CREDIT OPINION

31 July 2026

Update

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RATINGS

CPFL Energia S.A.

Domicile	Sao Paulo, Brazil
Long Term Rating	Baa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CPFL Energia S.A.

Update on credit analysis

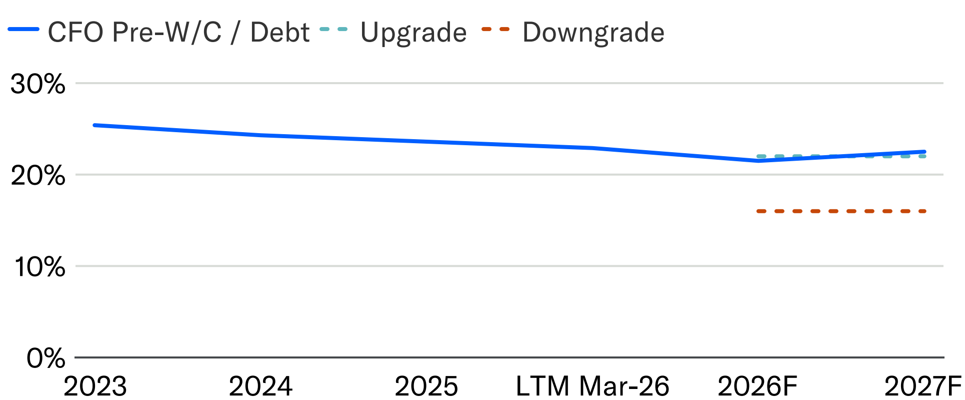
Summary

CPFL Energia S.A. (CPFL)'s Baa2 Issuer Rating reflects our assessment of a very high likelihood of continued support from its controlling shareholder, State Grid International Development Limited (SGID, A1 stable, BCA: baa1), based on the strategic alignment between the two entities, structural linkage through cross-default acceleration, the track record of financial support received from the foreign parent, and evidence of close parental supervision and oversight, which translates into a two notch uplift from CPFL Energia's standalone credit profile.

CPFL Energia's standalone credit profile benefits from its diverse business profile and well-established market position in the Brazilian electricity market with large scale operations in the distribution, generation, transmission, and commercialization segments. Weighing on the credit profile is the large investment plan for the next five years, which will increase the need for higher debt and slightly deteriorate credit metrics. The standalone credit quality ultimately reflects the operating environment in Brazil and the highly regulated nature of the energy sector. As such, CPFL Energia's standalone credit quality is constrained by the credit quality of the sovereign (Government of Brazil: Ba1 stable).

Exhibit 1

CFO Pre-W/C to Debt



All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology.
Moody's forecasts are Moody's opinion and do not present the views of the issuer.
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- Strategic importance to its parent company (SGID) and structural incentives for financial support, if needed
- Established market position among the largest private energy companies in Brazil, operating its energy distribution business in economically resilient service areas, and its renewable generation assets
- Evolving regulatory framework, with a track record of consistent decisions to authorize return on investment and financial compensation to private operators, through the National Agency of Electric Power (ANEEL)

Credit challenges

- Expectation of large capital investment program pressures the cash flow and leverage metrics over the next five years
- Dividend policy targets high distributions to shareholders
- Curtailment risk continues to affect the company's EBITDA and is expected to persist

Rating outlook

The stable outlook is aligned with that of the Government of Brazil (Ba1 stable), given its local revenue base and regulated business profile that links it to the credit quality of the sovereign. The stable outlook also reflects our expectation that the credit profile will remain robust, despite some deterioration in leverage and coverage metrics, as the company executes its capital expenditure plans. It further considers our assessment of the very high likelihood of support from its controlling shareholder, State Grid International Development Limited (SGID, A1 stable).

Factors that could lead to an upgrade

An upgrade of the Government of Brazil's rating would result in positive pressure on CPFL Energia's rating. A rating upgrade would require the company's ability to maintain a strong CFO Pre-W/C to debt ratio above 22%, and interest coverage ratio above 3.2x, while also maintaining a balanced approach toward dividend distributions during the investment cycle.

Factors that could lead to a downgrade

We would downgrade CPFL Energia's rating if we see a lower probability of timely support from State Grid International Development Limited (A1 stable) in case of need. A downgrade of the Government of Brazil's rating would also result in a downgrade on CPFL Energia's rating. Material increases in external indebtedness incurred at the level of the holding company, could also imply notching for structural considerations. Quantitatively, downward rating pressure would develop should the company increase its leverage leading to a deterioration of the consolidated credit metrics, such that its: (i) CFO Pre-W/C to debt falls below 16% and (ii) interest coverage ratio falls below 3.0x on a consistent basis, allowing for some deviations during the current capex execution phase.

Key indicators

Exhibit 2
CPFL Energia S.A.

	2023	2024	2025	LTM Mar-26	2026F	2027F
CFO Pre-W/C + Interest / Interest	3.7x	3.6x	3.4x	3.5x	3.0x-3.4x	3.2x-3.6x
CFO Pre-W/C / Debt	25.4%	24.3%	23.6%	22.9%	20.5%-22.5%	21.5%-23.5%
CFO Pre-W/C – Dividends / Debt	14.0%	13.4%	13.2%	13.3%	10.6%-12.6%	13.6%-15.6%
Debt / Capitalization	58.4%	56.6%	56.2%	56.0%	57.5%-61.5%	55.6%-59.6%

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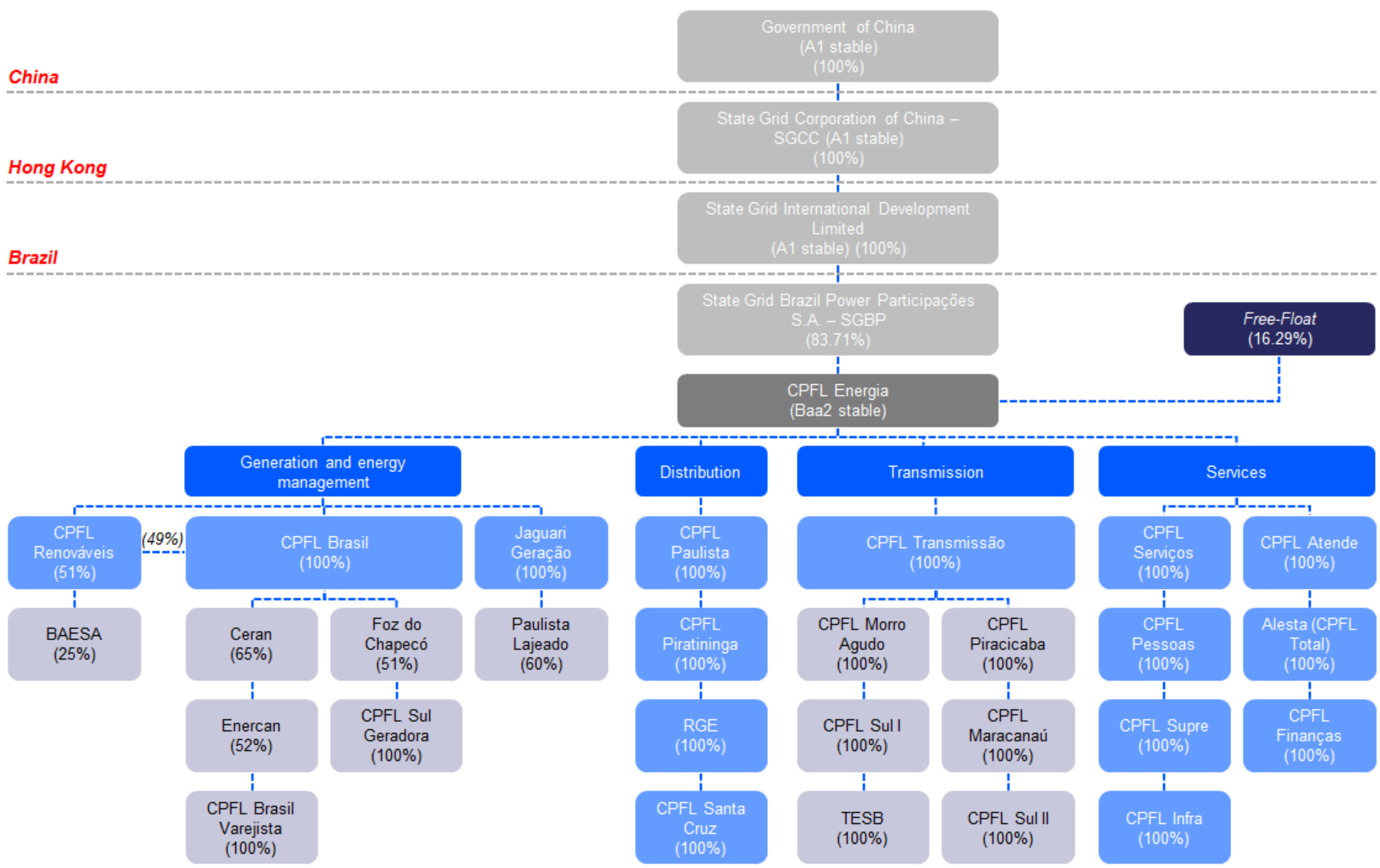
Source: Moody's Financial Metrics™ and Moody's Ratings forecasts

Profile

CPFL Energia stands out in the distribution sector as one of the largest electricity distributors in Brazil, serving approximately 10.9 million customers across 687 municipalities. At the same time, with an installed capacity of 4.1 GW, it ranks among the largest generators in the country. The group also operates in the transmission segment with an installed capacity of 16.4 thousand MVA and over 6 thousand kilometers of transmission lines. On a consolidated basis, in the last twelve months ending March 2026, 65% of the reported EBITDA relates to the distribution business followed by 27% in generation, 6% in transmission and 2% in commercialization and others.

Exhibit 3
Organizational Chart
As of 31 March 2026



Source: Company filings and Moody's Ratings

Detailed credit considerations

High likelihood of support from stronger parent company

CPFL's Baa2 issuer rating takes into account our perspective on the high probability of sustained parental support from SGID, due to its strategic importance for the operations of the Chinese economic group, since the company represents around 20% of the parent's asset base. SGID maintains deep integration with CPFL's governance and leadership structure. The subsidiary's senior board members and key executives are all appointed by SGID's parent (SGCC) to oversee operations in Brazil.

Moreover, the strong parental support is evidenced by a track record of intercompany loans, including an outstanding BRL4.4 billion intercompany loan from State Grid Europe Limited (SGEL) due in 2028, deferral of dividend payments to maintain liquidity and manage leverage metrics, participation in CPFL's local issuances, and, most recently, the postponement of interest payments on intercompany loans from 2025 to 2026 to manage liquidity. A structural link between SGCC and CPFL is also illustrated by the presence of an all-encompassing cross-default acceleration clause in SGID's guaranteed €300 million bond issuances in 2015, due in 2027, for any subsidiary in which it holds more than a 50% interest.

Diversified business profile

CPFL Energia benefits from geographical and customer base diversification. In terms of business segments, the company remains primarily focused on the distribution segment, followed by the generation segment. According to the company's reporting, on a consolidated basis, in the last twelve months ending March 2026, 65% of the reported EBITDA relates to the distribution business followed by 27% in generation, 6% in transmission and 2% in commercialization, services and others.

Exhibit 4

EBITDA share across CPFL Energia's segments and clients

OpCo	1Q26		GWh		Net revenues (BRL million)		EBITDA (BRL million)		2yr Avg. EBITDA (%)
	Clients (000)	Cities	LTM 1Q26	LTM 1Q25	LTM 1Q26	LTM 1Q25	LTM 1Q26	LTM 1Q25	LTM 1Q26
Distribution companies									
CPFL Piratininga	2,022	27	16,472	16,295	5,515	5,380	1,307	1,275	10%
CPFL Santa Cruz	527	45	3,620	3,467	1,502	1,434	388	374	3%
CPFL Paulista	5,166	234	36,011	34,389	14,567	13,552	4,011	3,374	28%
RGE	3,189	381	21,314	19,038	10,668	9,424	3,065	2,794	22%
Generation companies									
CPFL Geração	-	-	-	-	4,500	5,006	3,530	3,926	28%
Transmission companies									
CPFL Transmissão	-	-	-	-	1,088	1,242	840	1,235	8%
Other	-	-	-	-	1,270	1,260	320	269	2%
CPFL Energia	**10,904**	**687**	**77,417**	**73,190**	**39,108**	**37,299**	**13,461**	**13,246**	**100%**

Source: Company filings

Distribution operations continue to demonstrate strong results and increasing energy demand

CPFL Energia is one of the largest distribution companies in Brazil in terms of the volume of energy sold, with a 13% domestic market share. The company's operates in an economically robust service area, encompassing São Paulo, Rio Grande do Sul, Paraná, and Minas Gerais, which boasts a higher GDP per capita than the national average and has demonstrated to have stable volume demand. The company has a highly diversified client base, predominantly comprising residential and industrial clients, who account for 33% and 35% of the energy sales, respectively. Commercial clients follow with 18%, while rural and other clients represent the remaining 14%, as of March 2026.

In the twelve months ending in March 2026, energy sales volume in GWh was in line with the same period ending in March 2025, on a consolidated basis. In 1Q26, CPFL posted a slight -0.7% drop in total energy consumption within its concession area, with mixed dynamics across classes. Residential fell -1.7%, pressured by milder temperatures and distributed generation (MMGD). Industrial also declined -1.7%. On the positive side, commercial grew 2.9%, driven by strong expansion of data centers (52.7% YoY), which in 1Q26 accounted for 8.2% of the segment billed volume and are consolidating as a new structural demand driver. Rural consume rose 2.1% on favorable macro agricultural scenario, while others fell -2.0%, reflecting weaker performance in public sector categories.

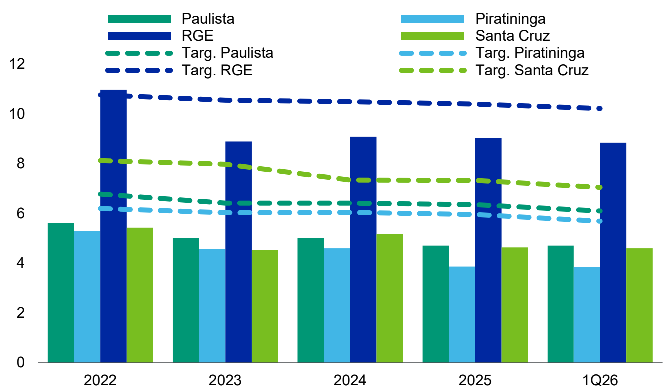
The increase in energy sales by the distribution companies resulted in a 8.3% rise in net revenue for the first quarter of 2026, compared to the same period in 2025. Higher temperatures with upcoming El Niño are expected to positively impact this segment through 2026, specially in the residential and commercial units, as demand for more cooling increases. Within the industrial segments, a rising consumer with large potential in the cooling space are data centers that are energy intensive. Overall impact in the company is mixed, as it is expected to positively impact on the distribution and generation segments, but also raise concerns about extreme climate events, like the 2024 floods.

Moderate regulatory risk over tariffs, stricter regulation, and higher investments in concession renewals

CPFL's distribution segment has a track record of maintaining strong quality indicators, with Interruption Duration Equivalent per Consumer Unit (DEC) & Energy Interruption Frequency Equivalent (FEC) consistently within regulatory targets, due to the constant investments in maintenance and operational improvements. Over the last twelve months ending in March 2026, these indicators continued to demonstrate improvement on a consolidated basis.

Exhibit 5

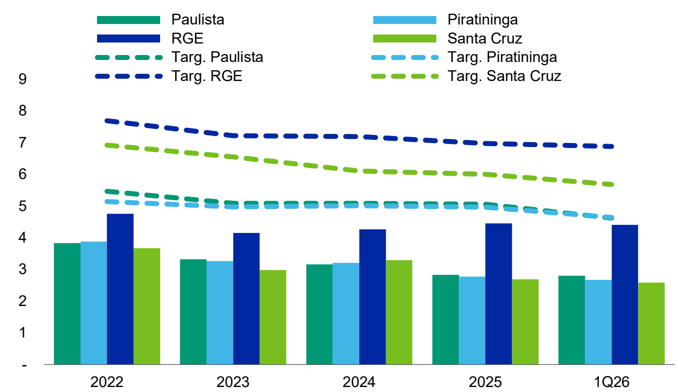
DEC and FEC continue to demonstrate improvements...
DEC in hours



Source: Company filings

Exhibit 6

...and fully comply with regulatory targets
FEC in number of interruptions



Source: Company filings

CPFL Energia's energy losses have historically exceeded ANEEL's regulatory target. However, ANEEL's Dispatch No. 684/2025 revised the loss calculation methodology to incorporate distributed generation (MMGD), resulting in loss indicators only slightly above the regulatory limit. We expect a gradual convergence toward the target as CPFL continues to invest in network improvements and loss-reduction initiatives, including metering upgrades, inspections, and customer regularization

CPFL Energia's credit profile considers the track record of obtaining adequate and predictable annual and periodic tariff adjustments on its distribution business, along with our view of a moderate regulatory risk in future tariff adjustments and the renewal of the distribution concessions. The distribution concessions in the group have been renewed with new expiration dates as CPFL Paulista and RGE, expiring in 2057, followed by CPFL Piratininga in 2058, after the formal conclusion of the additional terms on its concession contracts in May 2026, given the adequate operational and financial performance of the group's distributors. Nonetheless, we anticipate more stringent regulatory requirements and higher investment needs following the concession renewals and tighter returns in future review cycles, and expect CPFL Energia to be well positioned to fulfill those requirements due to consistent investment quality.

Exhibit 7

Distribution concessions were renewed following adequate operational and financial performance
As of May 2026

	CPFL Paulista	CPFL Piratininga	RGE	CPFL Santa Cruz	CPFL Energia S.A.
Concession Maturities	2057	2058	2057	2045	-
Municipalities covered	234	27	381	45	687
Concession Area (km²)	90,485	6,954	182,904	20,250	300,593
Transmission and Distribution Lines (km)	146,357	29,469	160,486	25,184	361,496
Nº of Substations	295	59	166	76	596
Number of Consumers (thousand)	5,166	2,022	3,189	527	10,904
Number of inhabitants (millions) [1]	10.3	4.4	7.1	1.1	22.9

[1] IBGE – Demographic Census 2022
Source: Company filings

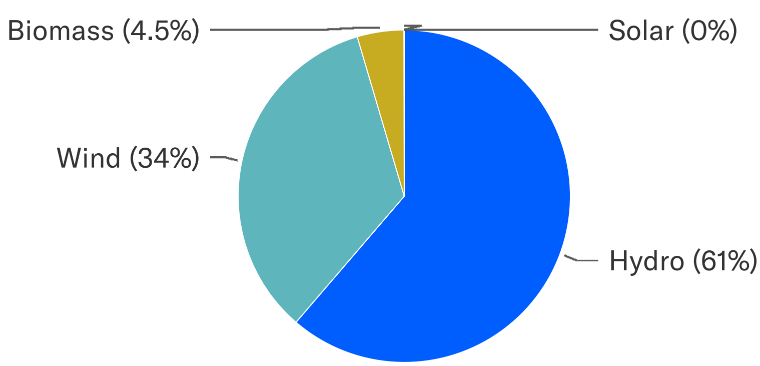
Predictable revenue based on a diverse energy matrix, albeit experiencing curtailment challenges

As of March 2026, CPFL Energia stands as one of the leading private companies in Brazil within the generation sector, boasting a total installed capacity of 4,072 MW. The company maintains long-term power purchase agreements (PPAs) in both the Regulated and Free Markets, accounting for 82% and 18% of its total capacity, respectively. These agreements are set at fixed prices and adjusted annually for inflation, thereby supporting CPFL Energia's stable and predictable revenue profile. Furthermore, the company's relatively diversified and fully renewable generation matrix, comprising 61% hydro, 34% wind, 5% biomass, and less than 1% solar, along with the contracting of the SP100 hydro insurance for most of its operations, effectively minimizing exposure to hydrology risk.

As of March 2026, in the Regulated Market, the company's PPAs have a weighted average maturity of 8.8 years with prices currently averaging BRL439.1/MWh, adjusted for inflation. In the Free Market, the company's PPAs have a weighted average maturity of 5.0 years with prices averaging BRL 264.9/MWh. Within the hydro segment, CPFL Energia benefits from a diverse geographic presence across Goiás, Santa Catarina, Rio Grande do Sul, and Tocantins. The company's development pipeline amounts to 4.4 GW of new installed capacity, which presents manageable execution risks that will further diversify its energy matrix.

Exhibit 8

Renewable matrix with a moderate concentration on hydro
As of March 2026



Source: Company filings

Curtailment in the wind generation segment continues to negatively affect CPFL Energia's financial performance. In the first quarter of 2026, curtailment reduced generation segment EBITDA by BRL 62 million, and wind generation output reduced to 271 average MW in 1Q26 from 309 average MW in 1Q25. The impact of curtailment has intensified, reaching BRL 558 million in 2025, a 105% increase compared with 2024. While we expect curtailment to remain a persistent challenge for the company's generation business, our base case assumes that its impact will remain manageable and not materially affect CPFL Energia's credit profile.

Limited expected reduction on transmission's highly predictable cash flow

The transmission segment is credit positive to CPFL, providing an additional source of predictable cash flows, with over BRL 1.3 billion in RAP (2025/2026 cycle) derived from availability-based payments tied to long-term concessions that are insulated from volume risk. These transmission assets benefit from long concession terms, with a current weighted average maturity of around 16 years. In 2025, net revenues declined 5.8% YoY, reflecting the Adjustment Component of the 2024/2025 cycle and the Existing System Basic Revenue (RBSE) negative adjustment of BRL 150 million over the contractual asset. EBITDA declined 23.4% driven primarily by those top-line effects. On a regulatory basis, which dilutes the RBSE effect until 2028, EBITDA declined a more modest -8.5% to BRL 771 million in 2025 from BRL 843 million in 2024, better reflecting the recurring cash generation capacity of the segment.

Exhibit 9
Highly predictable long-term revenue from transmission assets brings greater diversification

Concession Contract	Concession Start	Concession Maturity	Participation CPFL-T	Readjustment Index	RAP 2025-2026 [1] (R$ Millions)	Km of Network	Tariff Revision	Next Revision
CONTRATO 055/01	Dec-02	Dec-42	100%	IPCA	1,043	5,950	1ª RTP - 2018 2ª RTP - 20234	3ª RTP - 2028
SUL II	Mar-19	Mar-49	100%	IPCA	46	75	1ª RTP - 2024	2ª RTP - 2029
TESB	Jul-11	Jul-41	98%	IPCA	44	99	1ª RTP - 2017 2ª RTP - 2022	3ª RTP - 2027
SUL I	Mar-19	Mar-49	100%	IPCA	36	307	1ª RTP - 2024	2ª RTP - 2029
CONTRATO 080/02	Dec-02	Dec-32	100%	IGP-M	22	127	Não tem	-
MORRO AGUDO	Mar-15	Mar-45	100%	IPCA	20	-	1ª RTP - 2020 2ª RTP - 2025	3ª RTP - 2030
PIRACICABA	Feb-13	Feb-43	100%	IPCA	17	-	1ª RTP - 2018 2ª RTP - 2023	3ª RTP - 2028
CONTRATO 004/01 (CAC 3)	Mar-21	Mar-51	100%	IPCA	12	-	-	1ª RTP - 2026
MARACANAÚ	Sep-18	Sep-48	100%	IPCA	11	-	1ª RTP - 2024	2ª RTP - 2029
CAMINHOS DO SUL [2]	Feb-26	Feb-56	100%	IPCA	-	115	-	-
ETAU - [3]	Dec-02	Dec-32	10%	IGP-M	54	188	-	-
TPAE - [3]	Nov-09	Nov-39	10%	IPCA	12	12	-	-

[1] Net RAP discounting the Adjustment Portion (PA)
[2] contract acquired in auction Nº 04/25, in construction, non-operational
[3] Contracts consolidated by equity
Source: Company filings

On June 10, 2025, Brazil's electricity regulator ANEEL reduced the basic network compensation amounts (RBSE) by BRL 5.7 billion through 2028 for certain transmission companies, following legal disputes over compensation calculations since 2016. This decision, aligned with CPFL's expectations, has a negative but limited impact on its transmission business, resulting in a revenue reduction of BRL 187 million spread over the period until 2028.

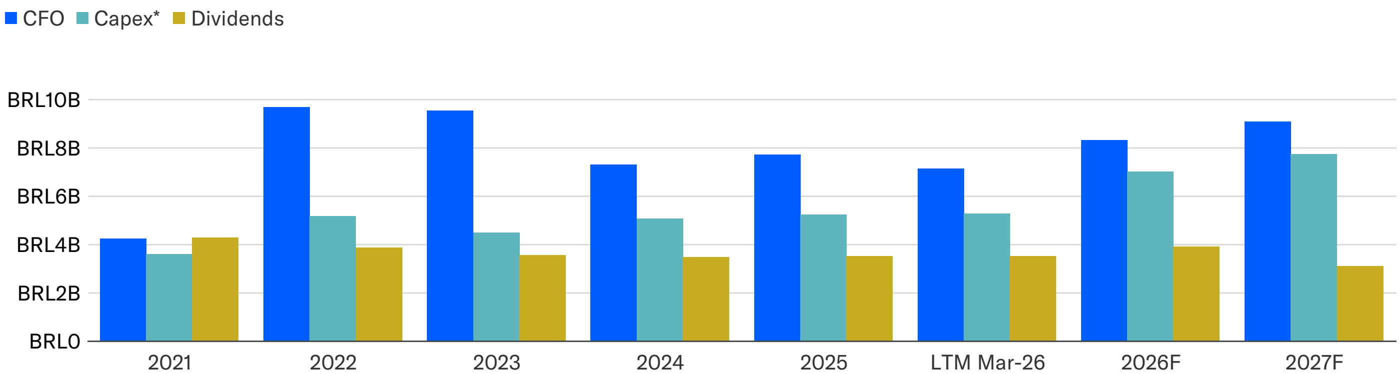
Significant investments and high dividends keep pressuring credit metrics

In December 2024, CPFL's Board approved the 2026/2030 Multiyear Plan for the company, which includes BRL 31.1 billion in investments over the next five years, a significant increase when compared to the BRL 29.8 billion 2020-2024 plan. The approved plan will focus on the distribution sector that will receive an average of BRL 5.1 billion investments every year.

Our base-case scenario expects some deterioration in leverage and coverage metrics, as the company is expected to incur additional debt to fund its capex plan amid still-elevated, albeit declining, local interest rates, while continuing to distribute sizeable dividends throughout the investment period. CPFL's dividend policy defines a minimum dividend of 50% of the net income from the previous year. Additional dividends can be distributed if there is cash availability. In the last years, the dividend payout was between 74% and 52%. We understand, however, that SGID is willing to defer dividends payouts, in order to preserve liquidity and manage leverage, whenever necessary. The shareholder has already supported CPFL through the deferral of dividends in 2017.

Exhibit 10

We expect leverage to remain relatively stable despite high dividend payout and growing capital investments



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*Does not include business acquisitions
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

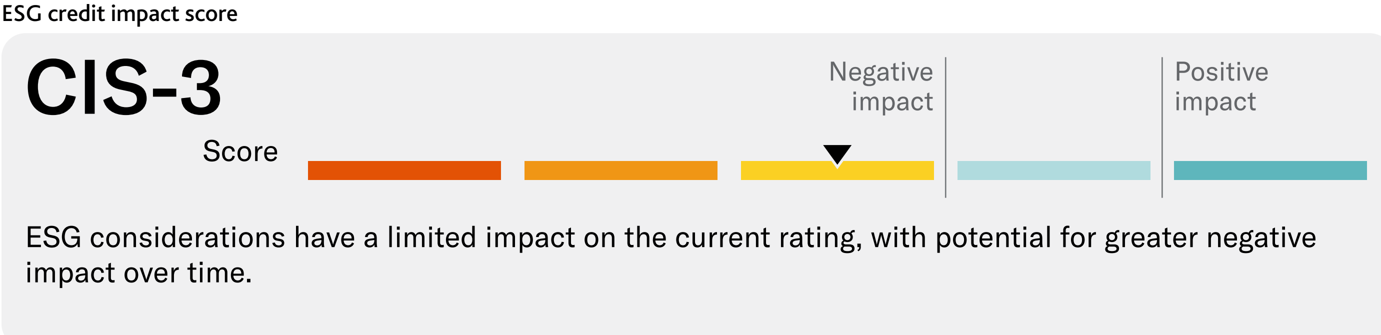
CPFL's leverage metrics have been relatively stable over the past three years, despite consistently increasing levels of capital investments, with net debt to EBITDA between 2.0x – 2.3x since 2023, which reflects the prudent financial policy. As of March 2026, the company's total consolidated debt reached BRL 36.4 billion, which includes BRL 4.4 billion of intercompany loans provided by the parent company, SGID. Cash-flow based metrics remain strong, albeit have been on a slow downward trend, due to the increase in total debt, with CFO Pre-W/C to debt dropping to 22.9% in the last twelve months ending in March 2026, in contrast to the 26.4% in 2022. We expect this metric to remain around 22.0% in the next 12 to 18 months.

ESG considerations

CPFL Energia S.A.'s ESG credit impact score is CIS-3

Exhibit 11

ESG credit impact score

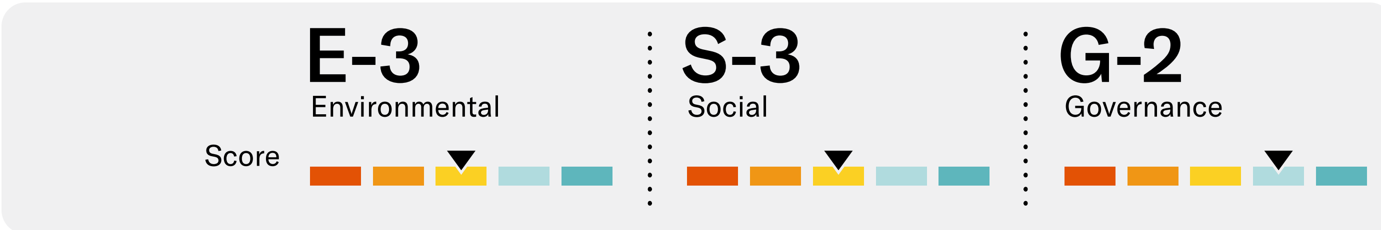


Source: Moody's Ratings

CPFL' **CIS-3** considers a limited impact of ESG considerations on the current rating, with potential for future negative impact over time. This scores encompasses Moody's view on the company's current exposure to ESG risks and several management practices in place, which are integrated within its business strategy to mitigate potential risks in the future.

Exhibit 12

ESG issuer profile scores



Source: Moody's Ratings

Environmental

CPFL is exposed to physical climate risks, mostly in the form of extreme weather patterns. However, diversification across business segments and generation sources helps mitigate these risks. Additionally, the company is well-positioned regarding its exposure to carbon transition, as its generation portfolio consists of only renewable sources.

Social

CPFL is exposed to social risk reflecting the demographic and societal trends that increase public concern over environmental, social, or affordability issues could lead to adverse regulatory political intervention, broadly in line with other utilities in Latin America region. On the other hand, the company has only a modest exposure to health and safety, human capital, customer relationships and responsible production.

Governance

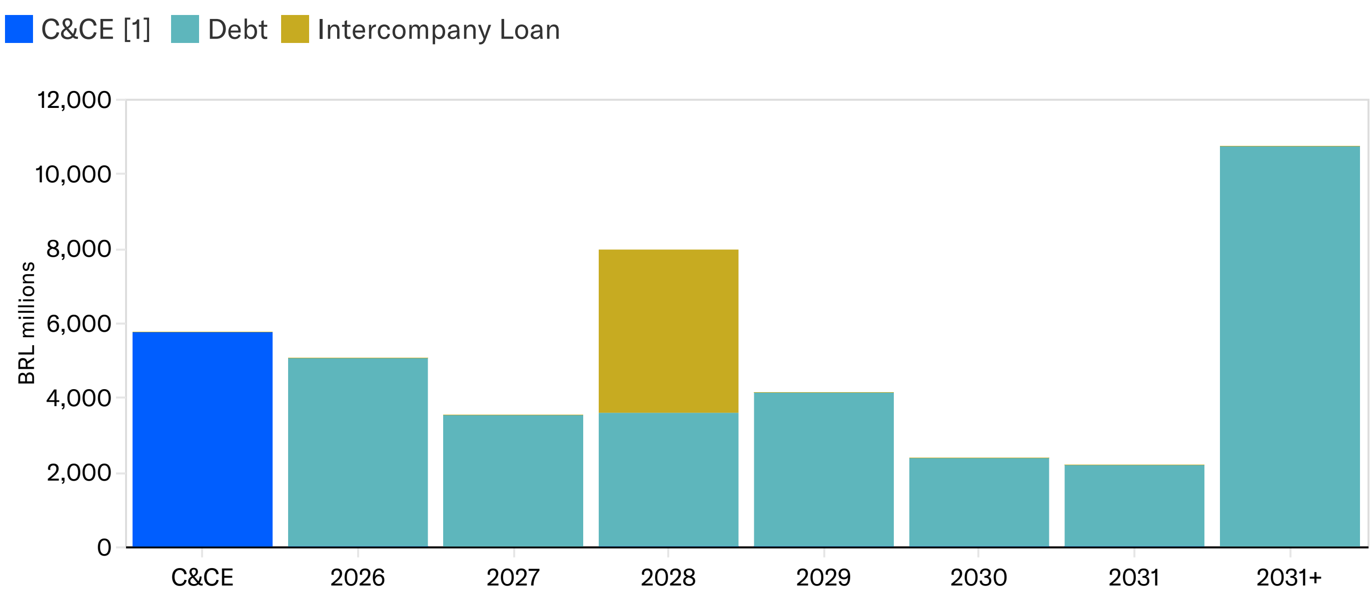
CPFL's ownership concentration makes it susceptible to policies affecting operations. It's exposed to financial strategy and risk management due to a high dividends policy, significant capital expenditures in the near future, and uncertainty around distribution concession renewals in 2027-28.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

CPFL Energia currently has high refinancing needs which impact its liquidity position. As of March 2026, the company reported cash and equivalents of BRL 5.8 billion which is slightly insufficient to face the BRL 5.9 billion in short-term debt over the next twelve months. Additionally, the large investment plans and aggressive dividend policy will lead to a negative free cashflow of around BRL 3.0 billion for the next 12 to 18 months in Moody's base case, exacerbating the company's high funding needs. Nonetheless, we believe the risk is manageable given the company's plan to access to the banking and debt markets finance the bulk of its capital expenditures and the embedded parental support. We also consider that, in case market conditions are unfavorable, CPFL Energia would have the possibility to delay dividend payments or adjust the timing of its capex plans to better manage the cash needs.

Exhibit 13
Consolidated debt schedule as of March 2026



[1] Cash and cash equivalents
Source: Company filings

Other considerations

The company has a centralized cash management policy, which falls in line with CPFL Energia, as the holding company, guaranteeing more than 95% of the operating subsidiaries debt, with several of these structures including cross-default clauses across the corporate family under CPFL Energia. As the holding company, CPFL Energia does not have any operations; it is strictly a vehicle for holding controlling and non-controlling stakes in the operating subsidiaries. In March 2020, CPFL Energia had no outstanding debt in its individual balance sheet.

Methodology and scorecard

The principal methodology used in CPFL's rating is the Regulated Electric and Gas Utilities rating methodology. Under this methodology, CPFL's scorecard-indicated outcome is Baa3 as of March 2026 and our 12-18 month forward-looking view. The scorecard-indicated outcome of Baa3 is one notch lower than the Baa2 assigned rating, reflecting the strong parental support considerations.

Exhibit 14

Rating factors

CPFL Energia S.A.

Regulated Electric and Gas Utilities Industry Scorecard	Current LTM Mar-26		Moody's 12-18 Month Forward View As of 7/8/2026	
Factor 1 : Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Legislative and Judicial Underpinnings of the Regulatory Framework	Ba	Ba	Ba	Ba
b) Consistency and Predictability of Regulation	Ba	Ba	Ba	Ba
Factor 2 : Ability to Recover Costs and Earn Returns (25%)				
a) Timeliness of Recovery of Operating and Capital Costs	Ba	Ba	Ba	Ba
b) Sufficiency of Rates and Returns	Ba	Ba	Ba	Ba
Factor 3 : Diversification (10%)				
a) Market Position	Baa	Baa	Baa	Baa
b) Generation and Fuel Diversity	A	A	A	A
Factor 4 : Financial Strength (40%)				
a) CFO pre-WC + Interest / Interest (3 Year Avg)	3.6x	Baa	3.2x - 3.4x	Baa
b) CFO pre-WC / Debt (3 Year Avg)	24.2%	A	22.5% - 23.0%	A
c) CFO pre-WC – Dividends / Debt (3 Year Avg)	13.7%	Baa	12.7% - 13.1%	Baa
d) Debt / Capitalization (3 Year Avg)	56.4%	Ba	57.5% - 57.8%	Ba
Rating:				
Scorecard-Indicated Outcome Before Notching Adjustment		Baa3		Baa3
HoldCo Structural Subordination Notching	0	0		
a) Scorecard-Indicated Outcome		Baa3		Baa3
b) Actual Rating Assigned				Baa2

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Appendix

Exhibit 15
Peer comparison
CPFL Energia S.A.

	CPFL Energia S.A. Baa2 Stable			Comision Federal de Electricidad Baa3 Stable			Elektra Noreste S.A. Baa3 Negative			Companhia Energetica de Minas Gerais - CEMIG Ba1 Stable		
	FY Dec-24	FY Dec-25	LTM Mar-26	FY Dec-24	FY Dec-25	LTM Mar-26	FY Dec-23	FY Dec-24	FY Dec-25	FY Dec-23	FY Dec-24	FY Dec-25
CFO Pre-W/C + Interest / Interest	3.6x	3.4x	3.5x	4.1x	3.7x	3.8x	5.0x	4.7x	6.7x	5.1x	5.6x	4.2x
(CFO Pre-W/C) / Debt	24.3%	23.6%	22.9%	11.9%	11.4%	12.0%	19.6%	22.3%	32.2%	49.2%	42.6%	27.5%
(CFO Pre-W/C - Dividends) / Debt	13.4%	13.2%	13.3%	11.8%	11.3%	12.0%	10.9%	10.7%	18.2%	34.3%	12.8%	9.2%
Debt / Capitalization	56.6%	56.2%	56.0%	70.7%	61.3%	61.5%	65.1%	64.2%	66.7%	32.0%	33.0%	41.5%

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = last 12 months.
Source: Moody's Financial Metrics™

Exhibit 16
Moody's–adjusted debt reconciliation
CPFL Energia S.A.

(in BRL millions)	2023	2024	2025	LTM Mar-26
As reported debt	**29,577.2**	**28,788.3**	**29,055.7**	**31,714.1**
Pensions	1,813.3	594.4	462.8	462.8
Non-Standard Adjustments	-	2,485.7	4,412.7	4,253.3
Moody's – adjusted debt	**31,390.5**	**31,868.5**	**33,931.2**	**36,430.3**
Cash & Cash Equivalents	(4,435.2)	(1,973.4)	(2,229.3)	(2,131.9)
Moody's-adjusted net debt	**26,955.4**	**29,895.1**	**31,701.9**	**34,298.4**

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = last 12 months.
Source: Moody's Financial Metrics™

Exhibit 17
Moody's–adjusted cash flow reconciliation
CPFL Energia S.A.

(in BRL millions)	2023	2024	2025	LTM Mar-26
FFO	**9,496.5**	**9,081.9**	**9,477.3**	**9,755.1**
+/- Other	(1,523.5)	(1,343.7)	(1,478.5)	(1,397.9)
CFO Pre-W/C	**7,973.0**	**7,738.2**	**7,998.8**	**8,357.3**
+/- ΔW/C	1,577.7	(428.1)	(267.7)	(1,215.9)
CFO	**9,550.7**	**7,310.1**	**7,731.1**	**7,141.4**
- Div	3,570.5	3,479.7	3,519.8	3,520.2
- Capex	4,491.1	5,074.6	5,247.7	5,279.0
FCF	**1,489.1**	**(1,244.2)**	**(1,036.3)**	**(1,657.8)**
(CFO Pre-W/C) / Debt	25.4%	24.3%	23.6%	22.9%
(CFO Pre-W/C - Dividends) / Debt	14.0%	13.4%	13.2%	13.3%
Debt / Capitalization	58.4%	56.6%	56.2%	56.0%
(FFO + Interest Expense) / Interest Expense	4.2x	4.1x	3.9x	3.9x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = last 12 months.
Source: Moody's Financial Metrics™

Exhibit 18

Overview on selected historical Moody's-adjusted financial data

CPFL Energia S.A.

(in BRL millions)	2023	2024	2025	LTM Mar-26
INCOME STATEMENT				
Revenue	39,743.2	42,628.2	44,367.8	45,054.1
EBITDA	13,332.1	13,389.2	13,682.9	13,839.8
EBIT	11,082.5	11,086.1	11,285.7	11,417.0
Interest Expense	2,992.1	2,942.9	3,290.4	3,322.1
BALANCE SHEET				
Cash & Cash Equivalents	4,435.2	1,973.4	2,229.3	2,131.9
Total Debt	31,390.5	31,868.5	33,931.2	36,430.3
Net Debt	26,955.4	29,895.1	31,701.9	34,298.4
CASH FLOW				
Funds from Operations (FFO)	9,496.5	9,081.9	9,477.3	9,755.1
Cash Flow From Operations (CFO)	9,550.7	7,310.1	7,731.1	7,141.4
Capital Expenditures	4,491.1	5,074.6	5,247.7	5,279.0
Dividends	3,570.5	3,479.7	3,519.8	3,520.2
Retained Cash Flow (RCF)	5,926.0	5,602.2	5,957.6	6,235.0
RCF / Debt	18.9%	17.6%	17.6%	17.1%
Free Cash Flow (FCF)	1,489.1	(1,244.2)	(1,036.3)	(1,657.8)
INTEREST COVERAGE				
(FFO + Interest Expense) / Interest Expense	4.2x	4.1x	3.9x	3.9x
EBIT / Interest Expense	3.7x	3.8x	3.4x	3.4x
EBITDA / Interest Expense	4.5x	4.5x	4.2x	4.2x
LEVERAGE				
Debt / EBITDA	2.4x	2.4x	2.5x	2.6x
Net Debt / EBITDA	2.0x	2.2x	2.3x	2.5x

All data based on adjusted financial data, which follow our Financial Statement Adjustments in the Analysis of Nonfinancial Corporations methodology. LTM = last 12 months.
Source: Moody's Financial Metrics™

Ratings

Exhibit 19

Category	Moody's Rating
CPFL ENERGIA S.A.	
Outlook	Stable
Issuer Rating	Baa2
ULT PARENT: STATE GRID CORPORATION OF CHINA	
Outlook	Stable
Issuer Rating	A1
PARENT: STATE GRID INTERNATIONAL DEVELOPMENT LIMITED	
Outlook	Stable
Issuer Rating	A1

Source: Moody's Ratings

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