risk Map;
- In case of exceedance of the risk limit:
 - a) To validate the completion of the Risk Limits Exceedance Form, carried out by the person responsible for the risk, and to assess the sufficiency of the information;
 - b) To monitor the presentation of the risk model and the justification to CPFL Energia's Executive Board, Audit Committee and Board of Directors;
 - c) To monitor the status of the action plans indicated for reclassifying the exposures to the approved limits until their completion.

The business areas have the primary responsibility for the management of the risks inherent to its processes, and should conduct them within the exposure limits defined and implementing mitigation plans for the main exposures as well as develop and maintain an proper environment of operational controls to effectiveness and business continuity and its associated business units.

The main market risk factors that affect the businesses are as follows:

Foreign exchange risk: This risk derives from the possibility of the Group incurring losses and cash constraints due to fluctuations in exchange rates, increasing the balances of liabilities denominated in foreign currency. The exposure related to foreign currency loans is covered by swap financial operations. The quantification of these risks is presented in note 34. In addition, the subsidiaries are exposed in their operating activities to fluctuations in exchange rates on purchase of electricity from Itaipu. The compensation mechanism – CVA protects the distribution subsidiaries against any economic losses.

Interest rate risk and inflation indexes: This risk arises due to the possibility of the Group incurring losses due to fluctuations in interest rates and in inflation indexes, which would increase the finance costs related to borrowings and debentures. The quantification of this risk is presented in note 34.

Credit risk: this risk arises from the possibility of the subsidiaries incurring losses resulting from difficulties in collecting amounts billed to customers. This risk is managed by the sales and services segments through norms and guidelines applied in terms of the approval, guarantees required and monitoring of the operations. In the distribution segment, even though it is highly pulverized, the risk is managed through monitoring of defaults, collection measures and cutting off supply. In the generation segment there are contracts under the regulated environment (ACR) and bilateral agreements that call for the posting of guarantees.

Risk of under/overcontracting from distributors: risk inherent to the energy distribution business in the Brazilian market to which the distributors of the CPFL Group and all distributors in the market are exposed. Distributors are prevented from fully passing through the costs of their electric energy purchases in two situations: (i) volume of energy contracted above 105% of the energy demanded by consumers and (ii) level of contracts lower than 100% of such demanded energy. In the first case, the energy contracted above 105% is sold in the CCEE (Electric Energy Trading Chamber) and is not passed through to consumers, that is, in PLD (Spot price used to evaluate the energy traded in the spot market – “Preço de Liquidação de Diferenças”) scenarios lower than the purchase price of these contracts, there is a loss for the concession. In the second case, the distributors are required to purchase energy at the PLD amount at the CCEE and do not have guarantees of full pass-through to the consumer tariffs, there is a penalty for insufficiency of contractual guarantee. These situations may be mitigated if the distributors are entitled to exposures or involuntary surpluses.

Market risk of commercialization companies: This risk arises from the possibility of commercialization companies incurring financial losses due to price variations that will value the surplus and/or deficit positions of energy in their portfolio in the free market, which are marked to market and susceptible to volatility associated with fluctuations in energy prices.

Risk of shortage of hydroelectric energy: The energy sold by the Company is mostly generated by hydro-power plants. Lack of rain for a long period may result in reduction of the water volume in plants' dams, which jeopardizes the recovery of its volume, and may result in losses due to an increase in costs for purchasing energy or in revenue reduction due to the implementation of extensive energy saving programs or the adoption of a new rationing program, as occurred in 2001.

In 2024, unfavorable hydrology was observed, especially in the southeast/midwest region, with the occurrence of occasional extreme events (floods in Rio Grande do Sul and long dry periods in the northern region of the country). However, due to the diversification of the Brazilian energy matrix and the large share of renewable sources, the main reservoirs started 2025 at comfortable levels for electricity generation.

Risk of acceleration of debts: the Group has borrowing agreements and debentures with restrictive covenants normally applicable to these types of transactions. These covenants are monitored and do not restrict the capacity to operate normally, if met at the contractual intervals or if prior agreement is obtained from the creditors for failure to meet the covenants.

Regulatory risk: The electric energy tariffs charged to captive consumers by the distribution subsidiaries are set by ANEEL, at intervals established in the concession agreements entered into with the Federal Government and in accordance with the periodic tariff review methodology established for the tariff cycle. Once the methodology has been ratified, ANEEL establishes tariffs to be charged by the distributor to the final consumers. In accordance with Law 8,987/1995, the tariffs set will ensure the economic and financial equilibrium of the concession agreement at the time of the tariff review, but could result in lower adjustments than expected by the electric energy distributors.

Financial instruments risk management

The Group maintains operating and financial policies and strategies to protect the liquidity, safety and profitability of their assets. Accordingly, control and follow-up procedures are in place as regards the transactions and balances of financial instruments, for the purpose of monitoring the risks and current rates in relation to market conditions. An assessment of this potential impact arising from the volatility of risk factors and their correlations is performed periodically to execute the decision making process and to comply with the risk management strategy, which may incorporate financial instruments, including derivatives.

Portfolios composed of these financial instruments are monitored monthly, allowing the monitoring of financial results and their impact on cash flow.

Risk management controls: In order to manage the risks inherent to the financial instruments and to monitor the procedures established by Management, the Group has a financial adviser contracted to perform and report the calculation of the mark-to-market, stress testing and duration of the instruments, in addition to using the Bloomberg software system to assist in this process, assessing the risks to which the Group is exposed. Historically, the financial instruments contracted by the Group supported by these tools have produced adequate risk mitigation results. It must be stressed that the Company and its subsidiaries routinely contract derivatives, always with the appropriate levels of approval, only in the event of exposure that Management regards as a risk. The Group does not enter into transactions involving speculative derivatives.

(34) FINANCIAL INSTRUMENTS

The main financial instruments, at fair value and/or the carrying amount is significantly different of the respective fair value, classified in accordance with the Group's accounting practices, are:

				Consolidated	
				December 31, 2024	
	Note	Category / Measurement	Level (*)	Carrying amount	Fair value
Assets					
Cash and cash equivalent	5	(a)	Level 1	1,973,401	1,973,401
Securities	6	(a)	Level 1	1,573,654	1,573,654
Derivatives	34	(a)	Level 2	1,109,164	1,109,164
Concession financial asset	11	(a)	Level 3	25,209,768	25,209,768
Sectoral financial asset	9	(a)	Level 2	730,965	730,965
Total				30,596,952	30,596,952
Liabilities					
Borrowings - principal and interest	18	(b)	Level 2 (***)	5,823,368	5,826,156
Borrowings - principal and interest	18	(a)	Level 2	6,454,625	6,454,625
Debentures - Principal and interest	19	(b)	Level 2 (***)	10,651,238	10,673,024
Debentures - Principal and interest (**)	19	(a)	Level 2	5,859,107	5,859,107
Derivatives	34	(a)	Level 2	280,555	280,555
Sectoral financial liabilities	9	(a)	Level 2	1,726,197	1,726,197
Total				30,795,090	30,819,665

(*) Refers to the hierarchy for fair value measurement

(**) As a result of the initial designation of the financial liability, the consolidated balances recorded a gain of R\$ 524.101 in 2024 (loss of R\$ 350.573 in 2023).

(***) Only for disclosure purposes, in accordance with CPC 40 (R1) / IFRS 7

Key

Category / Measurement:

(a) - Measured at amortized cost

(b) - Measured at fair value

The classification of financial instruments at amortized cost or fair value through profit or loss is based on the portfolio business model and in the characteristics of expected cash flow for each instrument.

The financial instruments for which the carrying amounts approximate the fair values, due to their nature, at the end of the reporting year are:

- Financial assets: (i) consumers, concessionaires and licensees, (ii) leases, (iii) receivables – CDE, (iv) pledges, funds and restricted deposits, (v) services rendered to third parties, (vi) collection agreements, (vii) intragroup loans;
- Financial liabilities: (i) suppliers, (ii) regulatory charges, (iii) use of public asset, (iv) consumers and concessionaires, (v) FNDCT/EPE/PROCEL, (vi) collection agreement, (vii) reversal fund, (viii) payables for business combination, (ix) tariff discounts – CDE and (x) intragroup loans.

In addition, in 2024 there were no transfers between the fair value hierarchy levels.

a) Measurement of financial instruments

As mentioned in note 4, the fair value of a security corresponds to its maturity value (redemption value) adjusted to present value by the discount factor (relating to the maturity date of the security) obtained from the market interest curve, in Brazilian reais.

The three levels of the fair value hierarchy are:

Level 1: Quoted prices in an active market for identical instruments;

Level 2: Observable inputs other than quoted prices in an active market that are observable for the asset or liability, directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: Instruments whose relevant factors are not observable market inputs.

Pricing of forward and futures contracts is on the basis of future curves of the underlying assets. These curves are usually provided by the stock exchanges on which these assets are traded, or other market price providers. When price is not available for the intended maturity, it is obtained on the basis of interpolation between available maturities.

As the distribution subsidiaries have classified the respective financial assets of the concession and sector asset and liability of as fair value through profit or loss, the factors relevant to the assessment at fair value are not publicly observable. Therefore, the classification of the fair value hierarchy is level 3.

The Company records in the consolidated, under "Investments in equity instruments", the 5.94% interest that the indirect subsidiary Paulista Lajeado Energia SA holds in the total capital of Investco S.A., of which 28,154,140 shares are common shares and 18,593,070 are preferred shares, not listed on the stock exchange. The main objective of its operations is to generate electricity that will be sold by the respective holders of the concession, the Company records the respective investment at its fair value, in accordance with CPC 48/IFRS 9.

b) Derivatives

The Group adopts a policy of using derivatives with the purpose of hedging (economic hedge) against the risks of fluctuations in exchange rates and interest rates, mostly comprising currency and interest rate swaps. The derivative transactions are entered into with first-tier banks and financial institutions with a local rating of at least AA- or B- global, rated by at least one of the S&P, Moody's or Fitch agencies, and in the case of more than 1, it is considered the lowest rating among them. For the years 2023 and 2022, Management has not identified that the derivative financial assets had a significant impairment using the criterion of expected losses.

The Group adopts the policy of offering financial guarantees for the obligations of its subsidiaries and joint ventures. On December 31, 2024 and December 31, 2023, the Company issued guarantees to certain financial institutions in relation to the lines of credit granted to its subsidiaries, as shown in notes 18 and 19.

The hedging instruments entered into by the Group are currency or interest rate swaps with no leverage component, margin call requirements or daily or periodic adjustments.

As a large part of the derivatives entered into by the subsidiaries have their terms fully aligned with the hedged debts, and in order to obtain more relevant and consistent accounting information through the recognition of income and expenses, these debts were designated for accounting recognition at fair value (notes 18 and 19). Other debts that have terms different from the derivatives contracted as a hedge continue to be recognized at amortized cost. Furthermore, the Group did not adopt hedge accounting for transactions with derivative instruments.

At December 31, 2024, the Group had the following swap transactions, all traded on the over-the-counter market:

Strategy	Fair Value (carrying amounts)			Values at cost. net (1)	Gain (loss) on fair value measurement	Currency/ debt index	Currency/ swap index	Maturity range	Nocional
	Assets	Liabilities	Fair value.net						
Derivatives to hedge debts designated at fair value									
Exchange rate hedge									
Bank Loans - Law 4.131	735,234	-	735,234	827,112	(91,878)	US\$ + (SOFR 3 months + 0,87% to 0,99%) or (1,74% to 5,91%)	106,4% from CDI or CDI + 0,55% to 1,50%	Feb/24 to Sep/26	3,224,331
Bank Loans - Law 4.131	162,682	-	162,682	169,124	(6,442)	Euro + 0,6933% to 4,22%	CDI + 0,83 to 1,10%	Feb/24 to Mar/25	501,324
Bank Loans - Law 4.131	26,967	(100,737)	(73,770)	(36,355)	(37,415)	lenc + (0,925% to 1,20%)	CDI + 0,55% to 1,40%	Feb/24 to Jul/26	1,461,000
	924,884	(100,737)	824,147	959,881	(135,734)				
Hedge variation price index									
Debenture	181,716	(167,294)	14,423	444,266	(429,844)	IPCA + 4,3% to 6,3018%	104,3% to 111,07% do CDI	Aug/24 to Apr/39	5,766,421
BNDES - Pre Fixed	1,059	(12,524)	(11,466)	1,059	(12,524)	BRL from 2,35% to 7,42%	CDI -5,21% to -11,545%	Feb/25 to Aug/29	363,153
	182,775	(179,818)	2,957	445,325	(442,368)				
Subtotal debt hedge	1,107,659	(280,555)	827,104	1,405,206	(578,102)				
Outros derivativos (2)									
NDF	1,505	-	1,505	1,579	(74)	Currency USD	maturity range Mar/25	Nocional USD 2,376	nocional BRL 13,206
Total	1,109,164	(280,555)	828,609	1,406,785	(578,176)				
Current	915,621	(8,178)							
Non-current	193,542	(272,377)							

For further details on terms and information on debts and debentures, see notes 18 and 19

(1) The value at cost are the derivatives amount without the respective fair value measurement, while the notional refers to the balance of the debt and is reduce according to the respective amortization

(2) Due to the characteristics of these derivatives, the notional is presented in US dollars.

Changes in derivatives are stated below:

	Consolidated		
	At December 31.2023	Monetary adjustment and exchange rate and fair value measurement	At December 31.2024
Derivatives			
To debts designated at fair value	82,990	1,861,723	1,406,785
Fair value measurement	39,420	(617,596)	(578,176)
Total	122,410	1,244,127	828,609
Assets - Current	88,315		915,621
Assets - Non-current	590,935		193,542
Liabilities - Current	(61,015)		(8,178)
Liabilities - Non-current	(495,825)		(272,377)

As mentioned above, certain subsidiaries elected to fair value measurement debts for which they have fully debt-related derivatives instruments (note 18 and 19).

The Group has recognized gains and losses on their derivatives. However, as these derivatives are used as a hedging instrument, these gains and losses minimized the impacts of fluctuations in exchange and interest rates on the hedged debts. For years ended at December 31, 2023 and 2022, the derivatives generated the following impacts on the consolidated profit or loss, recognized in the line item of finance costs on monetary adjustment and exchange rate changes and in the consolidated comprehensive income in the credit risk in the fair value measurement, the latter related to debts at fair value:

Hedged risk / transaction	Gain (Loss)		Gain (Loss) in Comprehensive Income	
	2024	2023	2024	2023
Interest rate variation	8,449	(87,565)	-	-
Fair Value Measurement	(661,880)	397,004	1,186	2,263
Exchange variation	777,423	(1,122,531)	-	-
Fair Value Measurement	42,152	116,801	-	3,213
Total	166,143	(696,291)	1,186	5,476

c) Concession financial assets

The distribution concessionaries classified the respective concession financial assets as fair value through profit or loss. The movements and respective gains (losses) in profit or loss for 2024 are R\$ 1,007,941 (R\$ 1,005,362 in 2023) and the main assumptions are described in note 11 and 26.

d) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Group uses derivatives to manage market risks.

e) Sensitivity analysis

The Group performed sensitivity analyses of the main risks to which their financial instruments (including derivatives) are exposed, mainly comprising changes in exchange and interest rates.

When the risk exposure is considered asset, the risk to be taken into account is a reduction in the pegged indexes, due to a consequent negative impact on the Group's profit or loss. Similarly, if the risk exposure is considered liability, the risk is of an increase in the pegged indexes and the consequent negative effect on the profit or loss. The Group therefore quantify the risks in terms of the net exposure of the variables (dollar, euro, reais, CDI, IGP-M, IPCA and TJLP), as shown below:

e.1) Exchange rates variation

Considering that the net exchange rate exposure at December 31, 2024 is maintained, the simulation of the effects by type of financial instrument for three different scenarios would be:

Instruments	Exposure (a) R\$ thousand	Risk	Consolidated		
			Currency depreciation (b)	Income (expense)	
				Currency appreciation of 25%(c)	Currency appreciation of 50%(c)
Financial liability instruments	(4,022,916)		(373,362)	725,707	1,824,777
Derivatives - Plain Vanilla Swap	4,042,448		375,175	(729,231)	(1,833,637)
	19,532	drop in the dolar	1,813	(3,524)	(8,860)
Financial liability instruments	(672,694)		(75,336)	111,672	298,679
Derivatives - Plain Vanilla Swap	673,321		75,406	(111,776)	(298,958)
	627	drop in the euro	70	(104)	(279)
Financial liability instruments	(1,460,942)		(199,860)	215,341	630,541
Derivatives - Plain Vanilla Swap	1,474,599		201,728	(217,354)	(636,435)
	13,657	drop in the yen	1,868	(2,013)	(5,894)
Total	33,816	Effects on the net profit	3,751	(5,641)	(15,033)

- (a) The exchange rate considered in December 31, 2024 was R\$ 6.19 for the dollar, R\$ 6.43 for the euro and R\$ 0.03 for the yen.
 (b) According to exchange rates curves obtained from information available by B3 S.A. Brazil, Stock exchange, counter, with the exchange rate considered being R\$ 6.77, R\$ 7.15 and R\$ 0.04 and the exchange rate depreciation of 9,28%, 11,20% and 13,68% of dollar, euro and yen respectively in December 31, 2023.
 (c) As required by CVM Instruction n. 475/2008, the percentage increases in the applied indices referes to the information available by B3 S.A. – Brazil, Stock exchange, counter.

Due to the net exchange rate exposure of the euro being a assets the risk is decrease in the dollar, euro and iene therefore the exchange rate is depreciated by 25% and 50% in relation to the probable exchange rate.

e.2) Interest rates variation

Assuming that the scenario of net exposure of the financial instruments indexed to floating interest rates at December 31, 2024 is maintained, the net finance cost for the next 12 months for each of the three scenarios defined, would be:

Instruments	Exposure R\$ thousand	Risk	Rate in the period	Likely scenario rate (a)	Consolidated		
					Likely scenario	Income (expense)	
						Raising/Drop index by 25% (b)	Raising/Drop index by 50% (b)
Financial asset instruments	3,414,909				526,237	394,678	263,119
Financial liability instruments	(12,976,005)				(1,999,602)	(1,499,702)	(999,801)
Derivatives - Plain Vanilla Swap	(11,843,922)				(1,825,148)	(1,368,861)	(912,574)
Setorial financial assets and liabilities	(995,231)				(153,365)	(115,024)	(76,683)
	(22,400,249)	CDI/SELIC apprec.	12.15%	15.41%	(3,451,878)	(2,588,909)	(1,725,939)
Financial liability instruments	(199,167)				(14,659)	(10,994)	(7,329)
	(199,167)	IGP-M apprec.	6.54%	7.36%	(14,659)	(10,994)	(7,329)
Financial liability instruments	(288,399)				(22,985)	(17,239)	(11,493)
	(288,399)	TJLP apprec.	7.43%	7.97%	(22,985)	(17,239)	(11,493)
Financial liability instruments	(11,305,193)				(953,028)	(714,771)	(476,514)
Derivatives - Plain Vanilla Swap	6,482,163				546,446	409,835	273,223
Financial instruments - assets	25,261,095				2,129,510	1,597,133	1,064,755
	20,438,065	drop in the	4.83%	8.43%	1,722,928	1,292,197	861,464
Total	(2,449,751)				(1,766,594)	(1,324,945)	(883,297)

Effects on the comprehensive income

Effects on the net profit

(a) The indexes considered in this analysis were obtained from information available in the market.

(b) In compliance with CVM Instruction 475/08, the percentage of raising index are applied to the likely scenario.

21
(1,766,615)

16
(1,324,961)

11
(883,308)

f) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from Consumers, Concessionaires and Licensees and financial instruments. Monthly, the risk is monitored and classified according to the current exposure, considering the limit approved by Management.

Impairment losses on financial assets recognized in profit or loss are presented in note 7.

Receivables and contract assets - Consumers, Concessionaries and Licensees

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, Management also considers the factors that may influence the credit risk of its customer base.

The Group uses a provision matrix to measure the expected credit losses of trade receivables according to the consumer class (Residential, Commercial, Rural, Public Power, Public Lighting, Public Services), other revenues and unbilled revenue, comprising mostly a large number of dispersed balances.

Loss rates are based on actual experience of credit loss verified in recent years. These rates reflect differences between economic conditions during the period over which the historical data have been collected, current conditions and the Group's view of future economic conditions over the expected lives of the receivables. Accordingly, "adjusted revenue" was calculated, reflecting the Group's perception of expected loss. Such "adjusted" revenue was allocated by consumption class (matrix) according to the interval currently used in the allowance guided by the regulatory parameters as follows:

Class	Days	Period
Residential	90	Revenue of 3 months prior to the current month
Commercial and other revenues	180	Revenue of 6 months prior to the current month
Industrial, rural, public power in general	360	Revenue of 12 months prior to the current month
Unbilled	-	Uses revenue of the same month

Therefore, based on the assumptions above, an "adjusted" ratio of the expected credit losses ("ECL") allowance for the month was calculated, which was determined dividing the "Actual ECL" allowance by the "adjusted revenue" for each month. Then, the ECL allowance is estimated monthly, considering the respective moving average for the months of the adjusted monthly ratios and applied to the actual revenue for the current month.

Based on this criterion, the ECL allowance percentage to be applied is changed monthly to the extent that the moving average is calculated. The methodology used by Management includes a percentage that is compliant with the IFRS rule described as expected credit losses, including in a single percentage the probability of loss, weighted by the expected loss and possible outcomes, that is, including probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD").

Macroeconomic factors

After studies developed by the Group to assess which variables present a correlation ratio with the actual amount of expected credit loss allowance, no other ratios or macroeconomic factors that would have material impacts or that had direct correlation with the default level were identified.

Cash, cash equivalents, marketable securities

The Group limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a credit rating of at least AA-.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. Management did not identify for the years 2024 and 2023 that the securities had a significantly change in credit risk.

Derivatives

The Group adopts a policy of using derivatives with the purpose of hedging (economic hedge) against the risks of fluctuations in exchange rates and interest rates, mostly comprising currency and interest rate swaps. Derivatives are contracted with first-tier banks and financial institutions with a rating of at least global AA- or B-, rated by at least one of the agencies, S&P, Moodys or Fitch, and in the case of more than one, it is considered the lowest rating among them (note 34.b). For 2024 and 2023, Management did not identify impairment of these derivative financial assets using the expected loss criterion.

g) Liquidity analysis

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of its financial liabilities. The table below sets out details of the contractual maturities of

the financial liabilities as at December 31, 2024, taking into account principal and future interest, and is based on the undiscounted cash flow, considering the earliest date on which the Group has to settle their respective obligations.

December 31, 2024	Note	Consolidated						Total
		Less than 1 month	1-3 months	3 months to 1 year	1-3 years	4-5 years	More than 5 years	
Trade payables	17	3,675,837	206,769	8,221	20,210	-	234,154	4,145,190
Borrowings - principal and interest	18	249,627	2,874,319	3,390,098	5,695,881	2,292,526	628,996	15,131,447
Derivatives	34	-	-	8,178	169,974	342	102,061	280,555
Debentures - principal and interest	19	5,558	338,284	2,658,638	8,409,117	5,949,239	8,190,542	25,551,378
Other	23	352,728	789,389	70,017	13,653	28,714	218,598	1,473,097
Consumers and concessionaires		251,579	639,609	4,027	-	-	80,994	976,209
EPE / FNDCT / PROCEL (*)		1,511	585	43,053	-	-	-	45,148
Collections agreement		-	146,083	-	-	-	-	146,083
Regulatory charges		99,095	1,627	-	-	-	-	100,722
Use of public asset		400	1,199	21,654	9,596	28,714	137,604	199,167
Reversal fund		143	286	1,283	4,057	-	-	5,768
Total		4,283,750	4,208,761	6,135,152	14,308,835	8,270,821	9,374,351	46,581,667

(35) NON-CASH TRANSACTIONS

	Consolidated	
	31/12/2024	31/12/2023
Interest capitalized	91,457	38,858
Provision (reversal) for socio environmental costs capitalized in property, plant and equipment	15,644	(15,186)

(36) COMMITMENTS

The Group's commitments as regards long-term energy purchase agreements and plant construction projects at December 31, 2024, were as follows:

Commitments at December 31, 2024	Duration	Consolidated				Total
		Less than 1 year	1-3 years	4-5 years	More than 5 years	
Energy purchase agreements (except Itaipu)	up to 21 years	11,674,141	21,512,260	3,972,724	7,846,907	45,006,032
Energy purchase from Itaipu	up to 21 years	2,123,506	3,002,442	223,911	691,458	6,041,317
Electricity network usage charge	up to 36 years	5,724,075	11,302,722	1,795,725	12,305,912	31,128,434
GSF renegotiation	up to 23 years	13,577	27,234	22,283	144,382	207,476
Works and constructions (distribution, transmission and generation segments)	up to 15 years	3,048,314	3,198,218	615,661	169,036	7,031,229
Total		22,583,613	39,042,876	6,630,304	21,157,695	89,414,488

Commitments at December 31, 2024	Duration	Joint Ventures				Total
		Less than 1 year	1-3 years	4-5 years	More than 5 years	
Power plant construction projects	up to 3 years	9,170	2,239	-	-	11,409
Transmission and Distribution Charges	up to 12 years	91,049	133,459	143,109	1,018,597	1,386,215
Renegotiation of Hydrological Risk	up to 12 years	69,597	136,453	69,637	237,610	513,297
Suppliers of materials and services	up to 5 years	8,049	8,756	9,292	-	26,097
Total		177,865	280,907	222,038	1,256,207	1,937,018

(37) EVENTS AFTER THE REPORTING PERIOD

37.1 Borrowings and Financing:

On February 5, 2025, a loan was raised as follows:

Category	Amount released	Interest payment	Principal amortization	Annual rate	Effective rate with derivative	Resource allocation	Restrictive conditions
Foreign currency - Law 4131							
CPFL Paulista	295.000	Semester	Bullet in December 2027	JPY + 1.44%	CDI + 0.64%	Working capital	(a)

(a) Ratios required in CPFL Energia's consolidated financial statements: Net debt divided by EBITDA less than or equal to 3.75 and EBITDA divided by financial result greater than or equal to 2.25.

BOARD OF DIRECTORS

Daobiao Chen

Chairman

Kedi Wang

Zhao Yumeng

Gustavo Estrella

Antonio Kandir

Claudia Elisa Pinho Soares

Liu Yanli

Directors

EXECUTIVE BOARD

GUSTAVO ESTRELLA

Chief Executive Officer (CEO)

KEDI WANG

Chief Financial Officer (CFO) and of Investors Relations Officer

FUTAO HUANG

Executive Vice-President (Interim)

Strategy, Innovation and Business Excellence Vice-President

GUSTAVO PINTO GACHINEIRO

Legal and Institutional Relations Executive Vice President

FLÁVIO HENRIQUE RIBEIRO

Business Management Executive Vice President

LUIS HENRIQUE FERREIRA PINTO

Regulated Operations Executive Vice President

KARIN REGINA LUCHESI

Market Operations Executive Vice President

VITOR FAGALI

Business Development and Planning Executive Vice President

ACCOUNTING DIVISION

SERGIO LUIS FELICE

Accounting Director

CT CRC 1SP192767/O-6

(A free translation of the original in Portuguese)

CPFL Energia S.A.
Parent company and consolidated
financial statements at
December 31, 2024
and independent auditor's report





(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Stockholders
CPFL Energia S.A.

Opinion

We have audited the accompanying parent company financial statements of CPFL Energia S.A. (the "Company"), which comprise the balance sheet as at December 31, 2024 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of CPFL Energia S.A. and its subsidiaries ("Consolidated"), which comprise the consolidated balance sheet as at December 31, 2024 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and of the Company and its subsidiaries as at December 31, 2024, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

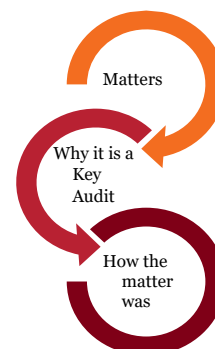
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent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



CPFL Energia S.A.

Key Audit Matters

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



Why it is a Key Audit Matter

How the matter was addressed in the audit

Measurement of transmission's contract assets and corresponding revenue from remuneration of contract assets (Notes 3.2 and 15)

The transmission companies' contract assets refer to the right to consideration as a result of fulfilling performance obligations related to the construction of energy transmission infrastructures under their respective concession contracts, and the operation and maintenance of these structures. The measurement of assets requires the exercise of judgment by management regarding the criteria for calculating and remunerating the asset.

Additionally, as these are long-term contracts, determining the discount rate, which represents the financial component embedded in the flow of future receipts, also requires the use of judgment by management to measure its present value, as well as in determining the expected profit margins for each identified performance obligation.

We consider this area as an audit focus, as the use of different assumptions could significantly modify the value of the asset measured by the Company.

Our audit procedures included, among others, understanding and evaluating the internal control environment related to the Contract Asset measurement process.

We read the concession contracts and respective amendments to identify performance obligations and understand the conditions agreed in the concession contracts, the prices and the defined deadlines.

We carried out a consistency test of the data reported on "Receita Anual Permitida" ("RAP") in the Company's auxiliary controls with the data contained in the transmission contracts.

Additionally, we evaluate the reasonableness of the main operational and financial assumptions used by management, including the determination of profit margins, applied discount rates and the logical and arithmetic coherence of cash flow projections.

We consider that the assumptions and criteria adopted by management are consistent with the disclosures in explanatory notes and the information obtained in our work.



CPFL Energia S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Assessment of the recoverable amount of fixed assets (Note 14)	



CPFL Energia S.A.

Why it is a Key Audit Matter

As of December 31, 2024, the Company and its subsidiaries have recorded in their consolidated financial statements the amounts of R\$ 9,752,282 thousand, referring to fixed assets, which refer, substantially, to investments in infrastructure made in connection with the public concession contracts. For these assets, the Company's management assesses, at the end of each reporting period, whether there is any indication that they may have suffered impairment. If there is an indication, the Company estimates its recoverable amount.

In 2024, Management assessed the recoverable value of property, plant and equipment due to the existence of indicators of impairment losses for certain CGUs. The recoverable value was determined by Management based on discounted cash flow, considering expectations of generation volume, future prices and calculated discount rate. Impairment losses in the year ended December 31, 2024 in the amount of R\$56,022 thousand were reversed.

We consider the assessment of the recoverable amount of fixed assets as one of the main audit matters due to the magnitude of the balance and the complexity involved in recoverability analysis. The complexity arises from significant judgments regarding the estimation of future cash flows, which include assumptions that are affected by macroeconomic and market conditions, such as quantity of energy, contracted prices and discount rate. Variations in these judgments and assumptions may produce impacts significantly different from those determined by management in the financial statements.

How the matter was addressed in the audit

Relevant aspects of our audit response involved, among others, discussion with management about the approved and disclosed business plans.

We understand the management policies and the process of preparation and approval, by governance bodies, of cash flow projections, as well as analyzing the main assumptions used in the projections.

With the support of our internal assessment specialists, we verify the logical and arithmetic coherence of the cash flow projections for certain CGUs with indications of impairment, as well as test the consistency of the information and main assumptions used in the projections, such as the amount of energy, estimated prices and discount rate, by comparing them with: (i) budgets approved by the Board of Directors, (ii) market assumptions and data, and (iii) projections used in previous years compared with subsequent effective results.

We also carried out a sensitivity analysis of the projections, considering different intervals and scenarios, and reading the disclosures presented in the explanatory notes.

As a result of the evidence obtained through the procedures summarized above, we consider that the criteria and assumptions used by the Company's management to determine the recoverable amount of fixed assets, as well as the disclosures made in explanatory notes, are consistent with the information and data obtained.

Recognition of revenue from energy supplied but not billed (Notes 3.11 and 7)



CPFL Energia S.A.

Why it is a Key Audit Matter

Electricity distribution revenue is recognized when the energy is supplied. The Company reads its customers' consumption based on a routine that depends on the timing and reading route. Consequently, part of the energy distributed is not billed at the end of each month, requiring management to estimate this amount, which on December 31, 2024 totaled R\$ 1,455,332 thousand.

The recognition of unbilled revenue is determined based on historical data obtained, mainly through computerized system parameters, such as the volume of energy consumption of the distributor available in the month and the annualized index of technical and commercial losses.

Due to the complexity of the data used and the judgments exercised by management in determining the annualized rate of technical and commercial losses, which could produce impacts significantly different from those determined by management, if they vary, we consider this matter significant for our audit.

How the matter was addressed in the audit

Our audit approach considered, among others, the evaluation of the design, implementation and effectiveness of internal controls related to determining the amount of energy revenue distributed but not billed. We also involve our information technology specialists to evaluate the systems and computerized environment used to determine the recorded balances.

In relation to transaction tests, we evaluated the data used to determine the estimate of unbilled revenue, specifically, the data on the total energy load received on the distributor's network, the load actually billed, segregated by type of consumer, and the indices of technical and commercial losses, aiming to determine the percentage of application in the portion of unbilled revenue, thus arriving at the net captive load by consumption class.

We recalculate the amount of unbilled revenue using the net captive load by consumption class and tariffs defined by the regulatory body for each consumer class in their groups and modalities. We compared our recalculation with the amount determined by management.

We also read the disclosures made in the financial statements.

Based on the evidence obtained through the procedures summarized above, we consider that the criteria and assumptions adopted by the Company's Management to measure the estimated revenue from energy supplied, but not billed, are reasonable and consistent with data and information obtained.



CPFL Energia S.A.

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

Measurement and classification of the concession's financial assets, contractual assets and distribution infrastructure operational (Notes 11, 15 and 16)

On December 31, 2024, the Company presents balances of concession financial assets, contractual and distribution infrastructure operational, in the amounts of R\$ 25,209,768 thousand, R\$ 3,830,876 thousand and R\$ 4,561,075 thousand, respectively. These assets are related to investments made in the concession subject to compensation at the end of the granted service provision contract, the contractual right to receive cash from users for the construction services of the energy distribution system and the total acquisition and construction cost deducted from amortization accumulated, recognized in the financial statements in accordance with Technical Interpretation ICPC 01(R1) - Concession Contracts (IFRIC 12) and Revenue from Contracts with Customers CPC 47 (IFRS 15).

The recognition of these investments made between compensable financial assets, concession assets and intangible assets involves complexity and judgment on the part of Management, which may impact the measurement and classification of these assets in the financial statements.

This topic was considered one of the main audit matters due to the relevance of the amounts involved and the significant judgments in evaluating the allocation of investments between the concession's financial assets, contractual assets and distribution infrastructure operational.

Our audit procedures included, among others, the evaluation of the design and implementation of internal controls related to the contractual asset construction process, as well as internal controls related to the bifurcation between the concession's financial asset and distribution infrastructure operational at the time the asset begins its operation.

In addition to the control tests described above, we evaluated the bifurcation model adopted by Management, and tested the data and assumptions used in determining the estimate of the amount related to the unconditional right to receive certain monetary amounts regardless of the level of use of the concession infrastructure.

We carry out documentary inspection, on a sample basis, of the additions that occurred during the year, and recalculate the useful life of the assets.

We also tested the monetary update of the concession's financial assets, based on the indices provided for in the electricity sector regulations, comparing the indices used by the Administration with the official indicators published.

We tested the calculation of the amortization of distribution infrastructure operational, based on the terms of the current concession contract, and evaluated the disclosures on the subject in the financial statements.

Based on the evidence obtained through the procedures summarized above, we consider that the balances of the concession financial asset, contract asset and distribution infrastructure operational, as well as the related disclosures, are reasonable and consistent with the data and the information received.



CPFL Energia S.A.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2024, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

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

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

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

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



CPFL Energia S.A.

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

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiaries, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries, as a whole, or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



CPFL Energia S.A.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.⁶

Campinas, february 26, 2025

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

Adriano Formosinho Correia
Contador CRC 1BA029904/O-5

RELATÓRIO ANUAL DO
COMITÊ DE AUDITORIA

*ANNUAL REPORT OF THE
AUDIT COMMITTEE*



INTRODUÇÃO

Sempre em busca das melhores práticas de governança corporativa e em atendimento à regulação do Novo Mercado, o Conselho de Administração (“CA”) da CPFL Energia S.A. (“CPFL Energia” ou “Companhia”) conta com o Comitê de Auditoria (“CoA” ou “Comitê”), órgão permanente de atuação autônoma e independente que serve como consultor e assessor do CA da Companhia, com dotação orçamentária própria, para conduzir ou determinar a realização de consultas, avaliações e investigações dentro do escopo de suas atividades.

Sem a prerrogativa deliberativa, o CoA assessora o CA com informações, opiniões e propostas para assegurar que os negócios e operações da Companhia sejam pautados por controles contábeis e financeiros íntegros e fidedignos, para garantir a qualidade das demonstrações financeiras, controles internos, gestão de riscos, *compliance*, auditoria interna e auditoria independente.

O órgão é regido por um Regimento Interno próprio, disponível no site de Relação com Investidores da Companhia no link <https://cpfl.riweb.com.br/>.

COMPOSIÇÃO DO COMITÊ

Observado o artigo 4º do seu Regimento Interno, o CoA é formado por 3 membros independentes indicados e eleitos pelo CA. Em linha com as melhores práticas de governança, dentre os membros eleitos, o CoA conta com a participação de uma

INTRODUCTION

Always seeking the best corporate governance practices and in compliance with Novo Mercado rules, the Board of Directors (“BoD”) of CPFL Energia S.A. (“CPFL Energia” or “Company”) has an Audit Committee (“CoA” or “Committee”), an autonomous and independent permanent body that acts as consultant and adviser to the Company's BoD, with own budget allocation to conduct or determine consultations, evaluations and investigations within the scope of its activities.

Without deliberative prerogatives, the CoA advise the BoD with information, opinion and proposals to ensure that the Company's businesses and operations are guided by solid and reliable accounting and financial controls, guaranteeing the quality of financial statements, internal controls, risk management, compliance, internal audit and independent audit.

The body is governed by its own Internal Regulation, available on the Company's Investor Relations website at the link <https://cpfl.riweb.com.br/>.

COMPOSITION OF THE COMMITTEE

According to article 4 of its Internal Regulations, the CoA is composed by 3 independents members appointed and elected by the BoD. According to the best governance practices, among the elected members, the CoA has the participation

mulher e um coordenador, ambos também membros independentes do CA. Todos os membros possuem reconhecida experiência em questões contábeis societárias, nos termos do regulamento aplicável da Comissão de Valores Mobiliários ("CVM") e conforme currículo disponibilizado no site de Relacionamento com Investidores e Formulário de Referência.

of a woman and a coordinator, both also independent members of the BoD. All members have recognized experience in matters of corporate accounting, pursuant to the applicable regulations of the Brazilian Securities Commission ("CVM") and according to the curriculum available on the Investors Relations website and Reference Form.

Nome <i>Name</i>	Função <i>Function</i>	Independente <i>Independent</i>	Membro desde <i>Member since</i>
Sr. Antônio Kandir (membro Independente do CA) (BoD Independent member)	Coordenador <i>Coordinator</i>	Sim <i>Yes</i>	Outubro de 2021 <i>October 2021</i>
Sra. Claudia Elisa de Pinho Soares (membro Independente do CA) (BoD Independent member)	Membro <i>Member</i>	Sim <i>Yes</i>	Maio de 2024 <i>May 2024</i>
Sr. Ricardo Florence dos Santos	Membro <i>Member</i>	Sim <i>Yes</i>	Outubro de 2021 <i>October 2021</i>

*Conforme artigo 5 do Regimento Interno do CoA, o prazo do mandato dos membros é de 2 anos.

*According to Art. 5 of CoA's Internal Regulation, the term of office is 2 years.

COMPETÊNCIAS DO COMITÊ

Conforme estabelecido no Regimento Interno do CoA, compete ao órgão o assessoramento ao CA, com temas relativos a(o):

i) Contratação, substituição, destituição e remuneração dos auditores independentes;

ii) Avaliação das informações trimestrais, demonstrações intermediárias e demonstrações financeiras;

COMMITTEE COMPETENCIES

As established in the Internal Regulations of the CoA, the body is responsible for advising the BoD, with topics related to:

i) Hiring, replacement, destitution, and compensation of independent auditors.

ii) Evaluation of the quarterly information, intermediary statements, and financial statements.

- | | |
|---|---|
| <p>iii) Supervisionamento das atividades da auditoria interna e da área de controles internos;</p> | <p>iii) Supervision of the activities of the internal audit and internal controls area;</p> |
| <p>iv) Avaliação e monitoramento das exposições de risco e <i>compliance</i> da Companhia;</p> | <p>iv) Evaluation and monitoring of the Company's risk exposures and compliance.</p> |
| <p>v) Monitoramento e controle da qualidade das demonstrações financeiras, nos controles internos, no gerenciamento de riscos e <i>Compliance</i>;</p> | <p>v) Monitoring and controlling the quality of the financial statements, internal controls, risk management and compliance.</p> |
| <p>vi) Avaliação, monitoramento e recomendação da correção ou o aprimoramento das políticas internas; incluindo a Política de Transações com Partes Relacionadas;</p> | <p>vi) Evaluating, monitoring, and recommending the correction or improvement of internal policies; including its Policy on Related Party Transactions,</p> |
| <p>vii) Recepção e tratamento de informações acerca do descumprimento de dispositivos legais e normativos aplicáveis à Companhia, além de regulamentos e códigos internos.</p> | <p>vii) Receiving and processing information about the non-compliance with legal and regulatory provisions applicable to the Company, in addition to internal regulations and codes.</p> |

Para o exercício de tais atribuições, o CoA mantém constante contato com as auditorias interna e externa (independente da Companhia), servindo também como interface entre estas e o CA.

To exercise these attributions, CoA maintains constant contact with the Company's internal and independent auditors (independent from de Company), also serving as an interface between them and the BoD.

ATIVIDADES DO COMITÊ DE AUDITORIA

AUDIT COMMITTEE ACTIVITIES

Nos termos do Artigo 10 de seu Regimento Interno, o Comitê reúne-se ordinariamente, no mínimo, a cada 3 meses, e extraordinariamente, quando necessário.

Pursuant to article 10 of its Internal Regulations, the Committee meets ordinarily, at least, every 3 months, or, extraordinarily, when necessary.

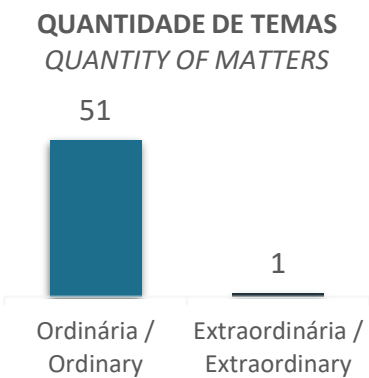
Nos gráficos a seguir é possível identificar a quantidade de reuniões ordinárias e extraordinárias realizadas durante o ano

In the graphics below, it is possible to identify the number of ordinary and extraordinary meetings held during the

de 2024, e a quantidade de temas avaliados. year 2024, and the number of topics presented.



Total de reuniões realizadas no ano: 11
Total meetings held in the year: 11



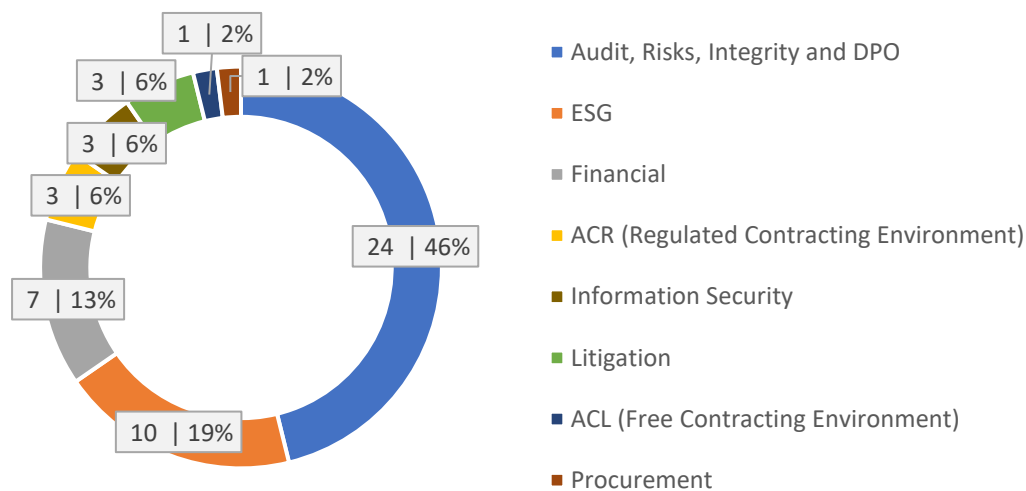
Total de temas apresentados no ano: 52
Total of matters presented in the year: 52

Durante o ano de 2024, contamos com 100% de presença dos membros em todas as reuniões. During 2024, we had 100% attendance of members at all meetings.

PRINCIPAIS TEMAS DISCUTIDOS PELO COMITÊ DE AUDITORIA EM 2024 **MAIN TOPICS DISCUSSED BY THE AUDIT COMMITTEE IN 2024**

O CoA se reuniu com diretores da Companhia, auditores internos e auditores independentes para aprofundar e monitorar especialmente processos, controles internos, riscos e eventuais planos de melhoria, bem como para emitir suas recomendações, opiniões e propostas ao CA. The CoA met with the Company's officers, internal auditors and independent auditors to deepen and monitor especially processes, internal controls, risks and possible improvement plans, as well as to issue its recommendations, opinions and proposals to the Board.

No gráfico a seguir é possível verificar, em termos percentuais e agrupado em macro temas, os referidos temas e as recomendações: In the following graphics, it is possible to verify, in percentage terms and grouped into macro themes, the aforementioned themes and recommendations:



AUDITORIA INTERNA, RISCOS, COMPLIANCE E DPO **INTERNAL AUDIT, RISKS, COMPLIANCE AND DPO**

As atividades de Auditoria Interna, Riscos, Integridade e *Data Protection* (“DPO”) da Companhia são reportadas diretamente ao Comitê e ao CA, e estão estruturadas de forma a permitir a atuação eficiente para o atendimento dos seus objetivos.

The Company's Internal Audit, Risks, Integrity and Data Protection ("DPO") activities are reported directly to the Committee and to the BoD and are structured in such a way as to allow efficient action to meet its objectives.

Além de reuniões de discussão e acompanhamento das atividades, o CoA também apreciou medidas a serem eventualmente tomadas pela Administração, acompanhando-as ao longo da sua execução, a fim de fortalecer os sistemas de Auditoria Interna, Riscos, Integridade e DPO da Companhia.

In addition to meetings to discuss and monitor activities, the CoA also considered measures to be eventually taken by Management, accompanying them throughout their execution, in order to strengthen the Internal Audit, Risks, Integrity and DPO systems of the Company.

AUDITORIA INDEPENDENTE **INDEPENDENT AUDIT**

Desde 2022 a PricewaterhouseCoopers (“PwC”) são os Auditores Independentes da Companhia.

O CoA acompanhou ativamente o exercício dos auditores na avaliação das demonstrações financeiras e relatórios corporativos integrados da Companhia e

Since 2022 PricewaterhouseCoopers (“PwC”) are the Company's Independent Auditors.

CoA actively monitored the exercise of the auditors in evaluating the Company's financial statements and integrated corporate reports and its subsidiaries,

suas subsidiárias, com vistas a emitir relatório contendo parecer sobre sua adesão as normas aplicáveis de auditoria, bem como pela revisão dos Informes Trimestrais ("ITRs") da Companhia, a serem enviados à CVM e disponibilizados ao mercado.

with a view to issuing a report containing an opinion on their adherence to the standards applicable to the planning and execution of audits, in accordance with recognized standards, as well as the review of the Company's Quarterly Reports ("ITRs"), to be forwarded to CVM and made available to the market.

AUTOAVALIAÇÃO DO COMITÊ DE AUDITORIA

Anualmente os membros do CoA realizam uma autoavaliação que tem por objetivo avaliar o desempenho do Comitê como órgão de Governança e a contribuição individual de cada um dos membros para o negócio. Por meio dessa dinâmica os membros buscam identificar oportunidades de melhoria de processos quanto aos temas avaliados pelo CoA.

Annually, CoA members carry out a self-assessment, which aims to assess the Committee's performance as a Governance body and the individual contribution of each member to the business. Through this dynamic, members seek to identify opportunities for improving processes in relation to the topics evaluated by the CoA.

Os resultados da autoavaliação são analisados pela Diretoria de Governança Corporativa e divulgados a todos os membros, tornando possível analisar a efetividade do órgão, permitindo cada vez mais o engajamento dos membros em um processo de melhorias, por meio da implementação de planos de ação e criação de uma cultura voltada para eficácia em suas análises e recomendações.

The results of the self-assessment are analyzed by the Corporate Governance Department and disclosed to all members, making it possible to analyze the effectiveness of the body, enabling a progressive engagement of the members in a process of improvements, through the implementation of action plans and creation of a culture focused on efficiency in its analyses and recommendations.

O resultado geral positivo da autoavaliação de 2024 demonstrou a efetividade e amadurecimento do órgão.

The overall positive result of the 2024 self-assessment demonstrated the effectiveness and maturity of the body.

PARECER DO COMITÊ DE AUDITORIA

Durante a condução dos trabalhos não foi identificado pelos membros do CoA

AUDIT COMMITTEE'S REPORT

During the execution of the works, the members of the CoA did not identify any

nenhuma situação que pudesse afetar os negócios desenvolvidos pela CPFL Energia e suas subsidiárias.

situation that could affect the businesses carried out by CPFL Energia and its subsidiaries.

Os membros do CoA, no exercício de suas atribuições e responsabilidades legais, conforme disposto no art. 7º de seu Regimento Interno, procederam a análise das demonstrações financeiras, acompanhadas do relatório dos auditores independentes e do relatório anual da administração relativos ao exercício social encerrado em 31 de dezembro de 2024 ("Demonstrações Financeiras Anuais de 2024").

The members of the CoA, in the exercise of their legal attributions and responsibilities, as provided for in article 7 of its Internal Regulations, analyzed the financial statements, accompanied by the independent auditors' report and the annual management report, referring to the fiscal year ended on December 31st, 2024 ("Annual Financial Statements of 2024").

Tendo em vista as informações prestadas pela Administração da Companhia e pela PwC, bem como as atividades desempenhadas e acompanhadas pelo Comitê de Auditoria durante o exercício social de 2024, os membros do CoA manifestam-se, por unanimidade, no sentido de que as Demonstrações Financeiras refletiram adequadamente, em todos os aspectos relevantes, a posição patrimonial e financeira da Companhia, de acordo com as práticas contábeis adotadas no Brasil e de acordo com as Normas Internacionais de Relatório Financeiro ("IRFS"), emitido pelo *International Accounting Standards Board* (IASB), e recomendam a aprovação pelo Conselho de Administração da Companhia.

In view of the information provided by the Company's Management and by PwC, as well as the activities developed and monitored by the Audit Committee during the 2024 fiscal year, the members of the CoA unanimously express the opinion that the Financial Statements adequately reflected, in all material aspects, the Company's equity and financial situation, in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards ("IRFS"), issued by the International Accounting Standards Board (IASB), and recommend approval by the Company's Board of Directors.

Campinas, 25 de fevereiro de 2025.
Campinas, February 25, 2025.

ANTÔNIO KANDIR

Membro do Comitê de Auditoria e

Membro Independente do Conselho de Administração da CPFL Energia

Member of the Audit Committee and

Independent Member of the Board of Directors of CPFL Energia

CLAUDIA ELISA DE PINHO SOARES

Membro do Comitê de Auditoria e

Membro Independente do Conselho de Administração da CPFL Energia

Member of the Audit Committee and

Independent Member of the Board of Directors of CPFL Energia

RICARDO FLORENCE DOS SANTOS

Membro do Comitê de Auditoria

Audit Committee Member



PARECER DO CONSELHO FISCAL

REPORT OF THE FISCAL COUNCIL

Os membros do Conselho Fiscal da CPFL Energia S.A., no desempenho de suas atribuições legais e estatutárias, examinaram os documentos abaixo indicados e são da opinião que os referidos documentos estão em condição de serem apreciados e votados pela Assembleia Geral Ordinária e Extraordinária de Acionistas, a ser realizada em 29 de abril de 2025:

(i) aqueles relativos à cisão parcial da CPFL Geração, com a incorporação do acervo líquido cindido pela CPFL Energia, nos termos do art. 224 a 229 da Lei 6.404/76; e

(ii) o Relatório da Administração, as Demonstrações Financeiras do Exercício Social de 2024, com os esclarecimentos prestados pelos executivos da Companhia, e o Relatório elaborado pelos auditores independentes da Price-WaterhouseCoopers Brasil Ltda. ("PwC"), sem ressalvas, que será datado de 26 de fevereiro de 2025.

Campinas, 25 de fevereiro de 2025.

The members of the Fiscal Council of CPFL Energia S.A., in performing their legal and statutory attributions, have examined the documents indicated below and are of the opinion that these documents are authorized to be analyzed and voted by the Annual and Extraordinary General Shareholders' Meeting to be held on April 29th, 2025:

(i) those related to the Partial Spin-off of CPFL Geração, with the merge of the demerged net assets into CPFL Energia, according to articles 222 to 229 of Law 6.404/76, and

(ii) the Management Report, the Financial Statements for the Fiscal Year of 2024, with the clarifications provided by the Company's executives, and the Report prepared by the independent auditors of PriceWaterhouseCoopers Brasil Ltda. ("PwC"), without reservations, which will be dated as February 26th, 2025.

Campinas, February 25th, 2025.

Li RuiJuan

Vinicius Nishioka

Rafael Alves Rodrigues

DECLARAÇÃO	STATEMENT
<p>Em atendimento ao disposto nos incisos V e VI do artigo 25 da Instrução CVM nº 480, de 07 de dezembro de 2009, alterada pela Instrução CVM nº 586, de 8 de junho de 2017, o presidente e os diretores da CPFL Energia S.A., sociedade por ações de capital aberto, com sede na Rua Jorge de Figueiredo Corrêa, nº 1.632 – parte - Jardim Professora Tarcília – CEP: 13087-397, na Cidade de Campinas, Estado de São Paulo, inscrita no CNPJ sob nº 02.429.144/0001-93, declaram que:</p> <p>a) reviram, discutiram e concordam com as opiniões expressas no parecer da PwC Auditores Independentes, relativamente às demonstrações financeiras da CPFL Energia S.A. de 31 de dezembro de 2024;</p> <p>b) reviram, discutiram e concordam com as demonstrações financeiras da CPFL Energia S.A. de 31 de dezembro de 2024.</p> <p>Campinas, 26 de fevereiro de 2025.</p>	<p>In compliance with the provisions in items V and VI of article 25 of the Brazilian Securities & Exchange Commission (CVM) Instruction No. 480, of December 7, 2009, as amended by CVM Instruction No. 586, of June 8, 2017, the chief executive officers and the officers of CPFL Energia S.A., a publicly traded company, with its registered office at Rua Jorge de Figueiredo Corrêa, nº 1.632 – parte - Jardim Professora Tarcília – CEP: 13087-397, Campinas, Estado de São Paulo - Brazil, enrolled with the National Register of Legal Entities (CNPJ) under No. 02.429.144/0001-93, hereby stated that:</p> <p>a) they have reviewed and discussed, and agree with, the opinions expressed in the opinion of PwC Auditores Independentes on the financial statements of CPFL Energia S.A., of December 31, 2024;</p> <p>b) they have reviewed and discussed, and agree with, the financial statements of CPFL Energia S.A., of December 31, 2024.</p> <p>Campinas, February 26, 2025.</p>

<p>Sergio Luis Felice Diretor de Contabilidade Chief Accounting Officer CT CRC 1SP217200/O-6 CPF: 119.410.838-54</p>	<p>Kedi Wang Diretora Vice-Presidente Financeiro e de Relações com Investidores Chief Financial Officer and of Investors Relations Officer CPF: 050.180.008-56</p>	<p>Gustavo Estrella Diretor Presidente Chief Executive Officer CPF: 037.234.097-09</p>
---	---	---