

4Q23/2023 Results

Energy for a more
sustainable future



VIDEOCONFERENCE
March 22nd, 2024

Videoconference in Portuguese with
simultaneous translation into English
Time 11:00 (BRT) | 10:00 (EST)

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Message from the CEO

The last quarter of 2023 brought a strong recovery in electricity consumption in our concession areas, driven by the high temperatures observed during the period. I highlight the residential and commercial segments, which growth rates achieved double digits, despite the impact of the distributed generation. Therefore, we ended the year with positive total consumption, at 1.0%, with growth in low voltage offsetting the industry's performance.

Another important aspect that I would like to highlight is the volume of investments made by CPFL Energia Group, in the amount of R\$ 5.1 billion in 2023, one year after the great efforts made for the tariff review processes of the three major distributors. This reinforces our commitment to further improve the performance of our distribution assets by expanding networks and deploying new technologies to continue offering quality service to our customers. It also made investments in reinforcements and improvements at the transmission grid to achieve excellence in the Company's operational management and sustainable growth.

With regard to investments, another important fact was the operational startup of transmission projects Sul I, Sul II and Cachoeirinha 3, comprising substations and about 382 km of transmission lines, located in the state of Rio Grande do Sul, with RAP of R\$ 87 million for the 2023-2024 cycle.

Our expansion also reached other businesses of the CPFL Group, such as in the Trading segment, in which we launched our e-commerce business, by which CPFL Soluções now has a digital platform for clients to directly acquire the four key products on offer: short-term energy contracts, purchase of carbon credits, purchase of I-REC certificates and migration to the free market.

We also advanced with Alesta, the group's *fintech* arm, which now offers credit to clients in the concession areas of all our distributors: CPFL Paulista, CPFL Piratininga, RGE and CPFL Santa Cruz.

And the outlook for the coming years continues highly positive. In late 2023, the Board of Directors of CPFL Energia approved the Group's new 2024-2028 Investment Plan, which entails the allocation of R\$ 28.4 billion to existing businesses, notably R\$ 23.4 billion to the distribution segment and R\$ 3.5 billion to the transmission segment.

On the ESG front, the Company's stock remained in the portfolio of B3's Corporate Sustainability Index (ISE). Also, the ESG 2030 Plan started to be executed in 2023. With 23 commitments organized around 4 pillars, the ESG 2030 Plan continues the strategic management efforts launched in 2019, now with greater scope and long-term vision, the ESG 2030 Plan drives companies to increase the contribution to Agenda 2030 and the Sustainable Development Goals (SDGs), proposed by the UN. Highlights of the plan include the commitment to carbon neutrality as of 2025 and the reduction of total emissions by 35% by 2030.

Still on ESG, I highlight that CPFL Energia achieved for the first time the "A" score in Climate Change in CDP Climate Change, the highest score granted by the CDP. With this score we enter the renowned A List of CDP, being included in a highly select group of global companies.

Financial discipline, which has always been a hallmark of CPFL Energia, once again guides our capital allocation decisions. In 2023, we paid dividends of R\$ 3.3 billion to shareholders and we are proposing at the General Meeting the payment of R\$ 3.2 billion, or R\$ 2.75/share, for this year.

Finally, I end this message by highlighting our commitment and respect to - and the trust of - shareholders, clients, partners, society and other stakeholders, and thank all CPFL Group employees for the results achieved. I also wish to emphasize that CPFL Energia will continue looking ahead in 2024, reinforcing its strategic pillars, with the focus on clients, innovation and digitization, always pursuing better results through high performance, management of costs and safety of our employees and assets. We also continue to pursue growth opportunities and actively participate in discussions that will drive progress across the electricity sector so that we can continue on a successful trajectory.

Thank you very much!

Gustavo Estrella
CEO, CPFL Energia

Key Indicators

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Load in the Concession Area - GWh	18,425	17,391	1,033	5.9%	70,554	69,271	1,283	1.9%
Sales within the Concession Area - GWh	18,309	17,369	940	5.4%	69,968	69,301	668	1.0%
<i>Captive Market</i>	10,813	10,175	638	6.3%	40,704	40,690	14	0.0%
<i>Free Client</i>	7,496	7,194	302	4.2%	29,265	28,611	654	2.3%
Gross Operating Revenue	15,294	14,029	1,265	9.0%	56,722	54,651	2,072	3.8%
Net Operating Revenue	10,540	10,737	(196)	-1.8%	39,743	39,354	389	1.0%
EBITDA⁽¹⁾	3,111	3,805	(694)	-18.2%	12,830	12,263	567	4.6%
<i>Distribution</i>	2,061	1,813	248	13.7%	7,904	6,998	906	12.9%
<i>Generation</i>	761	1,736	(974)	-56.1%	3,726	4,245	(519)	-12.2%
<i>Transmission</i>	230	248	(18)	-7.3%	981	962	19	1.9%
<i>Commercialization, Services & Others</i>	59	8	51	609.3%	219	58	161	279.9%
Net Income	1,327	1,375	(48)	-3.5%	5,537	5,219	318	6.1%
<i>Distribution</i>	880	122	758	621.4%	3,304	2,378	926	38.9%
<i>Generation</i>	302	1,322	(1,020)	-77.2%	1,774	2,599	(825)	-31.8%
<i>Transmission</i>	141	46	95	207.0%	532	560	(28)	-5.0%
<i>Commercialization, Services & Others</i>	4	(115)	119	-	(73)	(319)	246	-77.0%
Net Debt	23,921	23,418	502	2.1%	23,921	23,418	502	2.1%
Net Debt / EBITDA ⁽²⁾	1.87	1.88	(0.00)	-0.2%	1.87	1.88	(0.00)	-0.2%
Investments ⁽³⁾	1,556	1,642	(86)	-5.2%	5,073	5,805	(732)	-12.6%
Stock Performance	38.51	33.20	5.31	16.0%	38.51	33.20	5.31	16.0%
Daily Average Volume	56	73	(17)	-23.4%	63	93	(30)	-32.2%

Notes:

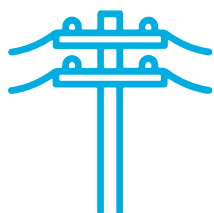
- (1) EBITDA is calculated from the sum of net income, taxes, financial result, depreciation/amortization, as CVM Resolution no. 156/22. See the calculation in item 2.1 of this report;
- (2) In financial covenants criteria, which considers CPFL Energia's stake in each generation projects and in CPFL Transmissão;
- (3) Does not include special obligations.



The data disclosed in this release, as well as further details, are available in Excel, and can be consulted in the **Historical Information Base**, available in the IR website. To access, [click here](#).

In case of doubts, [Talk to IR](#).

Highlights



Load in the
concession area¹
+5.9%



EBITDA
R\$ 3,111
million (-18.2%)



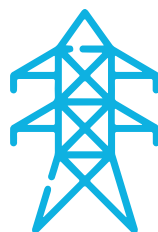
Net Income
R\$ 1,327
million (-3.5%)



Net Debt
R\$ 24.2
billion with a leverage
of **1.87x** (Net Debt/
EBITDA²)



Proposal of dividends
in the amount of
R\$ 3,173
million, R\$ 2.75/share



Commercial start-up of
Cachoeirinha 3 project
with expected RAP of
R\$ 11.5 MM
(2023-2024)



2030 ESG Plan
updates disclosed in
January 2024, with **23**
public commitments



CPFL Energia scored "A" for the
first time in **CDP Climate**
Change and is now part of
the **A List**

1) Load net of losses; 2) In the financial covenants criteria.

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CPFL ENERGIA ECONOMIC-FINANCIAL PERFORMANCE

1.1) Economic-Financial Performance

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	15,294	14,029	1,265	9.0%	56,722	54,651	2,072	3.8%
Net Operating Revenue	10,540	10,737	(196)	-1.8%	39,743	39,354	389	1.0%
Net Operating Revenue (ex-rev. from infrastructure)	9,185	9,248	(63)	-0.7%	35,072	33,998	1,075	3.2%
Cost of Electric Power	(4,512)	(4,603)	91	-2.0%	(17,669)	(18,070)	401	-2.2%
PMSO, Private Pension Fund and ADA	(1,715)	(912)	(803)	88.1%	(5,193)	(4,127)	(1,066)	25.8%
Costs of Building the Infrastructure	(1,269)	(1,523)	254	-16.7%	(4,371)	(5,386)	1,015	-18.8%
Equity Income	67	106	(39)	-37.1%	319	491	(172)	-35.0%
EBITDA¹	3,111	3,805	(694)	-18.2%	12,830	12,263	567	4.6%
Depreciation and Amortization	(597)	(570)	(27)	4.8%	(2,250)	(2,032)	(218)	10.7%
Financial Income (Expense)	(637)	(1,351)	714	-52.8%	(2,557)	(2,911)	354	-12.2%
Financial Revenues	440	451	(11)	-2.4%	1,935	2,154	(219)	-10.2%
Financial Expenses	(1,077)	(1,802)	725	-40.2%	(4,492)	(5,065)	573	-11.3%
Income Before Taxes	1,877	1,884	(8)	-0.4%	8,023	7,320	703	9.6%
Income Tax / Social Contribution	(550)	(509)	(41)	8.0%	(2,486)	(2,101)	(385)	18.3%
Net Income	1,327	1,375	(48)	-3.5%	5,537	5,219	318	6.1%

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

Non-cash effects, extraordinary items and others

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

EBITDA effects R\$ million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Non-cash effects (recurrent)								
Adjustments in the concession financial assets (VNR)	147	103	44	42.7%	818	779	39	5.0%
Legal and judicial expenses	(137)	(137)	(0)	0.2%	(409)	(323)	(86)	26.7%
Assets write-off	(52)	(75)	23	-30.6%	(164)	(178)	14	-8.0%
Extraordinary items								
Enercan Adjustments (non-cash effect)	(334)	670	(1,004)	-	(334)	670	(1,004)	-
Tariff review (RAB reports)	(9)	622	(631)	-	187	622	(435)	-70.0%
Agreement with CPFL Transmissão supplier	36	-	36	-	36	-	36	-
Negotiation of the CPFL Paulista Pension Plan	-	(275)	275	-	-	(275)	275	-
Effects of changes to Private Pension Plan	-	(125)	125	-	-	(50)	50	-

Extraordinary items explanation

In the quarter analysis:

└ Enercan Adjustments (non-cash effects):

- Positive effect of R\$ 670 million in 4Q22, due to the remeasurement at fair value of the investment in Enercan after the acquisition of an additional 3.4% stake, on November 17th, 2022;
- Negative effect of R\$ 334 million in 4Q23, referring to the provision for losses resulting from testing the recuperable value of the asset;

└ Regulatory Asset Base ("RAB") Appraisal Reports:

- Accounting of electrical assets values, according to the preliminary version of the assets appraisal report for the Periodic Tariff Reviews (PTRs) of CPFL Paulista (R\$

429 million) and RGE (R\$ 193 million), in December 2022;

b. Adjustment related to the final version of the appraisal report of CPFL Piratininga's PTR (R\$ 9 million);

Agreement with CPFL Transmissão supplier: due to the delay in the delivery of TESB's works, the Company entered into an agreement with the responsible supplier, dealing with the reimbursement of corresponding losses and damages, in the amount of R\$ 83.5 million; part of this amount (R\$ 47.3 million) was transferred to the State of Rio Grande do Sul, as provided for in the CEEE-T Privatization Auction Notice No. 01/2021;

Expenses related to the negotiation for the termination of tax proceedings related to the CPFL Paulista Pension Plan: negotiation with the PGFN ("Procuradoria Geral da Fazenda Nacional" - National Treasury's General Office) to close the judicial discussion led to the recognition of the impacts related to the payment to be made within 5 years, starting in 2023. A negative effect of R\$ 275 million was recognized in 4Q22, of which R\$ 209 million in legal and judicial expenses, R\$ 60 million in revenue deductions (PIS/COFINS) and R\$ 6 million in third-party services;

Employees migration in the Private Pension Plan: in 4Q22, employees were able to choose to migrate to a new modality (from lifetime income to financial income). The difference in the measurement of the liabilities of the migrated employees, between the IFRS and PREVIC criteria, generated the need to record an expense: R\$ 73 million at CPFL Paulista and R\$ 53 million at CPFL Piratininga. On the other hand, this migration brought a significant reduction in actuarial risk, reducing the volatility of the Company's results in the future.

In the year analysis, in addition to the above effects, the result is also impacted by the following extraordinary items:

Regulatory Asset Base ("RAB") Appraisal Reports:

- CPFL Paulista (R\$ 72 million): amount referring to the complement of the final appraisal report;
- RGE (R\$ 77 million): amount referring to the complement of the final appraisal report;
- CPFL Piratininga (R\$ 47 million): amount referring to the preliminary appraisal report;

Effects of changes of the Private Pension Plan: actuarial revenue recorded in 3Q22 (R\$ 75 million), from the settlement of the Piratininga PSAP Plan, which was discontinued.

Other relevant numbers for result analysis:

EBITDA effects Transmission Segment	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
EBITDA IFRS	230	248	(18)	-7.3%	981	962	19	1.9%
EBITDA Regulatory	263	162	101	62.5%	896	561	335	59.7%
Difference IFRS (-) Regulatory	(33)	87	(119)	-	85	401	(316)	-78.8%

EBITDA effects Enercan Consolidation	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Equity Income	-	24	(24)	-	-	194	(194)	-
Consolidation 100%	215	137	77	56.2%	778	137	641	466.3%
Enercan Consolidation	215	161	53	33.1%	778	332	447	134.6%

Financial results effect R\$ million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Late payment interest and fines	103	91	11	12.3%	382	462	(80)	-17.4%
Mark-to-market (MTM)	154	3	150	4380.2%	170	38	132	349.5%
Other extraordinary items								
Negotiation of the CPFL Paulista Pension Plan	-	(911)	911	-	-	(911)	911	-

The financial result was influenced by an extraordinary item:

- Negotiation for the termination of tax proceedings related to the CPFL Paulista Pension Plan: financial expense related to interest and fines of the amount that was being discussed in the lawsuit already mentioned above.



In the explanations below, as of November 2022, SPE Enercan (HPP Campos Novos HPP) became 100% consolidated, line by line. Until October 2022, it was accounted for through equity income method. These effects were not excluded and contribute to the growth of the indicators presented below. For further details about this impact, can be seen in Chapter 3.2 – Generation Segment.

Net Operating Revenue by Segment

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Distribution	8,447	8,793	(346)	-3.9%	32,414	32,399	14	0.0%
Generation	1,392	1,330	62	4.6%	4,997	4,251	746	17.5%
Transmission	542	491	51	10.4%	1,954	1,964	(10)	-0.5%
Commercialization	651	618	33	5.4%	2,310	2,337	(28)	-1.2%
Services	277	260	17	6.5%	1,011	1,044	(32)	-3.1%
Elimination and Others	(769)	(756)	(13)	1.8%	(2,943)	(2,642)	(302)	11.4%
Net Operating Revenue	10,540	10,737	(196)	-1.8%	39,743	39,354	389	1.0%

In the quarter, in distribution segment, the growth of revenue with energy sales, favored by the high temperatures, was offset by the lower updating of the concession's financial assets (mainly due to the extraordinary effects related to the PTRs, already mentioned above) and by lower construction revenue. Similar effects can be seen in the year figures.

In Generation, in the quarter and in the year, the most relevant effect was the Enercan consolidation.

For further details about the variation in net operating revenue by segment, see **Chapter 3 – Performance of Business Segments**.

Cost of Electric Energy

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	546	741	(196)	-26.4%	2,134	2,972	(838)	-28.2%
PROINFA	107	136	(28)	-20.9%	420	595	(175)	-29.3%
Auction, Bilateral Contracts and Spot Market	2,754	2,892	(138)	-4.8%	11,253	11,463	(211)	-1.8%
PIS and COFINS Tax Credit	(296)	(335)	39	-11.6%	(1,223)	(1,333)	109	-8.2%
Cost of Electric Power Purchased for Resale	3,111	3,434	(323)	-9.4%	12,583	13,697	(1,113)	-8.1%
National Grid Charges	1,030	906	124	13.7%	3,889	3,128	761	24.3%
Itaipu Transmission Charges	103	76	27	35.9%	363	284	79	27.9%
Connection Charges	27	27	(0)	-0.4%	108	103	5	4.9%
Charges for the Use of the Distribution System	23	21	2	7.2%	85	77	8	10.2%
ESS / EER	369	266	103	38.6%	1,191	1,259	(68)	-5.4%
PIS and COFINS Tax Credit	(151)	(127)	(24)	18.6%	(551)	(477)	(73)	15.3%
Charges	1,401	1,169	232	19.8%	5,085	4,374	712	16.3%
Cost of Electric Energy	4,512	4,603	(91)	-2.0%	17,669	18,070	(402)	-2.2%

The reduction in **costs with energy purchased for resale**, perceived in the quarter and in the year, is mainly due to the reduction of **Itaipu tariffs** (reduction of the tariff and reduction of the dollar between the periods) and the lower average price (R\$/MWh) of energy acquired in **Auction, Bilateral Contracts and Spot Market** and **Proinfa** (reduction in the values of the funding

quotas).

Regarding the **Charges for the Use of the Transmission and Distribution System** (National Grid, Itaipu transport, connection and use of the transmission and distribution system), the increase perceived in the quarter and in the year, mainly due to the variation in the charges of the connection and transmission, due to the adjustments in the Tariff for the Use of the Transmission System (TUST), as of July 2022, in accordance with ANEEL Resolution No. 3,066/22, and as of July 2023, in accordance with ANEEL Resolution No. 3,217/23.

Regarding **sector charges (ESS/EER)**, in the quarter, the perceived increase is due to ESS – System Service Usage Charges, mainly as a result of re-accounting carried out by CCEE. In the year, should be noted that due to the better energy scenario that prevailed during 2023 and the lower need to activate thermal power plants, we had a reduction in the ESS.

GWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	2,499	2,591	-92	-3.6%	9,885	10,198	-313	-3.1%
PROINFA	248	262	-14	-5.4%	937	968	-32	-3.3%
Auction, Bilateral Contracts and Spot Market	15,181	14,929	251	1.7%	57,117	58,883	-1767	-3.0%
Volume of purchased energy	17,927	17,782	145	0.8%	67,938	70,049	(2,111)	-3.0%

R\$/MWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	218	286	-67.75	-23.7%	216	291	-75.51	-25.9%
PROINFA	434	520	-85.57	-16.5%	449	615	-165.68	-27.0%
Auction, Bilateral Contracts and Spot Market	181	194	-12.28	-6.3%	197	195	2.34	1.2%
Average Price	190	212	-21.90	-10.3%	203	215	-11.33	-5.3%

For further details about the variation in the cost of electric energy, see **Chapter 3 – Performance of Business Segments**.

PMSO

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Personnel	604	549	55	10.0%	2,160	2,038	122	6.0%
Material	19	99	(80)	-80.4%	396	465	(70)	-14.9%
Outsourced Services	292	251	42	16.6%	991	735	256	34.9%
Other Operating Costs/Expenses	774	(180)	955	-	1,483	551	933	169.3%
<i>Allowance for doubtful accounts</i>	<i>334</i>	<i>(670)</i>	<i>1,004</i>	<i>-</i>	<i>334</i>	<i>(670)</i>	<i>1,004</i>	<i>-</i>
<i>Agreement with CPFL Transmissão supplier</i>	<i>47</i>	<i>-</i>	<i>47</i>	<i>-</i>	<i>47</i>	<i>-</i>	<i>47</i>	<i>-</i>
<i>Negotiation of the CPFL Paulista Pension Plan</i>	<i>-</i>	<i>209</i>	<i>(209)</i>	<i>-</i>	<i>-</i>	<i>209</i>	<i>(209)</i>	<i>-</i>
<i>ADA</i>	<i>87</i>	<i>73</i>	<i>13</i>	<i>18.3%</i>	<i>277</i>	<i>319</i>	<i>(41)</i>	<i>-12.9%</i>
<i>Assets Write-Off</i>	<i>52</i>	<i>75</i>	<i>(23)</i>	<i>-30.9%</i>	<i>165</i>	<i>180</i>	<i>(15)</i>	<i>-8.1%</i>
<i>Legal and judicial expenses</i>	<i>137</i>	<i>137</i>	<i>0</i>	<i>0.2%</i>	<i>362</i>	<i>323</i>	<i>39</i>	<i>12.0%</i>
<i>Others</i>	<i>117</i>	<i>(4)</i>	<i>121</i>	<i>-</i>	<i>298</i>	<i>191</i>	<i>107</i>	<i>55.9%</i>
PMSO	1,690	719	971	135.2%	5,030	3,789	1,241	32.8%

PMSO in the quarter and in the year was impacted by extraordinary items that occurred in 2023 and in the previous year (for more details, see explanation at the beginning of the chapter):

- ↳ Enercan adjustments (non-cash effects): +R\$ 670 million in 4Q22 and -R\$ 334 million in 4Q23, totaling a negative variation of R\$ 1,004 million;
- ↳ Expenses with the negotiation for the termination of tax proceedings related to the CPFL Paulista Pension Plan: R\$ 209 million in legal and judicial expenses in 4Q22;
- ↳ Agreement with CPFL Transmissão supplier: gain of R\$ 47 million in 4Q23.

In the quarter, excluding these items, the PMSO would have an increase of 11.5% (R\$ 135 million), due to the following factors:

- ┌ **Personnel (+R\$ 55 million):** increase due to salary adjustments resulting from the collective bargaining agreements applied in 2023 and the headcount increase of 3.6%¹ in the Distribution segment (which represents 62% of the CPFL group's workforce). In addition, we had the impact of overtime expenses in Distribution, due to the higher volume of emergency response;
- ┌ **MSO linked to inflation (+R\$ 72 million) - main impacts:** expenses with leasing and rents (R\$ 24 million), fleet maintenance (R\$ 18 million), uniforms and equipment (R\$ 7 million), auditing and consulting (R\$ 6 million), reading and delivery of bills (LEC) (R\$ 3 million), advertising (R\$ 3 million) and insurance (R\$ 1 million);
- ┌ **MSO not linked to inflation (+R\$ 8 million):** increases (i) in hardware and software expenses, due to the change in the accounting rule (in 2022 it was accounted for as Capex), and (ii) in the allowance for doubtful accounts (ADA), partially offset by (iii) reduction in assets write-off.

In the year, excluding extraordinary items, the PMSO would have an increase of 9.5% (R\$ 405 million), due to the following factors:

- ┌ **Personnel (+R\$ 122 million):** increase due to the effects of the collective bargaining agreements applied in 2022 and 2023 and the headcount increase of 4.6%² in the Distribution segment, partially offset by the reduction in headcount at CPFL Transmission, due to the turnaround of this subsidiary;
- ┌ **MSO linked to inflation (+R\$ 240 million) - main impacts:** expenses with auditing and consulting (R\$ 37 million), fleet maintenance (R\$ 14 million), leasing and rents (R\$ 9 million), uniforms and equipment (R\$ 5 million), reading and delivery of bills (LEC) (R\$ 5 million), insurance (R\$ 4 million), advertising (R\$ 3 million), tree pruning (R\$ 3 million), taxes (R\$ 2 million);
- ┌ **MSO not linked to inflation (+R\$ 43 million):** increases (i) in hardware and software expenses, due to the change in the accounting rule, and (ii) in legal and judicial expenses, partially offset by (iii) reduction in the allowance for doubtful accounts (ADA).

Other operating costs and expenses

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Costs of Building the Infrastructure	1,269	1,523	(254)	-16.7%	4,371	5,386	(1,015)	-18.8%
Private Pension Fund	25	193	(168)	-87.2%	163	338	(175)	-51.7%
Depreciation and Amortization	597	570	27	4.8%	2,250	2,032	218	10.7%
Other operating costs and expenses	1,891	2,285	(395)	-17.3%	6,784	7,756	(971)	-12.5%

EBITDA

EBITDA was impact by extraordinary items that occurred in 2022 and 2023. Excluding these items, the good performance of the Distribution segment stands out, due to the gains in parcel B and the high temperatures observed in 4Q23.

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

¹ Average from October to December.

² Average from January to December.

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Income	1,327	1,375	(48)	-3.5%	5,537	5,219	318	6.1%
Depreciation and Amortization	597	570	27	4.8%	2,250	2,032	218	10.7%
Financial Result	637	1,351	(714)	-52.8%	2,557	2,911	(354)	-12.2%
Income Tax / Social Contribution	550	509	41	8.0%	2,486	2,101	385	18.3%
EBITDA	3,111	3,805	(694)	-18.2%	12,830	12,263	567	4.6%

Financial Result

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Revenues	440	451	(11)	-2.4%	1,935	2,154	(219)	-10.2%
Expenses	(1,077)	(1,802)	725	-40.2%	(4,492)	(5,065)	573	-11.3%
Financial Result	(637)	(1,351)	714	-52.8%	(2,557)	(2,911)	354	-12.2%

Managerial Analysis

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Expenses with the net debt	(726)	(634)	(92)	14.5%	(2,975)	(2,765)	(210)	7.6%
Late payment interest and fines	103	91	11	12.3%	382	462	(80)	-17.4%
Mark-to-market	154	4	150	4172.3%	168	36	132	362.5%
Adjustment to the sectorial financial asset/liability	3	39	(35)	-91.5%	66	337	(270)	-80.3%
Others financial revenues/expenses	(171)	60	(231)	-	(199)	(70)	(128)	183.2%
Negotiation of the CPFL Paulista Pension Plan	-	(911)	911	-	-	(911)	911	-
Financial Result	(637)	(1,351)	714	-52.8%	(2,557)	(2,911)	354	-12.2%

The reduction in the net **financial expenses** in the quarter and in year is essentially due to the extraordinary effect that affected the previous year (negotiation for the extinction of tax proceedings related to the CPFL Paulista Pension Plan, in the amount of R\$ 911 million).

Excluding this effect, net financial expenses increased in the quarter due to the higher net debt balance and higher funding expenses resulting from the infrastructure debentures in 4Q23.

In the year, the increase in expenses is mainly due to (i) the lower update of the sectorial financial asset, due to the lower updateable balance; (ii) the higher CDI, and (iii) the increase in the debt balance, resulting from new funding made throughout 2023.

Income Tax and Social Contribution

In the quarter, the effective rate of **Income Tax and Social Contribution** was 29.3%, compared to 27.0% in 4Q22. In the year, the **effective tax** rate was 31.0%, compared to 28.7% in 2022.

The increases recorded are mainly explained by the better result in subsidiaries with a presumed profit regime, partially offset by the lower equity result, after the consolidation of Enercan in Nov-22.

Net Income

In the quarter, the reduction in EBITDA was offset by the improvement in financial results, both influenced by extraordinary items, so that **net income** decreased by 3.5%.

In the year, **net income** increased by 6.1%, reflecting EBITDA growth and lower **net financial expenses**.

Allocation of Net Income from the Fiscal Year

CPFL Energia's dividend policy establishes that at least 50% of net income, adjusted in accordance with the Brazilian Corporate Law, must be distributed to the shareholders. The proposal for allocation of net income for the fiscal year is shown below:

R\$ thousand	2023
Net income for the year - parent company	5,527,101
Realization of reserve for realizable profits	207,652
Realization of Comprehensive Result	26,612
Time-barred dividends	6,491
Net income considered for allocation	5,767,856
Legal reserve	166,949
Reserve for realizable profits	728,098
Profit reserve - working capital reinforcement	1,699,527
Mandatory minimum dividend ¹	437,410
Proposed additional dividend	2,735,872
Dividends Total	3,173,282

Note: (1) In 2023, CPFL Energia paid dividends corresponding to the profit reserve, in the amount of R\$ 902,628, which were imputed to the minimum mandatory dividend.

Dividend

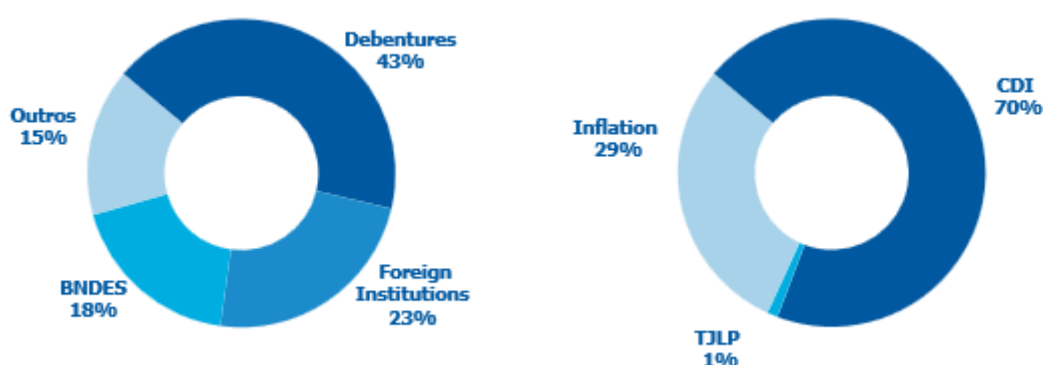
The Board of Directors propose the payment of R\$ 3,173 million in dividends to holders of common shares traded on B3 S.A. – Brasil, Bolsa, Balcão (B3). This proposed amount corresponds to R\$ 2.753976596 per share and will be distributed after the approval at the AGM.

1.2) Indebtedness

1.2.1) Financial Debt in IFRS Criteria

R\$ Million	4Q23	4Q22	Δ R\$	Δ %
Financial Debt (including hedge)	29,455	28,021	(1,434)	5.1%
(-) Cash and Cash Equivalents	(5,533)	(4,602)	930	20.2%
Net Debt	23,922	23,418	504	2.2%
Debt Cost	11.9%	13.6%	-	-1.7 p.p

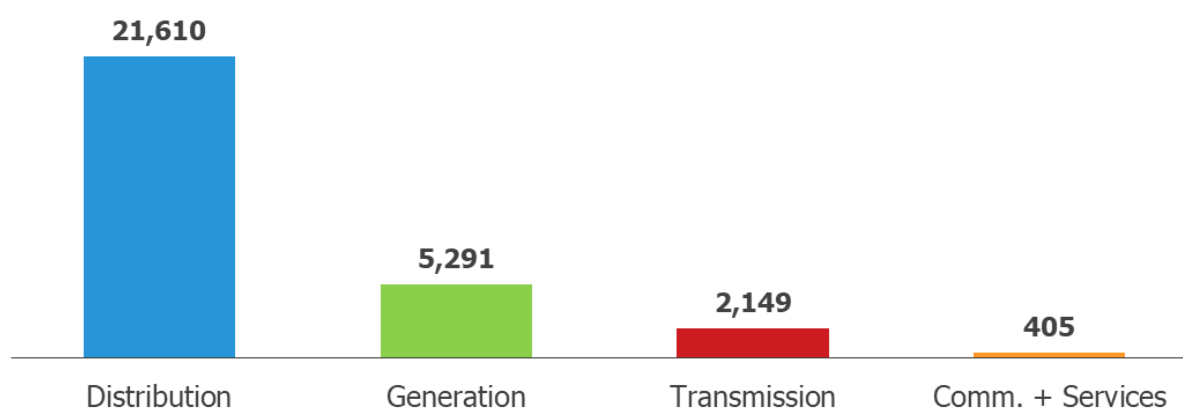
Breakdown - Profile and Indexation | After Hedge



To mitigate any risk of market fluctuations, around R\$ 7.0 billion in debt is protected by **hedge** operations.

In order to protect the exchange rate and the rate linked to the contract, **swap** operations were contracted for foreign currency debts (23.5% of total IFRS debts).

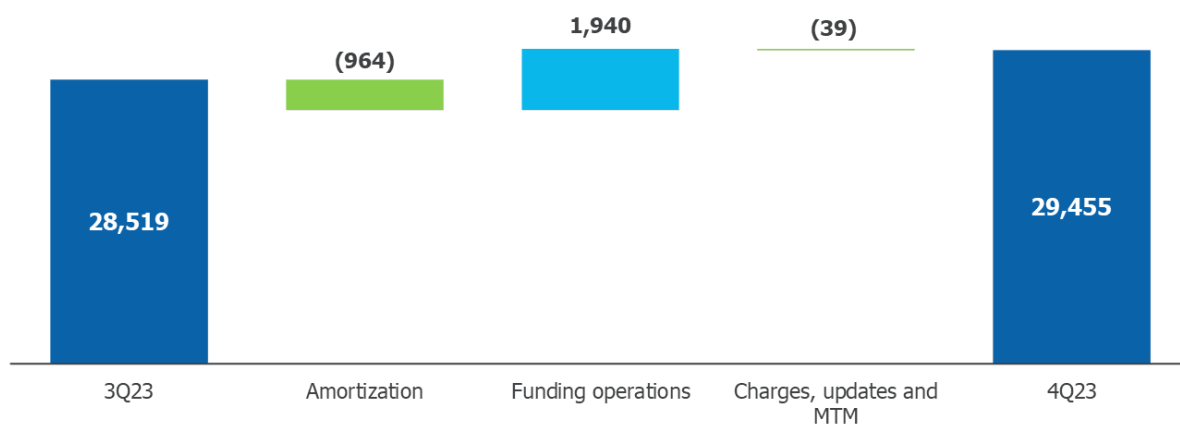
Debt by Segment – IFRS | R\$ Million



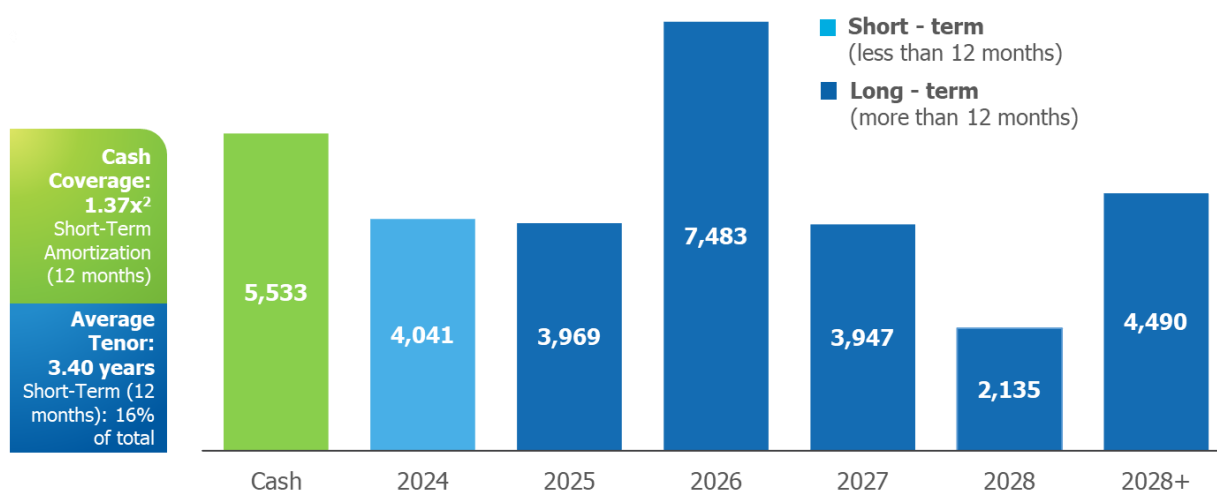
Notes:

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

Evolution of the Debt Balance – IFRS | December 2023



Debt Amortization Schedule – IFRS | December 2023



Notes:

- (1) Considering only the notional and hedge of the debt. In order to reach the financial result of R\$ 29,455 million, should be included charges, the mark-to-market (MTM) effect, cost with funding and intercompany loans;
(2) Cash is considering the amount of R\$ 1.097 million of Marketable Securities.

1.2.2) Debt in Financial Covenants Criteria

R\$ Million	4Q23	4Q22	Δ R\$	Δ %
Financial Debt (including hedge) ¹	29,906	28,588	1,318	4.6%
(-) Available Funds ³	(5,673)	(4,899)	(774)	15.8%
(=) Net Debt	24,233	23,689	544	2.3%
EBITDA Proforma ²	12,933	12,633	300	2.4%
Net Debt / EBITDA	1.87	1.88	-	-0.1%

Notes:

- (1) Considers the proportional consolidation of the assets of Generation, in addition to the loan with SGBP;
(2) Proforma EBITDA in the financial covenants criteria, adjusted according to CPFL Energia's stake in each of its subsidiaries.
(3) Cash and Cash Equivalents already considering Marketable Securities;

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

1.3) Investments

1.3.1) Actual Investments by Segment

Segment	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Distribution	1,092	1,304	(212)	-16.3%	3,793	4,791	(998)	-20.8%
Generation	173	96	78	81.0%	446	258	188	72.9%
Commercialization	2	2	1	42.7%	5	6	(1)	-17.6%
Services and Others ¹	32	23	8	35.5%	94	54	40	74.8%
Transmission ²	257	218	40	18.3%	735	697	38	5.5%
Actual Investments	1,556	1,642	(86)	-5.2%	5,073	5,805	(732)	-12.6%

Notes:

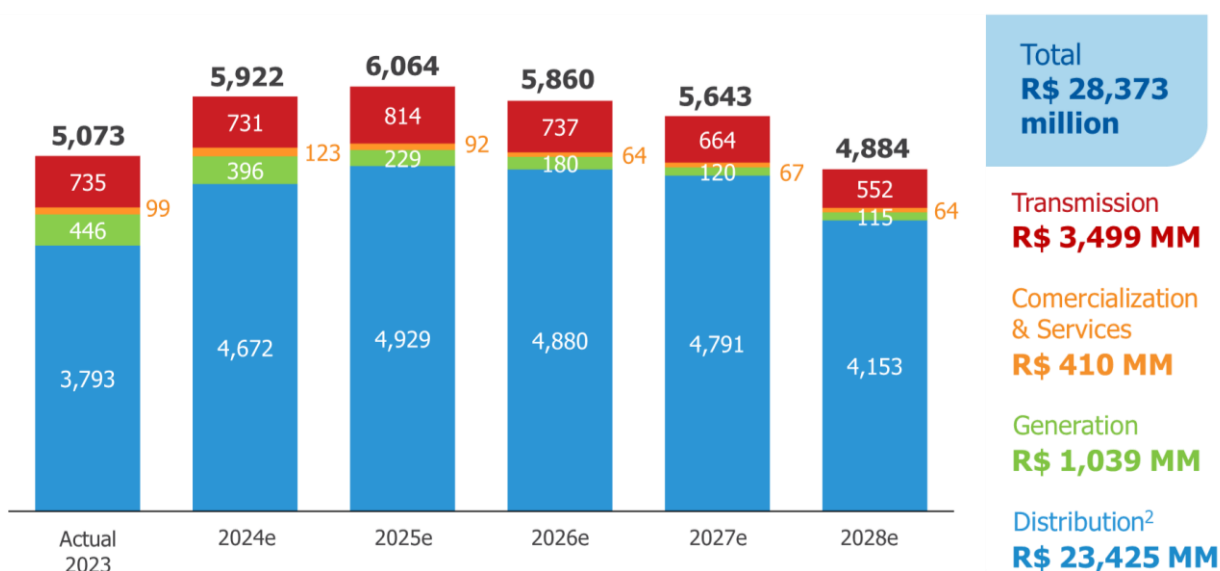
(1) Others: basically refers to assets and transactions that are not related to the listed segments;

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

The reduction observed between the periods is related to a deceleration after the effort made in 2022 to unitize Distribution assets, for Tariff Reviews. On the other hand, the Transmission segment stands out, in which CPFL Energia has been directing more resources to reinforcements and improvements in its subsidiary CPFL Transmission. In addition, the positive result in the Generation segment, with emphasis on the maintenance of plants and farms, besides to the construction of the Cherobim SHPP.

1.3.2) Investment Forecast

On December 14th, 2023, the Board of Directors of CPFL Energia approved Board of Executive Officers' 2024/2028¹ Multiannual Plan for the Company, which was previously discussed by the Corporate Finance Committee and Risk Management.



Notes:

(1) Constant currency;

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

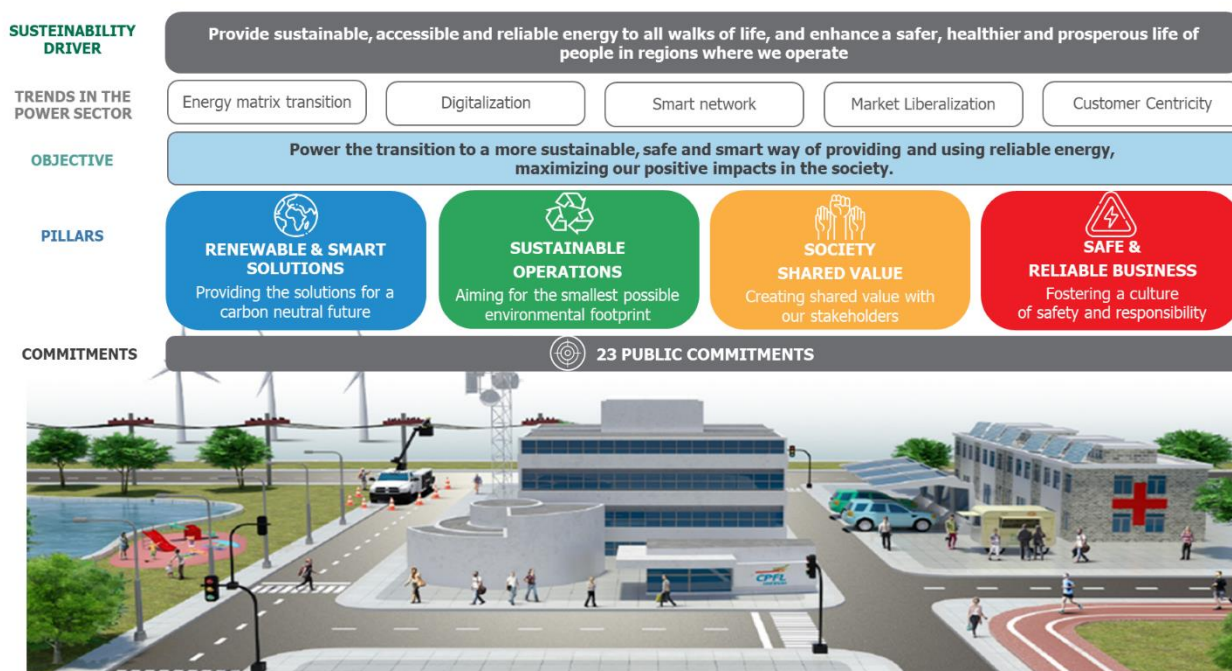


2) SUSTAINABILITY AND ESG INDICATORS

2.1) ESG Plan 2030

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

To this end, we have identified four pillars that support the way we conduct our business and execute our strategy: Renewable and smart solutions, Sustainable operations, Society shared value and Safe and reliable business.



Within the pillars, we made 23 commitments guided by the United Nations' Sustainable Development Goals (SDGs). The commitments are available on the CPFL Energia [IR website](#).



2.2) Key ESG Indicators aligned to the Plan

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

Renewable & Smart Solutions								
Theme	Indicator	Unit	4Q23	4Q22	Δ %	2023	2022	Δ %
Renewable energy	Total energy generated by renewable sources	GWh	5,204	3,496	48.9%	14,889	13,737	8.4%
	↳ HPPs (hydro)	GWh	3,237	1,682	92.4%	7,938	7,247	9.5%
	↳ SHPPs and CGHs	GWh	484	415	16.7%	1,854	1,596	16.2%
	↳ Solar	GWh	0.3	0.1	113.8%	1.2	0.3	284.9%
	↳ Wind	GWh	1,211	1,229	-1.4%	4,054	4,064	-0.2%
	↳ Biomass	GWh	272	169	60.3%	1,041	830	25.5%
Smart Grid	Number of installed automatic reclosers	unit	17,909	16,515	8.4%	17,909	16,515	8.4%
	% of telemetered load	%	54.6%	56.0%	-2.5%	54.6%	56.0%	-2.5%
Innovation	Innovation Investment (Aneel R&D) in the period	R\$ million	20.6	12.4	66.1%	55.2	48.9	13.0%
Decarbonization	Projects qualified for commercialization of carbon credits and renewable energy seals	unit	67	42	59.5%	67	42	59.5%
	Revenue from sales of carbon credits and energy stamps	R\$ million	0.0	0.5	-100.0%	3.3	24.6	-86.7%

Sustainable Operations								
Theme	Indicator	Unit	4Q23	4Q22	Δ %	2023	2022	Δ %
Circular Economy	Number of refurbished transformers	unit	2,942	3,318	-11.3%	11,611	11,565	0.4%
	Volume of aluminum, copper and iron sent to the reverse chain	tons	25,542	2,574	892.3%	80,471	9,048	789.4%
Eco-Efficiency	Water consumption (administrative buildings)	1,000 m³	29	67	-56.8%	82	150	-45.5%
	Energy consumption (administrative buildings)	MWh	9,871	9,088	8.6%	36,409	36,918	-1.4%

Society Shared Value								
Theme	Indicator	Unit	4Q23	4Q22	Δ %	2023	2022	Δ %
Digitalization	% de digitalization of customer services	%	90.0%	91.0%	-1.1%	90.8%	90.3%	0.6%
	% of bills paid digitally	%	73.8%	70.0%	5.4%	72.2%	68.3%	5.8%
	Number of digital bills	million	4.6	4.4	5.0%	4.6	4.4	5.0%
Community	Energy efficiency investments in public hospitals (CPFL and RGE in Hospitals)	R\$ million	12.3	22.7	-45.7%	61.8	48.2	28.1%
	Investment in socio-environmental projects in communities (Instituto CPFL, Energy Efficiency Program for Low Income and Environment)	R\$ million	31.3	62.5	-49.9%	87.9	144.0	-39.0%
	People benefiting from CPFL Institute social programs in the period	thousand	732.8	719.3	1.9%	2,472.1	1,789.7	38.1%
	Low-income consumer units benefited by the Energy Efficiency Program (PEE Aneel) in the period	thousand	8.5	3	183.3%	30.5	16.8	81.5%
People development and inclusion	Number of training hours¹	thousand	179.4	191.3	-6.2%	771.5	744.2	3.7%
Diversity	% of PoC in the company	%	31.1%	27.9%	11.5%	31.1%	27.9%	11.5%
	% of women in leadership positions	%	21.8%	21.5%	1.3%	21.8%	21.5%	1.3%
Sustainable Purchases	Critical suppliers evaluated in sustainability criteria	%	94.0%	88.0%	6.8%	94.0%	88.0%	6.8%

Note: (1) Consider the professional requalification program



Safe & Reliable Business

Theme	Indicator	Unit	4Q23	4Q22	Δ %	2023	2022	Δ %
Health and Safety	Accident frequency rate (own employees)	# injured * 1MM / hours worked ¹	0.8	0.9	-19.4%	0.8	0.9	-19.4%
	Accident frequency rate (outsourced)	# injured * 1MM / hours worked ¹	2.8	4.8	-41.6%	2.8	4.8	-41.6%
	Number of fatal accidents with the population	unit	4.0	6.0	-33.3%	10.0	18.0	-44.4%
Ethics	% of employees trained in Ethics and Integrity	%	100%	91.0%	9.9%	100%	91.0%	9.9%
Transparency	Number of Independent Member in the Board of Directors	number	2	2	-	2	2	-
	Number of women in the Board of Directors	number	1	1	-	1	1	-

Note: (1) hours worked with risk exposure



3) PERFORMANCE OF BUSINESS SEGMENTS

3.1) DISTRIBUTION SEGMENT

3.1.1) Operational Performance

3.1.1.1) Load Net of Losses | Concession Area

GWh	4Q23	4Q22	Δ GWh	Δ %	Part.	2023	2022	Δ GWh	Δ %	Part.
Captive Market	10,964	10,156	808	8.0%	59.5%	41,069	40,362	708	1.8%	58.2%
Free Client	7,461	7,236	225	3.1%	40.5%	29,485	28,910	575	2.0%	41.8%
Load Net of Losses	18,425	17,391	1,033	5.9%	100.0%	70,554	69,271	1,283	1.9%	100.0%

3.1.1.2) Energy Sales | Concession Area

GWh	4Q23	4Q22	Δ GWh	Δ %	Part.	2023	2022	Δ GWh	Δ %	Part.
Residential	6,025	5,371	654	12.2%	32.9%	21,980	20,922	1,058	5.1%	31.4%
Industrial	6,561	6,554	8	0.1%	35.8%	25,799	26,110	(312)	-1.2%	36.9%
Commercial	3,183	2,820	363	12.9%	17.4%	11,845	11,362	483	4.2%	16.9%
Rural	655	703	(48)	-6.8%	3.6%	2,755	3,014	(259)	-8.6%	3.9%
Others	1,885	1,922	(37)	-1.9%	10.3%	7,590	7,892	(302)	-3.8%	10.8%
Energy Sales	18,309	17,369	940	5.4%	100.0%	69,968	69,301	668	1.0%	100.0%
Captive										
Residential	6,025	5,371	654	12.2%	55.7%	21,980	20,922	1,058	5.1%	54.0%
Industrial	902	996	(94)	-9.5%	8.3%	3,604	4,031	(427)	-10.6%	8.9%
Commercial	1,882	1,778	104	5.8%	17.4%	7,103	7,287	(184)	-2.5%	17.5%
Rural	607	666	(58)	-8.8%	5.6%	2,569	2,860	(292)	-10.2%	6.3%
Others	1,396	1,363	33	2.4%	12.9%	5,447	5,589	(142)	-2.5%	13.4%
Total Captive	10,813	10,175	638	6.3%	100.0%	40,704	40,690	14	0.0%	100.0%
Free Client										
Industrial	5,659	5,557	102	1.8%	75.5%	22,195	22,079	115	0.5%	75.8%
Commercial	1,301	1,042	259	24.8%	17.4%	4,741	4,075	666	16.4%	16.2%
Rural	48	37	11	28.8%	0.6%	186	154	32	21.1%	0.6%
Others	489	558	(70)	-12.5%	6.5%	2,142	2,303	(160)	-7.0%	7.3%
Total Free Client	7,496	7,194	302	4.2%	100.0%	29,265	28,611	654	2.3%	100.0%

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

Highlights in the quarter:

- Residential Segment:** growth of 12.2%, favored above all by the high temperatures recorded in the period, especially in the state of São Paulo; added to the positive result of the payroll and the vegetative growth of consumer units. These effects were partially offset by the negative impact of distributed generation (DG);
- Industrial Segment:** growth of 0.1%, showing a slight improvement, influenced by the positive result in food, rubber and plastics, and pulp and paper sectors. However, we still see the reflection of the deceleration in this segment, which can be observed by the data released for the national industrial production, which ended the quarter with a performance of +0.2% in the period, reflecting the predominance of negative rates in the production of 7 out of the 10 sectors with the highest participation in our concession area, namely: chemical, vehicles, metal products, metallurgy, textile products, non-metallic minerals, as well as machinery and

equipment;

- Commercial Segment:** growth of 12.9%, mainly motivated by the increase in temperature, which elevated the demand for refrigeration, added to the improvement in the sales volume of 9 out of the 10 most relevant activities in the concession area. In addition, there was a positive effect regarding ANEEL Normative Resolution (REN) No. 1,000/2021, which determined the registration review of consumer units, especially rural and public consumers, which receive tariff benefits, re-registering them as commercial in case of non-compliance with the criteria to receive the benefit. Despite the positive performance, there was a negative impact of DG;
- Rural Segment:** reduction of 6.8%, mainly motivated by the relevant increase in DG, with emphasis on consumer units located in the state of Rio Grande do Sul, followed by the negative impacts generated by REN ANEEL No. 1,000/2021 – as detailed in the item above, and by the calendar effect;
- Others Segment:** reduction of 1.9%, mainly attributed to the increase in DG, especially in the permissionaires located in the concession areas of RGE and CPFL Santa Cruz. In addition, there was a negative effect of REN ANEEL No. 1,000/2021 – as detailed above.

In general, the same effects also affected the year result, with the exception of:

- Industrial Segment:** reduction of 1.2%, pressured mainly by the low economic performance in the sector, since the regional industrial production, in the cumulative index of the year, registered a decrease of 4.7% for the state of Rio Grande do Sul and 1.5% for the state of São Paulo, thus reflecting the predominance of negative rates in consumption of 8 out of the 10 sectors with the highest participation in our concession area;
- Others Segment:** reduction of 3.8%, mainly explained by the impact of the migration of permissionaires to the National Grid, not observed in the quarter, followed by the increase in DG and the effect of REN ANEEL No. 1,000/2021.

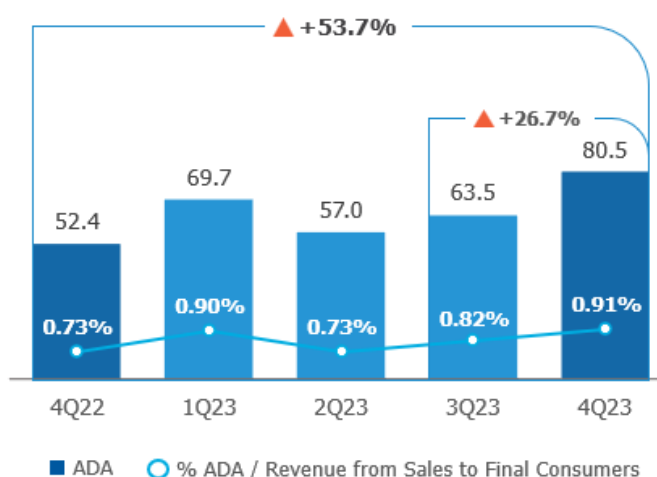
3.1.1.3) Delinquency

ADA in the quarter increased by R\$ 28 million compared to the same period in 2022 and an increase of R\$ 17 million compared to 3Q23.

ADA/Revenue from Sales to Final Consumers index reached 0.91% in the quarter, slightly above the **historical average** of **0.7%** to **0.8%**.

This result is due to the reduction in the number of power cuts, due to the deployment of teams to respond to emergencies, due to the severe storms that occurred in the quarter in the concession area.

In addition, the increase in load generated by high temperatures increased customers' average bill, as well as short-term delinquency.



In the year, we recorded a reduction of R\$ 21 million and, among the components that boosted this result, the following stand out:

- (i) increase in payroll;
- (ii) better hydrological scenario, favoring the energy tariff with the maintenance of the green flag throughout 2023; and
- (iii) reduction in the ICMS rate.

Regarding the percentage of ADA/ Revenue from Sales to Final Consumers, we closed the indicator at 0.84%, close to the historical level.

We ended the period below the 0.91% recorded in 2022.

CPFL has been carrying out its collection actions as a way to ensure the control of delinquency indicators, with a focus on maintaining the volumetry and intelligence of the process. We ended the quarter with 492 thousand cuts, totaling 2,440 thousand cuts in the year. In addition, we recorded strategic negotiations with clients of the CPFL group, mainly at RGE, resulting in the reversal of delinquency.

3.1.1.4) Losses

12 Months Accumulated ¹	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	ANEEL ²
CPFL Energia	8.39%	8.44%	8.19%	8.64%	8.76%	7.85%
CPFL Paulista	8.70%	8.49%	8.48%	9.10%	9.14%	7.90%
CPFL Piratininga	7.36%	7.43%	7.39%	7.65%	7.75%	5.97%
RGE Sul	8.86%	9.34%	8.38%	8.73%	9.03%	9.16%
CPFL Santa Cruz	7.08%	7.23%	7.27%	7.62%	7.75%	8.30%

Notes:

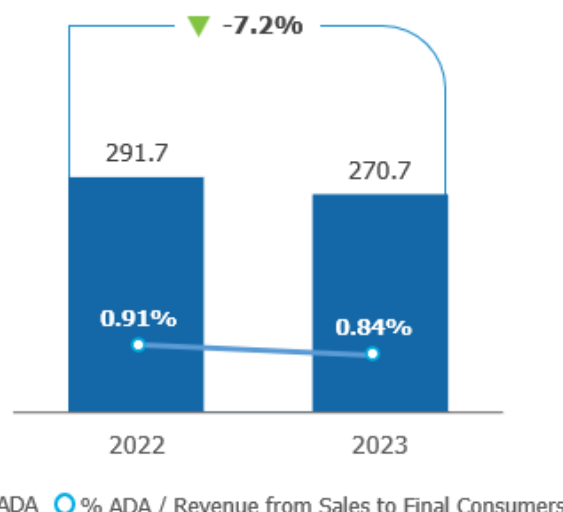
(1) According to the criteria defined by the Regulatory Agency (ANEEL), except for not considering distributed generation effects (DG). In CPFL Piratininga and RGE, high-voltage customers (A1) were disregarded;

(2) ANEEL limit referring to 12/31/2023.

The consolidated losses index of CPFL Energia in the period showed an increase of 0.37 p.p., compared to the previous year, essentially explained by the increase in load, generated by the high temperatures observed throughout the concession area. Excluding the effect of the billing calendar in both periods, the growth in losses would be 0.25 p.p. (8.27% in Dec-22 vs. 8.52% in Dec-23).

The main achievements of the quarter for loss reduction were:

- (i) Blindage of electrical borders and internal substations;
- (ii) Mapping of energy losses through microbalances;
- (iii) 108.7 thousand fraud inspections performed in consumer units;
- (iv) Replacement of more than 22.0 thousand obsolete/defective meters for new electronic



meters;

- (v) Visit in 1.2 thousand consumer units inactivated for cutting in cases of self-reconnection;
- (vi) Regularization of 1.9 thousand consumer units, with increase of consumption and without contract;
- (vii) Regularization of 1.1 thousand clandestine consumer units, most of which having the need of CPFL Energia's grid construction;
- (viii) Market discipline through 59 news in media related to CPFL operations to fight fraud and theft.

3.1.1.5) SAIDI and SAIFI

The SAIDI measures the average duration, in hours, of outages per consumer, and SAIFI indicates the average number of outages per consumer. Such indicators measure the annual quality and reliability of the electricity supply.

In the distributors' consolidated terms, the annualized values of SAIDI and SAIFI in Dec-23 are below the regulatory limits and the same period in 2022, results that can be attributed to the continuous search for improvement by CPFL in its operation, maturation of the ADMS operation system, logistical increase and intensification, through new investments as well as in the operation and maintenance of the grid.

Hours SAIDI	2022	2023	Δ %	ANEEL ¹
CPFL Energia	6.76	6.07	-10.2%	n.d
CPFL Paulista	5.25	5.14	-2.1%	6.41
CPFL Piratininga	4.95	4.57	-7.7%	6.02
RGE	10.55	8.63	-18.2%	10.56
CPFL Santa Cruz	4.74	5.04	6.3%	7.98

Interruptions SAIFI	2022	2Q23	Δ %	ANEEL ¹
CPFL Energia	3.88	3.45	-11.1%	n.d
CPFL Paulista	3.56	3.26	-8.4%	5.09
CPFL Piratininga	3.65	3.14	-14.0%	4.97
RGE	4.63	3.98	-14.0%	7.22
CPFL Santa Cruz	3.22	3.22	0.0%	6.55

Note: (1) ANEEL limit refers to 2023.

3.1.2) Tariff Events

Description	ATAs ¹	PTRs ¹			
	CPFL Santa Cruz	CPFL Paulista	RGE	CPFL Piratininga	
Ratifying Resolution	3,178	3,183	3,206	3,277	
Adjustment	5.65%	3.36%	1.67%	-0.73%	
Parcel A	3.24%	0.89%	6.79%	1.97%	
Parcel B	1.17%	0.19%	0.43%	-1.08%	
Financial Components	1.23%	2.28%	-5.55%	-1.62%	
Effect on consumer billings¹	9.02%	4.89%	1.10%	-4.37%	
Date of entry into force	03/21/2023	04/08/2023	06/19/2023	10/23/2023	

Notes:

(1) ATAs correspond to Annual Tariff Adjustments, while PTRs are Periodic Tariff Revisions;

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

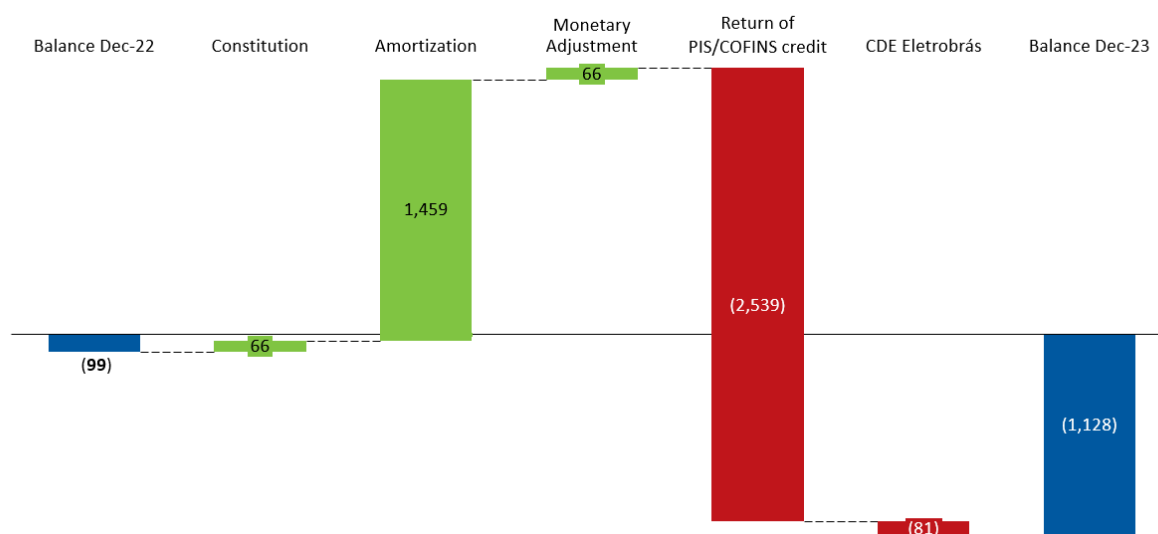
3.1.3) Economic-Financial Performance

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	12,913	11,794	1,119	9.5%	48,329	46,700	1,629	3.5%
Net Operating Revenue	8,447	8,793	(346)	-3.9%	32,414	32,399	14	0.0%
Net Operating Revenue (ex-rev. from infrastructure)	7,409	7,462	(53)	-0.7%	28,623	27,663	960	3.5%
Cost of Electric Power	(4,293)	(4,354)	61	-1.4%	(17,017)	(16,903)	(114)	0.7%
PMSO, Private Pension Fund and ADA	(1,055)	(1,295)	241	-18.6%	(3,702)	(3,761)	60	-1.6%
Costs of Building the Infrastructure	(1,038)	(1,331)	293	-22.0%	(3,791)	(4,737)	946	-20.0%
EBITDA¹	2,061	1,813	248	13.7%	7,904	6,998	906	12.9%
Depreciation and Amortization	(300)	(294)	(6)	1.9%	(1,171)	(1,071)	(101)	9.4%
Financial Income (Expense)	(427)	(1,134)	707	-62.4%	(1,742)	(2,047)	305	-14.9%
Financial Revenues	348	372	(24)	-6.4%	1,561	1,744	(183)	-10.5%
Financial Expenses	(775)	(1,506)	731	-48.5%	(3,303)	(3,791)	488	-12.9%
Income Before Taxes	1,334	385	949	246.9%	4,990	3,881	1,110	28.6%
Income Tax / Social Contribution	(454)	(263)	(191)	72.8%	(1,686)	(1,502)	(184)	12.2%
Net Income	880	122	758	621.4%	3,304	2,378	926	38.9%

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

Sectoral Financial Assets and Liabilities

On December 31st, 2023, the balance of sectoral financial assets and liabilities was negative (liability) in R\$ 1,128 million. If compared to December 31st, 2022, there was a variation of R\$ 1,029 million, as demonstrated in the chart below:



The variation in this balance was due to the constitution of an asset of R\$ 66 million, mainly due to:

- (i) Over contracting (R\$ 872 million);
- (ii) National Grid (R\$ 722 million);
- (iii) System Service Charge ("ESS") and Reserve Energy Charge ("EER") (R\$ 339 million);
- (iv) Other items (R\$ 4 million);

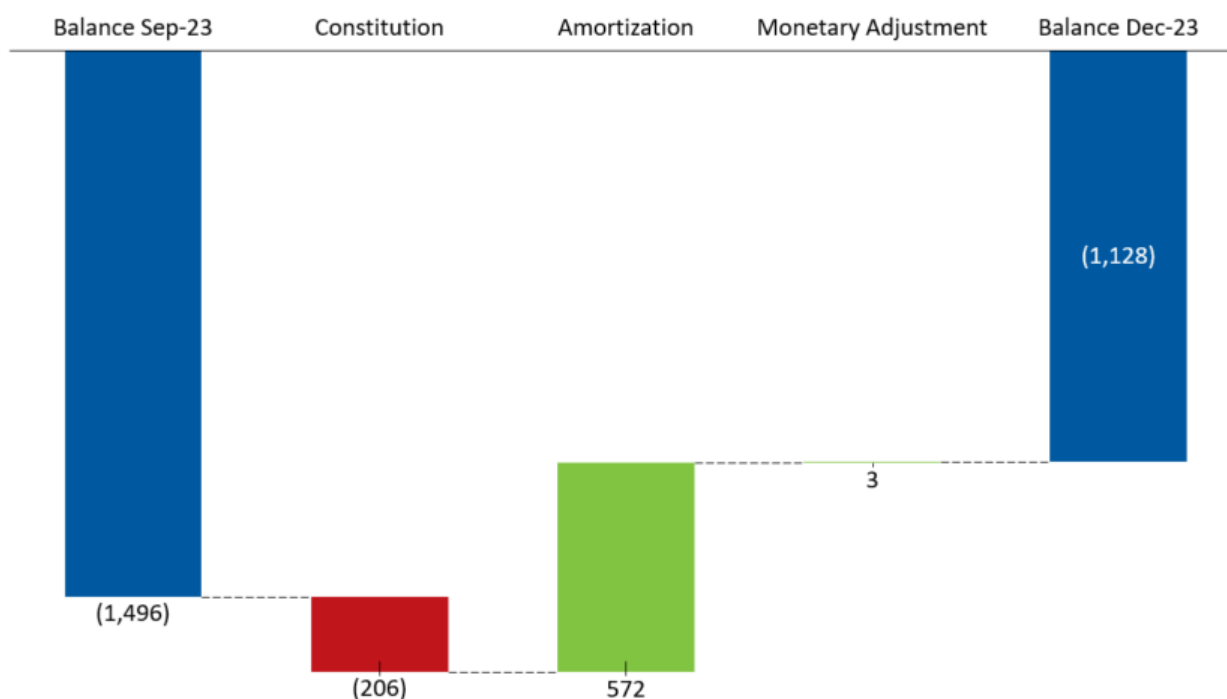
Partially offset by the constitution of liabilities in:

- (v) Electric energy cost (R\$ 1,179 million);

- (vi) Itaipu costs (R\$ 512 million);
- (vii) Neutrality of sectoral charges (R\$ 181 million).

The amortization was of R\$ 1,459 million and the monetary adjustment of assets and liabilities totaled R\$ 66 million. During this period, there was also the approval of the return to consumers of the PIS/COFINS credit, in the amount of R\$ 2,539 million. Moreover, there was a transfer of funds related to CDE Eletrobras, in the amount of R\$ 81 million.

For analysis purposes, below is the graph that demonstrates the movement in the balances of sectoral assets and liabilities, only in 4Q23:



Operating Revenue

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Revenue with Energy Sales (Captive + TUSD)	10,604	8,494	2,111	24.8%	38,977	37,494	1,484	4.0%
Short-term Electric Energy	58	120	(62)	-52.0%	421	516	(95)	-18.4%
Concession Infrastructure Construction Revenue	1,038	1,331	(293)	-22.0%	3,791	4,737	(946)	-20.0%
Sectoral Financial Assets and Liabilities	365	518	(153)	-29.5%	1,525	89	1,435	1607.7%
CDE Resources - Low-income and Other Tariff Subsidies	578	454	124	27.3%	2,030	1,926	104	5.4%
Adjustments to the Concession's Financial Asset	138	725	(587)	-81.0%	1,005	1,401	(396)	-28.3%
Other Revenues and Income	174	174	(0)	0.0%	698	647	50	7.7%
Compensatory Fines (DIC/FIC)	(42)	(21)	(20)	94.4%	(118)	(111)	(7)	6.4%
Gross Operating Revenue	12,913	11,794	1,119	9.5%	48,329	46,700	1,629	3.5%
ICMS Tax	(1,765)	(565)	(1,200)	212.3%	(5,795)	(5,200)	(595)	11.4%
PIS and COFINS Taxes	(905)	(880)	(25)	2.9%	(3,425)	(3,199)	(226)	7.1%
CDE Sector Charge	(1,490)	(1,390)	(100)	7.2%	(5,747)	(5,623)	(124)	2.2%
R&D and Energy Efficiency Program	(73)	(68)	(6)	8.6%	(277)	(264)	(14)	5.2%
PROINFA	(81)	(86)	5	-6.0%	(332)	(297)	(34)	11.6%
Tariff Flags	-	-	-	-	(5)	328	(332)	-
Others	(152)	(12)	(140)	1196.5%	(335)	(46)	(289)	631.3%
Deductions from the Gross Operating Revenue	(4,466)	(3,001)	(1,465)	48.8%	(15,915)	(14,301)	(1,615)	11.3%
Gross Operating Revenue	8,447	8,793	(346)	-3.9%	32,414	32,399	14	0.0%

Gross Operating Revenue

The increase in **Revenue with Energy Sales (captive + free clients)** is due to: (i) the positive average tariff adjustment in the distribution companies³, in consumer's perception; (ii) the increase of 5.9% in the load in the concession area, mainly due to the increase in temperature; and (iii) the increase in the ICMS tax, as a result of the return of its incidence over TUSD.

On the other hand, there was a decrease in the **Monetary Adjustments of the Concession's Financial Assets**, due to the extraordinary effects related to the RAB appraisal reports of CPFL Paulista and RGE in 4Q22, in the amount of R\$ 622 million. In **Revenue from Building the Infrastructure of the Concession**, the decrease is due to the lower Capex realized this year, after the efforts of 2022 due to the tariff review processes.

In the year, the effects were similar to those of the quarter, but it is also worth noting the positive changes in the accounting of **Sectoral Financial Assets and Liabilities**, mainly due to the amortization of a liability of R\$ 1,459 million and the net constitution of an asset of R\$ 66 million compared to the amortization of an asset of R\$ 159 million and the constitution of an asset of R\$ 248 million.

Deductions from the Gross Operating Revenue

Deductions from gross operating revenue in the quarterly analysis showed an increase, mainly due to the return of the ICMS incidence on TUSD, and the increase in CDE, resulting from the inclusion of the CDE Water Scarcity and CDE DG, and in the Others line, resulting from the re-composition of resources to the Itaipu Electric Energy Trading Account.

The same effects also affected the year result.

³ Tariff adjustments are available in CPFL Energia Historical Information Base, in IR website. In order to access, [click here](#).

Cost of Electric Energy

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	546	741	(196)	-26.4%	2,134	2,972	(838)	-28.2%
PROINFA	107	136	(28)	-20.9%	420	595	(175)	-29.3%
Auction, Bilateral Contracts and Spot Market	2,473	2,568	(95)	-3.7%	10,365	9,932	433	4.4%
PIS and COFINS Tax Credit	(274)	(308)	34	-11.0%	(1,154)	(1,201)	48	-4.0%
Cost of Electric Power Purchased for Resale	2,852	3,137	(285)	-9.1%	11,765	12,297	(532)	-4.3%
Basic Network Charges	1,039	921	119	12.9%	3,925	3,222	704	21.8%
Itaipu Transmission Charges	103	76	27	35.9%	363	284	79	27.9%
Connection Charges	63	66	(3)	-4.3%	259	268	(9)	-3.3%
Charges for the Use of the Distribution System	14	12	2	14.9%	52	46	6	13.6%
ESS / EER	368	266	103	38.6%	1,187	1,256	(69)	-5.5%
PIS and COFINS Tax Credit	(147)	(124)	(23)	18.5%	(535)	(469)	(66)	14.0%
Charges for the Use of the Distribution System	1,441	1,217	225	18.5%	5,252	4,606	646	14.0%
Cost of Electric Energy	4,293	4,354	(61)	-1.4%	17,017	16,903	114	0.7%

The reduction of the **Cost of Electric Power Purchased for Resale**, both in the quarter and in the year, is mainly due to the reduction in **Itaipu** tariffs (dollar and tariff reduction) and **Proinfa** (reduction of the values of the funding quotas). In the year, the reduction of the items mentioned was partially offset by the increase in the average price of energy purchased from **Auction, Bilateral Contracts and Spot Market** (+8.7%).

Regarding **Charges for the Use of the Transmission and Distribution System**, the increase perceived in the analyzed periods, mainly due to the variation in the charges of the connection and transmission, as a result of the adjustments in the Tariff for the Use of the Transmission System (TUST), in accordance with ANEEL Resolution No. 3,066/22 and No. 3,217/23, which determined new tariffs as of Jul-22 and Jul-23, respectively.

Regarding **sector charges (ESS/EER)**, in quarter the perceived increase is due to ESS – System Service Charge, mainly as a result of the CCEE resettlements, which captured additional costs generated by the approval of the agreement signed between Âmbor Energia, the Federal Government and the National Electric System Operator (ONS) and also due to the greater number of thermal dispatches, motivated by the operational electrical restrictions. In the year, it should be noted that due to the better energy scenario that prevailed during 2023 and the reduced need to activate thermal power plants, we had a reduction in ESS.

GWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	2,499	2,591	-92	-3.6%	9,885	10,198	-313	-3.1%
PROINFA	248	262	-14	-5.4%	937	968	-32	-3.3%
Auction, Bilateral Contracts and Spot Market	10,980	11,330	-350	-3.1%	43,810	45,649	-1,839	-4.0%
Volume of Purchased Energy	13,727	14,183	(456)	-3.2%	54,631	56,815	(2,184)	-3.8%

R\$/MWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Itaipu	218.31	286.07	(67.75)	-23.7%	215.88	291.39	(75.51)	-25.9%
PROINFA	433.97	519.54	(85.57)	-16.5%	448.85	614.53	(165.68)	-27.0%
Auction, Bilateral Contracts and Spot Market	225.20	226.63	(1.43)	-0.6%	236.58	217.56	19.02	8.7%
Average Price	207.76	221.20	(13.44)	-6.1%	215.36	216.43	(1.08)	-0.5%

PMSO

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Personnel	354	317	37	11.6%	1,295	1,129	166	14.7%
Material	67	71	(3)	-4.8%	287	286	1	0.4%
Outsourced Services	314	289	25	8.6%	1,133	1,010	123	12.2%
Other Operating Costs/Expenses	303	441	(137)	-31.1%	880	1,061	(181)	-17.1%
<i>Allowance for doubtful accounts</i>	<i>80</i>	<i>52</i>	<i>28</i>	<i>53.7%</i>	<i>271</i>	<i>292</i>	<i>(21)</i>	<i>-7.2%</i>
<i>Legal and judicial expenses</i>	<i>110</i>	<i>96</i>	<i>14</i>	<i>14.3%</i>	<i>248</i>	<i>247</i>	<i>1</i>	<i>0.3%</i>
<i>Termination of Pension Plan - Tax Process</i>	<i>-</i>	<i>209</i>	<i>(209)</i>	<i>-</i>	<i>-</i>	<i>209</i>	<i>(209)</i>	<i>-</i>
<i>Assets Write-Off</i>	<i>80</i>	<i>52</i>	<i>28</i>	<i>53.7%</i>	<i>271</i>	<i>292</i>	<i>(21)</i>	<i>-7.2%</i>
<i>Others</i>	<i>32</i>	<i>30</i>	<i>2</i>	<i>6.1%</i>	<i>90</i>	<i>22</i>	<i>69</i>	<i>318.7%</i>
PMSO	1,039	1,118	(79)	-7.0%	3,595	3,486	109	3.1%

The PMSO in quarter and in the year was impacted by an extraordinary item that occurred in 2022:

- Expenses with negotiation to extinguish tax proceedings related to the CPFL Paulista Pension Plan: R\$ 209 million in legal and judicial expenses in 4Q22;

Excluding this item, the PMSO would have shown an increase of 15.1% (R\$ 136 million) in the quarter and 9.9% in the year (R\$ 324 million), due to the following factors:

- Personal (increases of R\$ 37 million in the quarter and of R\$ 166 million in the year):** explained by the salary adjustments in accordance with the collective labor agreement applied in 2023, the increase of 3.6% in headcount of the Distribution segment and a greater number of overtime hours due to the storms that affected the distributors concession areas;
- MSO linked to inflation (increases of R\$ 47 million in quarter and of R\$ 119 million in the year) - mainly impacts:** call center (R\$ 4 million and R\$ 12 million, respectively), uniforms e safety equipment (R\$ 4 million and R\$ 7 million), reading and delivery of bills (R\$ 3 million and R\$ 5 million), Fleet Maintenance (R\$ 2 million and R\$ 10 million, respectively);
- MSO not linked to inflation (increases of R\$ 53 million in the quarter and of R\$ 38 million in the year):** increase of the hardware and software expenses, due to the change in the accounting rule (in 2022 it was accounted for as Capex), and variations in the allowance for doubtful accounts (PDD) (as explained in item 3.1.1.5) and in legal and judicial expenses.

Other operating costs and expenses

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Costs of Building the Infrastructure	(1,038)	(1,331)	293	-22.0%	(3,791)	(4,737)	946	-20.0%
Private Pension Fund	(15)	(177)	162	-91.3%	(107)	(275)	168	-61.1%
Depreciation and Amortization	(300)	(294)	(6)	1.9%	(1,171)	(1,071)	(101)	9.4%
Total	(1,354)	(1,802)	449	-24.9%	(5,069)	(6,083)	1,013	-16.7%

EBITDA

The increase in **EBITDA** in the quarter is mainly explained by the increase in the load in the concession area, driven by the effect of temperature, by the distributors positive average tariff adjustments and by the increase in the updating of the concession's financial asset, impacted by the higher IPCA in the period.

In the year, the higher **EBITDA** is explained also by the increase in the load in the last two quarters and by the positive adjustment of parcel B.

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Income	880	122	758	621.4%	3,304	2,378	926	38.9%
Depreciation and Amortization	300	294	6	1.9%	1,171	1,071	101	9.4%
Financial Result	427	1,134	(707)	-62.4%	1,742	2,047	(305)	-14.9%
Income Tax / Social Contribution	454	263	191	72.8%	1,686	1,502	184	12.2%
EBITDA	2,061	1,813	248	13.7%	7,904	6,998	906	12.9%

EBITDA by Distribution Company

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
CPFL Paulista	972	834	138	16.6%	3,475	2,941	534	18.2%
CPFL Piratininga	269	203	67	33.0%	1,259	1,145	114	10.0%
RGE	737	701	36	5.2%	2,861	2,622	239	9.1%
CPFL Santa Cruz	83	76	6	8.5%	308	289	19	6.6%
EBITDA	2,061	1,813	247	13.6%	7,904	6,998	906	12.9%

In the quarter result, the EBITDA of CPFL Paulista was positively impacted by the increase in Parcel B, growth in the residential market (18%) and higher consumption due to the high temperatures recorded during the quarter. In addition, in 4Q22, CPFL Paulista registered the preliminary asset valuation report for RTP, which increased the comparison basis.

In CPFL Piratininga, the impact is a consequence of the strong growth of the market, mainly captive, with higher consumption due to high temperatures.

In RGE, there was also growth in consumption, but not at the same level as the Distributors in the State of São Paulo, mainly due to the high number of weather events that occurred in its concession area and lower temperatures when compared to 4Q22.

Financial Result

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Revenues	348	372	(24)	-6.4%	1,561	1,744	(183)	-10.5%
Expenses	(775)	(1,506)	731	-48.5%	(3,303)	(3,791)	488	-12.9%
Financial Result	(427)	(1,134)	707	-62.4%	(1,742)	(2,047)	305	-14.9%

Managerial Analysis

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Expenses with the net debt	(557)	(475)	(82)	17.3%	(2,252)	(1,985)	(267)	13.5%
Late payment interest and fines	101	90	11	12.2%	378	461	(83)	-18.0%
Mark-to-market	120	2	118	5317.9%	122	15	108	724.6%
Adjustment to the sectorial financial asset/liability	3	39	(35)	-91.5%	66	337	(270)	-80.3%
Others financial revenues/expenses	(95)	120	(215)	-	(57)	37	(94)	-
CPFL Paulista Private Pension Fund Negotiation	-	(911)	911	-	-	(911)	911	-
Financial Result	(427)	(1,134)	707	-62.4%	(1,742)	(2,047)	305	-14.9%

Excluding the extraordinary effect in 4Q22, related to the financial expense linked to the negotiation for the termination of the tax proceedings of the CPFL Paulista Pension Plan (R\$ 911 million), the increase in net financial expenses in the quarter would be 91.1% (R\$ 204 million) in the quarter and 53.4% (R\$ 606 million) in the year.

In **Net debt expenses**, the change in the quarter was mainly due to the higher debt balance

indexed by the CDI and the increase in the IPCA in the period (0.78% in 4Q23 and 0.71% in 4Q22).

In **Other financial revenues/expenses**, the variation was mainly due to a lower balance of upgradable tax credits in quarter.

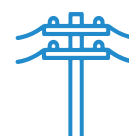
In the year, the effect of the **increase in the CDI** is more relevant than the reduction in the IPCA in **net debt expenses**, while in the revenue from increases and late payment fines, the reflection of the reduction in the IPCA is verified, as well as the adhesion to new payment modalities (credit card and Alesta). On the other hand, the reduction in the **update of sectoral financial assets and liabilities** showed a decrease due to the lower updateable balance in 2023.

Mas posso te esperar

Net Income

In the quarter, the **net income** showed an increase, due to the higher EBITDA result and the improvement in the financial result, mainly due to the extraordinary effect recorded in 4Q22, related to the tax agreement related to CPFL Paulista's pension plan, partially offset by the increase in income tax and social contribution expenses.

In the year, the **net income** showed an increase, reflecting EBITDA growth and lower net financial expenses, partially offset by the increase in income tax and social contribution expenses.



3.2) GENERATION SEGMENT

3.2.1) Operational Performance

Generated Energy

GWh	4Q23	4Q22	Δ GWh	Δ %	2023	2022	Δ GWh	Δ %
Wind	1,211	1,229	(18)	-1.4%	4,054	4,064	(10)	-0.2%
SHPP	484	416	68	16.3%	1,855	1,596	259	16.2%
HPP	3,237	1,989	1,248	62.7%	7,938	7,247	691	9.5%
Biomass	272	169	102	60.4%	1,041	830	211	25.5%
Solar	0.3	0.1	0.2	110.1%	1.2	0.3	0.9	280.6%
TPP	54.5	0	54	29618.1%	54.9	16	39	238.1%
Generated Energy	5,259	3,804	1,455	38.2%	14,944	13,754	1,191	8.7%

Availability

%	4Q23	4Q22	Δ p.p.	Δ %	2023	2022	Δ p.p.	Δ %
Wind	96.3%	96.3%	0.0	0.0%	95.8%	96.0%	-0.3	-0.3%
SHPP	95.6%	89.7%	6.0	6.7%	94.4%	91.0%	3.4	3.7%
HPP	98.9%	98.4%	0.5	0.5%	98.8%	97.5%	1.3	1.4%
Biomass	98.6%	99.5%	-0.9	-0.9%	96.3%	98.3%	-2.0	-2.0%
Solar	100.0%	100.0%	0.0	0.0%	100.0%	100.0%	0.0	0.0%
TPP	98.0%	99.5%	-1.5	-1.5%	99.4%	96.7%	2.7	2.8%



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

3.2.2) Economic-Financial Performance

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	1,523	1,447	75	5.2%	5,458	4,599	859	18.7%
Net Operating Revenue	1,392	1,330	62	4.6%	4,997	4,251	746	17.5%
Cost of Electric Power	(143)	(152)	10	-6.4%	(547)	(545)	(2)	0.4%
PMSO and Private Pension Fund	(554)	452	(1,006)	-	(1,039)	49	(1,089)	-
Equity income	66	106	(40)	-37.5%	315	489	(174)	-35.5%
EBITDA¹	761	1,736	(974)	-56.1%	3,726	4,245	(519)	-12.2%
Depreciation and Amortization	(252)	(209)	(42)	20.3%	(897)	(762)	(135)	17.7%
Financial Result	(162)	(162)	1	-0.5%	(565)	(616)	51	-8.2%
Financial Revenues	55	53	2	3.8%	220	174	46	26.8%
Financial Expenses	(217)	(216)	(1)	0.5%	(785)	(790)	4	-0.5%
Income Before Taxes	348	1,364	(1,016)	-74.5%	2,264	2,867	(603)	-21.0%
Net Income	302	1,322	(1,020)	-77.2%	1,774	2,599	(825)	-31.8%

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

Net Operating Revenue

Enercan Consolidation continued to be the main responsible for the increase in revenue, with an impact of R\$ 84 million in the quarter and R\$ 826 million in the year. Wind generation remained stable in both comparisons, despite the better performance of wind farms, which was not fully utilized due to the effects of the curtailment imposed by the ONS. In addition to these effects, energy prices are generally adjusted based on inflation (IPCA or IGP-M), as provided for in the contract.

Cost of Electric Power

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Energy Purchased in the Spot Market	25	18	8	42.8%	92	115	(23)	-20.1%
Bilateral Contracts, ACR and ACL	54	81	(28)	-34.0%	202	315	(113)	-35.8%
PIS and COFINS Tax Credit	(3)	(6)	3	-44.7%	(13)	(24)	11	-46.9%
Cost of Electric Power Purchased for Resale	75	93	(18)	-18.8%	282	358	(76)	-21.3%
National Grid Charges	55	47	8	16.9%	220	141	79	56.2%
Connection Charges	5	4	1	13.0%	17	14	3	21.0%
Charges for the Use of the Distribution System	11	11	(0)	-2.3%	44	40	3	8.3%
ESS/EER	0	0	(0)	-60.3%	0	0	(0)	-51.2%
PIS and COFINS Tax Credit	(4)	(3)	(1)	21.7%	(15)	(8)	(7)	95.5%
Charges	67	59	8	12.7%	266	188	78	41.6%
Cost of Electric Energy	142	152	(10)	-6.5%	547	545	2	0.4%

The lower amount of energy purchased under **Bilateral Contracts, ACR and ACL** was the main factor for the cost reduction, both in the quarter and in the year, and was partially offset by the consolidation of Enercan.

The **Charges** recorded higher expenses, especially the National Grid Charges in the year view.

GWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Energy Purchased in the Spot Market	459	472	(13)	-2.7%	1,159	1,838	(678)	-36.9%
Bilateral Contracts, ACR and ACL	488	749	(261)	-34.9%	1,765	3,195	(1,430)	-44.8%
Purchased energy	947	1,221	(274)	-22.4%	2,924	5,032	(2,108)	-41.9%
R\$/MWh	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Energy Purchased in the Spot Market	54.48	37.11	17.36	46.8%	79.11	35.81	43.30	120.9%
Bilateral Contracts, ACR and ACL	110.24	108.40	1.85	1.7%	114.73	98.75	15.97	16.2%
Average price	83.21	80.85	2.36	2.9%	100.61	75.77	24.84	32.8%

PMSO

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Personnel	47	48	(1)	-2.9%	172	172	0	0.1%
Material	4	3	1	30.7%	48	30	18	59.7%
Outsourced Services	85	71	14	19.3%	287	236	52	22.0%
Other Operating Costs/Expenses	416	(576)	992	-	530	(490)	1,021	-
<i>Asset Write-off</i>	<i>3</i>	<i>18</i>	<i>(15)</i>	<i>-85.1%</i>	<i>(1)</i>	<i>18</i>	<i>(19)</i>	<i>-</i>
<i>GSF Risk Premium</i>	<i>5</i>	<i>6</i>	<i>(1)</i>	<i>-12.7%</i>	<i>22</i>	<i>25</i>	<i>(3)</i>	<i>-12.8%</i>
<i>Remeasurement of Enercan</i>	<i>334</i>	<i>(670)</i>	<i>1,004</i>	<i>-</i>	<i>334</i>	<i>(670)</i>	<i>1,004</i>	<i>-</i>
<i>Legal and judicial expenses</i>	<i>3</i>	<i>(1)</i>	<i>4</i>	<i>-</i>	<i>47</i>	<i>2</i>	<i>45</i>	<i>2889.5%</i>
<i>Others</i>	<i>71</i>	<i>71</i>	<i>(0)</i>	<i>-0.1%</i>	<i>129</i>	<i>135</i>	<i>(7)</i>	<i>-4.8%</i>
PMSO	552	(453)	1,005	-	1,037	(53)	1,090	-

The variation in PMSO expenses is mainly explained by the accounting of the extraordinary effects of Enercan (non-cash effects), as already explained in Chapter 1: +R\$ 670 million in 4Q22 and - R\$ 334 million in 4Q23, totaling a negative variation of R\$ 1,004 million.

Excluding these effects, PMSO would have remained stable in the quarter and would have increased 14.0% in the year. The main reasons for this increase are: increased spending on

maintenance of software/hardware, machinery and equipment, in addition to the consolidation of Enercan.

Other operating costs and expenses

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Private Pension Fund	2	1	1	76.7%	2	4	(2)	-40.4%
Depreciation and amortization	175	167	8	4.8%	694	594	100	16.9%
Amortization of Concession Intangible	76	42	34	82.3%	202	168	35	20.7%
Other operating costs and expenses	254	210	43	20.6%	899	765	133	17.4%

Equity Income

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Barra Grande HPP	(6)	0	(6)	-	(3)	(1)	(1)	92.9%
Campos Novos HPP	-	24	(24)	-	-	194	(194)	-
Foz do Chapecó HPP	52	70	(18)	-25.4%	241	224	17	7.8%
Epasa TPP	20	11	8	73.5%	77	72	4	5.9%
Equity Income	66	105	(40)	-37.5%	315	489	(174)	-35.6%

Notes:

(1) Disclosure of interest in subsidiaries is made in accordance with IFRS 12 and CPC 45;

(2) As of November 2022, SPE Enercan (UHE Campos Novos) became 100% consolidated, line by line. Until October/22, it was accounted by equity income method;

Barra Grande

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Revenue	8	16	(8)	-51.4%	49	81	(32)	-39.6%
Operating Costs / Expenses	(10)	(13)	3	-22.5%	(36)	(53)	18	-32.9%
Deprec. / Amortization	(4)	(4)	(0)	2.2%	(14)	(14)	(0)	0.7%
Net Financial Result	(3)	1	(4)	-	(3)	(15)	12	-81.0%
Income Tax	3	0	3	2368.8%	2	1	1	67.6%
Net Income	(6)	0	(6)	-	(3)	(1)	(1)	92.9%

The decrease in tariffs resulted in a reduction in **Net Revenue**, while the drop in the amount of energy purchased reduced **Operating Costs / Expenses**. Lower expenses with UBP, indexed by IGP-M, reduced **Net Financial Expense**.

Campos Novos

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Revenue	-	49	(49)	-100.0%	-	420	(420)	-100.0%
Operating Costs / Expenses	-	(12)	12	-100.0%	-	(101)	101	-100.0%
Deprec. / Amortization	-	(2)	2	-100.0%	-	(22)	22	-100.0%
Net Financial Result	-	1	(1)	-100.0%	-	(1)	1	-100.0%
Income Tax	-	(12)	12	-100.0%	-	(100)	100	-100.0%
Net Income	-	24	(24)	-100.0%	-	194	(194)	-100.0%

HPP Campos Novos (SPC Enercan) became 100% consolidated as of November/2022.

Foz do Chapecó

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Revenue	166	163	3	2.1%	649	609	40	6.5%
Operating Costs / Expenses	(34)	(33)	(1)	2.8%	(140)	(128)	(12)	9.0%
Deprec. / Amortization	(13)	(13)	0	-3.7%	(53)	(54)	2	-3.2%
Net Financial Result	(22)	(11)	(10)	91.4%	(67)	(84)	16	-19.3%
Income Tax	(44)	(35)	(9)	26.4%	(143)	(113)	(30)	26.3%
Net Income	52	70	(18)	-25.4%	241	224	17	7.8%

Increase in the supplied energy price generated an increase in **Net Revenue**, while a greater quantity of energy purchased and higher charges caused an increase in **Operating Costs / Expenses**. Lower income from financial investments and greater monetary and exchange rate updates increased **Net Financial Expenses** in the quarter but were offset by lower expenses with UBP in the year, indexed by IGP-M and IPCA.

Epasa

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Revenue	64	41	23	57.2%	188	166	22	13.1%
Operating Costs / Expenses	(30)	(14)	(16)	117.6%	(60)	(44)	(16)	36.1%
Deprec. / Amortization	(12)	(12)	(0)	1.7%	(49)	(49)	(1)	1.5%
Net Financial Result	3	4	(1)	-19.8%	17	16	1	5.9%
Income Tax	(4)	(7)	3	-41.0%	(18)	(17)	(1)	4.3%
Net Income	20	11	8	73.5%	77	72	4	5.9%

Along with the annual adjustment of revenue and greater generation dispatch, there was an increase in **Net Revenue** and **Operating Costs / Expenses**. The lower cash balance and lower financial expenses resulted in an in-line **Net Financial Revenue** in the period.

Financial Result

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Financial Revenues	55	53	2	3.8%	220	174	46	26.8%
Financial Expenses	(217)	(216)	(1)	0.5%	(785)	(790)	4	-0.5%
Financial Result	(162)	(162)	1	-0.5%	(565)	(616)	51	-8.2%

Financial Result | Managerial Analysis

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Expenses with the net debt	(86)	(134)	47	-35.4%	(444)	(543)	99	-18.2%
Market-to-market	(8)	2	(9)	-	6	20	(15)	-71.5%
Other financial revenues/expenses	(67)	(31)	(36)	118.9%	(128)	(93)	(35)	38.1%
Financial Result	(162)	(162)	1	-0.5%	(565)	(616)	51	-8.2%

Net financial expenses remained in line in the quarter and reduced in the year, mainly due to the **reduction in the IPCA** in the period, which affected **Expenses with the net debt**.

EBITDA and Net Income

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Income	302	1,322	(1,020)	-77.2%	1,774	2,599	(825)	-31.8%
Depreciation and Amortization	252	209	42	20.3%	897	762	135	17.7%
Financial Result	162	162	(1)	-0.5%	565	616	(51)	-8.2%
Income Tax / Social Contribution	46	42	4	10.3%	491	268	223	83.0%
EBITDA	761	1,736	(974)	-56.1%	3,726	4,245	(519)	-12.2%

The extraordinary effects of Enercan adjustments, of +R\$ 670 million in 4Q22 and -R\$ 334 million

in 4Q23, were the main impacts on **EBITDA**, and were partially offset by the consolidation of Enercan throughout the year.

The worsening of the EBITDA was reflected in the **Net Income** performance of the period.

Contents

CPFL Energia

Distribution

Generation

Transmission

Commercialization
and Services

Attachments



3.3) TRANSMISSION SEGMENT

3.3.1) Portfolio

Concession Contracts	Contract Start Date	Contract End Date	CPFL-T Share	Index	RAP 2023-2024 ¹ (R\$ million)	RAP Expected 2023-2024 (R\$ million)	Grid Extension
CONTRACT 055/01	12/31/2002	12/31/2042	100%	IPCA	1,069	182	6
SUL II	03/22/2019	03/21/2049	100%	IPCA	42	-	75
TESB	07/27/2011	07/27/2041	98%	IPCA	37	-	98
SUL I	03/22/2019	03/21/2049	100%	IPCA	34	-	307
CONTRACT 080/02	12/18/2002	12/18/2032	100%	IGP-M	21	-	127
MORRO AGUDO	03/24/2015	03/24/2045	100%	IPCA	19	-	-
PIRACICABA	02/24/2013	02/24/2043	100%	IPCA	15	-	-
CONTRACT 004/01 (CAC 3)	03/31/2021	03/31/2051	100%	IPCA	12	-	-
MARACANAÚ	09/21/2018	09/21/2048	100%	IPCA	10	-	-
ETAU ²	12/18/2002	12/18/2032	10%	IGP-M	55	-	188
TPAE ²	11/19/2009	11/19/2039	10%	IPCA	11	-	12

Notes:

(1) Net RAP discounting the Adjustment Portion (PA);

(2) Contracts consolidated by equity income.

3.3.2) Operational Performance

ENS – Unsupplied Energy | MWh

The Unsupplied Energy (ENS) indicator consists of the analysis of the amount of energy interrupted due to the unavailability of Transmission assets and, therefore, verifies the effective impact of the unavailability for the society.

MWh	4Q23	4Q22	Δ MWh	Δ %	2023	2022	Δ MWh	Δ %
ENS	158	115	43	37.3%	689	976	-286	-29.3%

The increase is related to the climate changes caused by El Niño phenomenon which took to a higher number of events in the quarter and in the year.

PVd – Discounted Variable Parcel

The Discounted Variable Portion (PVd) consists of the percentage ratio of the Variable Portion Discounts effected on the basis of the Transmitter's Monthly Billing. Such data are made available monthly by the National Electric System Operator (ONS).

%	4Q23	4Q22	Δ %	2023	2022	Δ %
PVd	1.88%	1.12%	67.9%	1.22%	0.91%	34.4%

In the quarter the indicator performance variation is justified by the overturned of the injunction suspending discounts for the disconnection of two transmission lines occurred in January 2022 (TL 230 kV Cidade Industrial / Guaíba 2 C1 and TL 230 kV Eldorado do Sul Guaíba 2 C1).

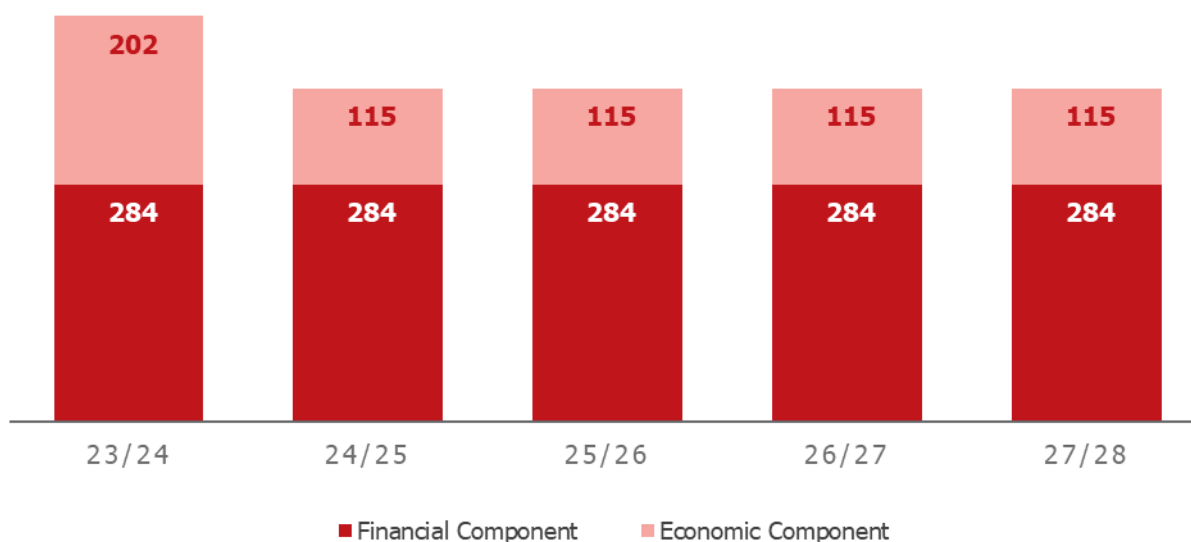
In the year this increase refers to a discount in the variable portion executed by ONS, related to an event occurred in 2022, but that is still under analysis by ANEEL, and may be returned to the company. Disregarding this case, the value of the discount would be 0.77%, which represents a better performance compared to 2022.

3.3.3) Regulatory Themes

RBSE Revenue Flow¹

The RAP Parcel related to the assets belonging to the National Grid of Existing System – RBSE is the indemnity of unamortized asset, in the context of the renewal of Transmission concessions, in accordance with the Law No. 12,783/2013. The current revenue flow from these assets belonging to Concession Contract 055 of CPFL Transmissão, according to the re-profiling established by ANEEL from the 2021/2022 cycle, after the approval of the result of the transmission companies' PTR (REH No. 2,851/21), is shown below:

Revenue Flow | R\$ million



Note: (1) Values are in June-2023 data base and should be update by IPCA.

ATA – Annual Tariff Adjustment

According to REH No. 3,216/2023, for the cycle from 07/01/2023 to 06/30/2024, the revenue (RAP) added to the Adjustment Portion (PA) of the **Concession Contract No. 055/2001**, totalizes about R\$ 1.07 billion, net of PIS and COFINS, highlighting:

- (i) Monetary adjustment by IPCA, related to the 2021/2022 cycle;
- (ii) Reprofiling of the financial component of MME Ordinance No. 120/2016 (RBSE);
- (iii) Discount of the Adjustment Portion (PA), whose negative impact is mainly due to the return of revenue received in advance in the 2022/2023 cycle;
- (iv) Expansions of facilities, entry into operation of new reinforcements, sectioning of lines and improvements, carried out during the 2022/2023 cycle, increased the transmission company revenue.

Concession Agreement no. 055/2001

REH 3067/2022*	Earned Resources (REH 3067/2022)	Correction (IPCA)	Write-offs	RBSE	REH 3216/2023*	REH 3216/2023*	Adjustment Portion	REH 3216/2023
933.60	1.19	36.68	(2.92)	3.28	150.19	1,122.02	(53.17)	1,068.85

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

The contracts of **LT P. Médici – Pelotas 3**, **TESB**, **CPFL Piracicaba**, **CPFL Maracanaú** and **CPFL Morro Agudo** in the Periodic Tariff Revision process for the 2023/2024 cycle were readjusted by the contract indexer, IGP-M for the 080 contract and IPCA for the others, in addition to the discount in the Adjustment Portion.

Concession Contract	REH 3067/2022*	Correction	Project Energization	REH 3216/2023*	Adjustment Portion	REH 3216/2023
080/2002 (LT P. Médici Pelotas 3)	22.44	(1.00)		21.44	(0.45)	20.99
001/2011 (TESB)	27.92	1.10	8.21	37.23	(6.03)	31.20
003/2013 (PIRACICABA)	14.84	0.58		15.43	(0.25)	15.17
020/2018 (MARACANAÚ)	10.26	0.40		10.66	(0.19)	10.47
006/2015 (MORRO AGUDO)	18.34	0.72		19.06	(0.39)	18.67

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

For the **CPFL Sul I** and **CPFL Sul II** contracts, as they were energized in the 2022/2023 cycle and began to have revenues as from December and September 2022, respectively, the 2023/2024 tariff readjustment cycle had an adjustment portion to return a revenue received in advance in the 2022/2023 cycle.

Concession Contract	REH 3216/2023*	Adjustment Portion	REH 3216/2023
005/2019 (SUL I)	34.86	(0.68)	34.17
011/2019 (SUL II)	43.19	(2.41)	40.77

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

Regarding the **Concession Agreement No. 004/2021 (Cachoeirinha 3)**, the transmission company receives the annual RAP for providing the public transmission service scheduled for 2024, in the amount of R\$ 11.5 million, since the start-up of the asset.

3.3.4) Economic-Financial Performance | Regulatory



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

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

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

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	386	328	58	17.8%	1,462	1,242	220	17.7%
Net Operating Revenue	323	265	58	21.9%	1,206	991	216	21.8%
PMSO, Private Pension Fund and ADA	(90)	(132)	42	-32.0%	(430)	(547)	117	-21.4%
Equity Income	1	(0)	1	-	4	2	2	116.1%
EBITDA¹	263	162	101	62.5%	896	561	335	59.7%
Depreciation and Amortization	(29)	(29)	0	-0.6%	(116)	(116)	0	-0.2%
Financial Income (Expense)	(32)	(17)	-15	91.1%	(174)	4	-178	-
<i>Financial Revenues</i>	24	12	12	94.2%	92	181	-89	-49.2%
Cachoeirinha III+Q40:S53	(55)	(29)	-27	92.4%	(265)	(177)	-89	50.3%
Income Before Taxes	202	116	86	74.1%	606	449	157	35.0%
Income Tax / Social Contribution	(80)	(4)	-76	2047.7%	(167)	(39)	-128	328.5%
Net Income	122	113	10	8.7%	439	410	29	7.0%

Operational Revenue

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Concession Contract 055/2001	335	298	36	12.2%	1,281	1,152	128	11.1%
Concession Contract 080/2002	5	5	0	0.0%	21	20	1	4.1%
Cachoeirinha III	1	-	1	-	1	-	1	-
Maracanaú	3	2	0	16.5%	10	6	5	86.1%
Morro Agudo	5	4	0	6.0%	17	19	-1	-7.1%
Piracicaba	4	4	0	7.4%	15	15	0	2.8%
Sul I	10	1	9	958.0%	35	1	34	3580.7%
Sul II	12	6	7	119.5%	43	7	36	549.9%
TESB	12	8	5	60.1%	39	23	16	71.3%
Regulatory Charges	(30)	(33)	3	-8.1%	(130)	(141)	11	-7.7%
Gross Revenue	386	328	58	17.8%	1,462	1,242	220	17.7%
Deductions from Revenue	(63)	(63)	0	0.2%	(255)	(251)	-4	1.7%
Net Revenue	323	265	58	21.9%	1,206	991	216	21.8%

In the quarter, the increase in the **operating revenue** is mainly due to the 2023/2024 tariff readjustment cycle in concession contract 055 and TEB, in addition to the operational start-up of Sul I, Sul II and Cachoeirinha 3. The regulatory charges, which are part of billed revenue, together with tariff subsidies, decreased in the quarter and in the year.

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

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Personnel	(34)	(34)	1	-2.1%	(143)	(204)	61	-29.9%
Material	(4)	1	(5)	-	(8)	(5)	(3)	59.3%
Outsourced Services	(36)	(36)	0	-0.5%	(95)	(90)	(5)	5.6%
Private Pension Fund	(15)	(15)	(0)	2.3%	(54)	(58)	5	-8.3%
Other Operating Costs/Expenses	27	(19)	46	-	(15)	(74)	59	-79.9%
PMSO	(61)	(103)	42	-40.7%	(314)	(431)	117	-27.1%
Depreciation and Amortization	(29)	(29)	0	-0.6%	(116)	(116)	0	-0.2%
PMSO, depreciation and amortization	(90)	(132)	42	-32.0%	(430)	(547)	117	-21.4%

PMSO had a decrease in the quarter, mainly due to the extraordinary effect of the agreement with a supplier of CPFL Transmissão, which added a positive effect of R\$ 36 million, as explained in **Chapter 1 – CPFL Energia Performance**.

In the year, the main points were: (i) decrease in expenses with personnel (R\$ 61 million), due to the reduction in headcount as a result of the turnaround process in CPFL Transmissão; and (ii) the agreement with the supplier mentioned above (extraordinary item).

EBITDA

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Net Income	122	113	10	8.7%	439	410	29	7.0%
Depreciation and Amortization	29	29	(0)	-0.6%	116	116	(0)	-0.2%
Financial Result	32	17	15	91.1%	174	(4)	178	-
Income Tax / Social Contribution	80	4	76	2047.7%	167	39	128	328.5%
EBITDA	263	162	101	62.5%	896	561	335	59.7%

In the quarter there was an increase mainly due to the operational start-up of the projects and the contracts' readjustments, both already mentioned, in addition to a decrease in operational expenses, mainly due to the effect of the extraordinary item. The same effects also affected the year, in addition to the relevant reduction in expenses with personnel.

Financial Result

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Revenues	41	-	41	-	41	-	41	-
Expenses	(76)	(26)	(49)	188.7%	(222)	(45)	(177)	391.6%
Financial Result	(34)	(26)	(8)	31.0%	(181)	(45)	(136)	301.2%

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Expenses with the net debt	(75)	(19)	(56)	296.5%	(225)	(44)	(181)	407.5%
Mark-to-Market	41	-	41	-	41	-	41	-
Others financial revenues/expenses	(0)	(7)	7	-96.6%	3	(1)	4	-
Financial Result	(34)	(26)	(8)	31.0%	(181)	(45)	(136)	301.2%

The worsening in the financial result, both in the quarter and in the year, was mainly due to the increase in expenses with debt charges, as a result of new funding carried out in the period.

Income Tax and Social Contribution

In the quarter, the Income Tax and Social Contribution item registered a negative result of R\$ 80 million. This is mainly due to an adjustment in the accounting of deferred income tax and social contribution from previous years, an extraordinary effect.

This also affected the year, which presented a negative variation of R\$ 167 million. Furthermore, there was the impact of the recognition of tax credits for the settlement of debts in foreign currency, which reduced the amount of taxes paid in 2022.

Net Income

The net income registered an increase in the quarter, mainly reflecting the operational start-up of Sul I and Sul II, being partially offset by the higher payment of taxes in the quarter, extraordinary effect. The same occurred in the year.

3.3.5) Economic-Financial Performance | IFRS

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	605	560	45	8.0%	2,213	2,240	-27	-1.2%
Net Operating Revenue	542	491	51	10.4%	1,954	1,964	-10	-0.5%
Net Operating Revenue (ex-rev. from infrastructure)	225	333	-108	-32.5%	1,075	1,344	-270	-20.1%
PMSO, Private Pension Fund and ADA	(148)	(52)	-97	187.1%	(398)	(355)	-43	12.0%
Costs of Building the Infrastructure	(164)	(192)	27	-14.2%	(580)	(649)	69	-10.7%
Equity Income	1	0	0	149.3%	4	2	2	111.2%
EBITDA1	230	248	-18	-7.3%	981	962	18	1.9%
Depreciation and Amortization	(14)	(15)	1	-8.5%	(58)	(70)	12	-17.6%
Financial Income (Expense)	(34)	(26)	-8	31.0%	(181)	(45)	-136	301.2%
Financial Revenues	21	4	17	408.9%	86	176	-90	-51.0%
Financial Expenses	(55)	(30)	-25	82.8%	(267)	(221)	-46	20.9%
Income Before Taxes	182	207	-25	-12.0%	742	847	-105	-12.4%
Income Tax / Social Contribution	(41)	(161)	120	-74.5%	(209)	(286)	77	-26.9%
Net Income	141	46	95	207.0%	532	561	-28	-5.1%

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



3.4) COMMERCIALIZATION AND SERVICES SEGMENTS

3.4.1) Economic-Financial Performance

Commercialization

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	765	741	24	3.2%	2,732	2,754	(23)	-0.8%
Net Operating Revenue	651	618	33	5.4%	2,310	2,337	(28)	-1.2%
Cost of Electric Power	(611)	(605)	(5)	0.9%	(2,203)	(2,369)	167	-7.0%
PMSO, Private Pension Fund and ADA	(21)	(14)	(8)	54.8%	(67)	(54)	(13)	24.8%
EBITDA¹	19	(1)	21	-	39	(86)	126	-
Depreciation and Amortization	(1)	(2)	1	-38.1%	(6)	(6)	0	-1.1%
Financial Income (Expense)	(11)	(29)	18	-61.8%	(78)	(167)	89	-53.4%
Financial Revenues	17	13	4	30.9%	56	36	19	53.2%
Financial Expenses	(28)	(42)	14	-33.2%	(134)	(204)	70	-34.3%
Income Before Taxes	7	(33)	39	-	(44)	(259)	215	-82.9%
Income Tax / Social Contribution	(1)	(0)	(0)	86.6%	(2)	16	(17)	-
Net Income	6	(33)	39	-	(46)	(243)	198	-81.2%

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

Services

R\$ Million	4Q23	4Q22	Δ R\$	Δ %	2023	2022	Δ R\$	Δ %
Gross Operating Revenue	301	283	18	6.4%	1,103	1,133	(30)	-2.7%
Net Operating Revenue	277	260	17	6.5%	1,011	1,044	(32)	-3.1%
PMSO, Private Pension Fund and ADA	(216)	(223)	7	-3.2%	(783)	(844)	61	-7.2%
EBITDA¹	62	37	24	64.4%	228	200	28	14.3%
Depreciation and Amortization	(14)	(25)	11	-45.3%	(51)	(52)	2	-3.2%
Financial Income (Expense)	2	(3)	5	-	12	(0)	12	-
Financial Revenues	5	5	(0)	-4.6%	24	15	9	58.2%
Financial Expenses	(3)	(8)	5	-65.0%	(12)	(15)	3	-22.6%
Income Before Taxes	50	10	41	419.2%	189	147	42	28.7%
Income Tax / Social Contribution	(11)	0	(11)	-	(45)	(34)	(11)	32.1%
Net Income	39	10	29	286.9%	144	113	31	27.7%

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



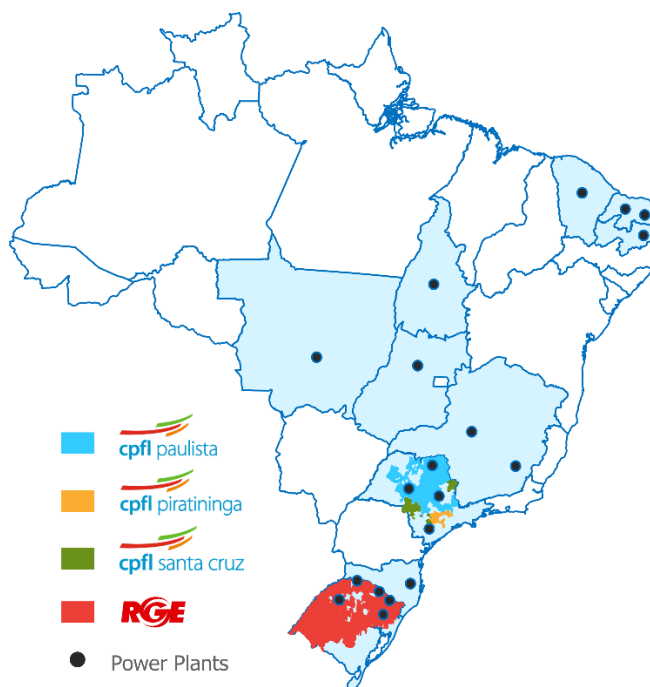
4) ATTACHMENTS

Company Profile and Corporate Structure

Company Operation

CPFL Energia operates in the Generation, Transmission, Distribution, Commercialization and Services segments. CPFL is the largest distribution company in volume of energy sales, with more than 13.2% of the national market, serving approximately 10.5 million customers in 687 municipalities. With 4,371 MW of installed capacity, it is among the largest generators in the country, with 96% of its generation portfolio coming from renewable sources.

The group also has a relevant role in the transmission segment, with an installed capacity of 14.9 MVA and more than 6,000 km of transmission lines. It also has a national operation through CPFL Soluções, providing integrated solutions in energy management and commercialization, energy efficiency, distributed generation, energy infrastructure and consulting services. To access the detailed Action Map, [click here](#).



Growth Strategy

Aware of the uncertainties surrounding the macroeconomic scenarios intrinsic to our business and the regulatory discussions to modernize the sector, we will focus our strategic efforts on measures capable of managing costs, expanding investments and achieving CPFL Energia's sustainable growth, on the premise of maintaining our financial discipline and guaranteeing a return to our shareholders.

Shareholders Structure and Corporate Governance

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

The guidelines and set of documents relating to corporate governance are available on the [IR website](#).



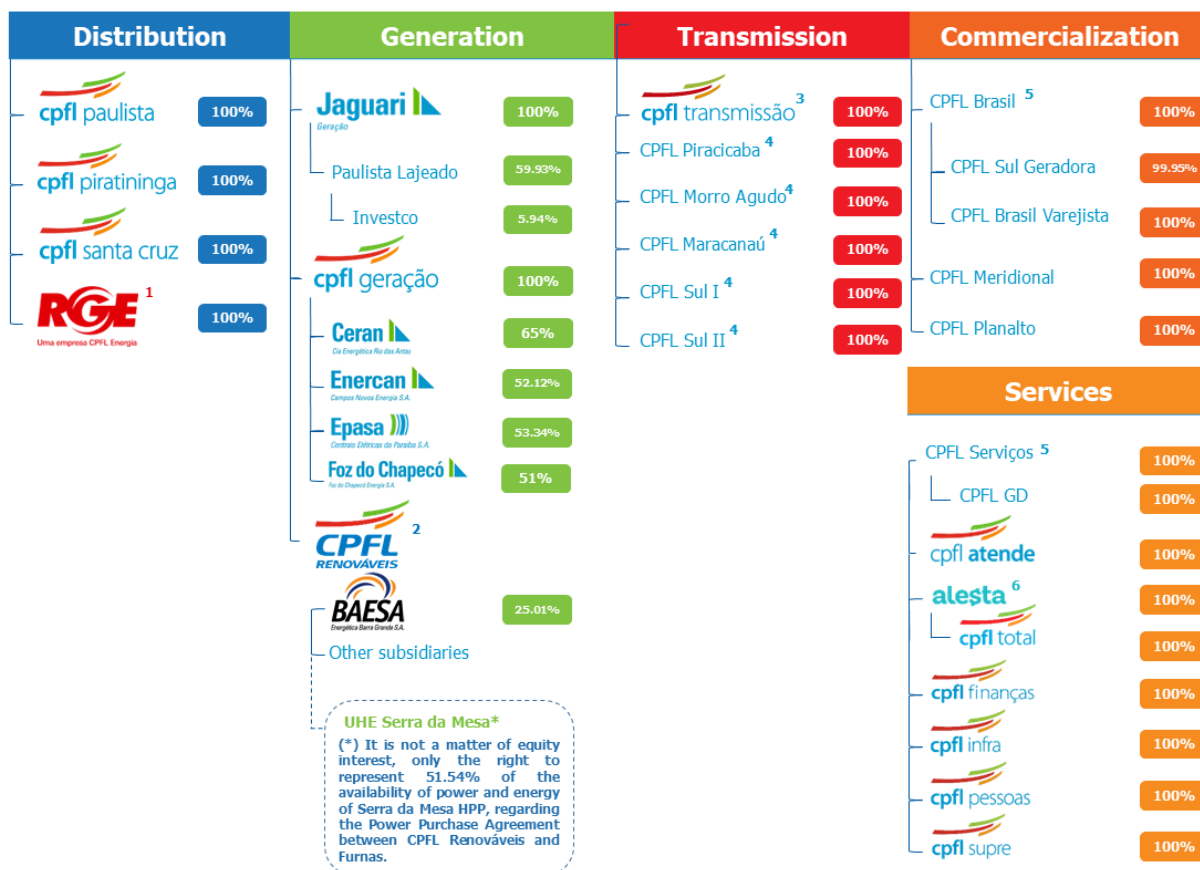
STATE GRID
CORPORATION OF CHINA

83.71%



Free Float

16.29%



Reference date: 02/29/2024

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

(5) CPFL Soluções = CPFL Brasil + CPFL Serviços;

(6) Alesta is controlled by CPFL Energia (99.99%) and by CPFL Brasil (0.01%).

Dividend Policy

The CPFL Energia dividend distribution policy determines that the Company should distribute annually as dividends, at least, 50% of the adjusted net income⁴. The approved Dividend Policy is merely indicative, with the purpose of signaling to the market the treatment that the Company intends to give to the distribution of dividends to its shareholders, having, therefore, a programmatic character, not binding upon the Company or its governing bodies. The Dividend Policy is available at the [IR website](#).

⁴ The Policy also establishes the factors that will influence in the amount of distribution, as well as other factors considered relevant for the board of directors and the shareholders. It's also highlights that certain obligations contained in the Company's financial contracts may limit the amount of dividends and/or interest on equity that may be distributed.

