

# UTE GNA II Geração de Energia S.A

**Condensed interim financial information  
on September 30<sup>th</sup>, 2023**

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## **Independent Auditors' Report on review of the condensed interim financial information**

(A free translation of the original report in Portuguese prepared in accordance with CPC 21(R1) – Demonstração Intermediária and the IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board IASB).

To the Shareholders and Management of **UTE GNA II Geração de Energia S.A**  
Rio de Janeiro – RJ

### **Introduction**

We have reviewed the condensed financial information of UTE GNA II Geração de Energia S.A ("Company") as of September 30, 2023, which comprise the condensed balance sheets as of September 30, 2023, and related condensed statements of operations, comprehensive income (loss), changes in shareholders' equity and cash flows for the three and nine-month period then ended, and notes to condensed interim financial information.

The Company's management is responsible for the preparation and presentation of condensed interim financial information in accordance with CPC 21(R1) – Interim Statement and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### **Scope of the review**

We conducted our review in accordance with the Brazilian and International review standards (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



### **Conclusion**

Based on our review, we are not aware of any facts that would lead us to believe that the condensed interim financial information as of September 30, 2023, referred to above are not prepared, in all material respects, in accordance with CPC 21 (R1) - Interim Statement and IAS 34 – Interim Financial Reporting.

Rio de Janeiro, November 16<sup>th</sup>, 2023

KPMG Auditores Independentes Ltda.  
CRC SP-014428/O-6 F-RJ

*Original in Portuguese signed by*

Juliana Ribeiro de Oliveira

Accountant CRC RJ-095335/O-0

# UTE GNA II Geração de Energia S.A.

Condensed balance sheets on September 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022

*(In thousands of Reais)*

	Note	<u>9/30/2023</u>	<u>12/31/2022</u>
<b>Current</b>			
<b>Assets</b>			
Cash and cash equivalents	4	163,553	1,101,343
Escrow account	5	319,485	1,591,020
Accounts receivable - related parties	6	23	33
Prepaid expenses	7	38,774	22,206
Recoverable taxes		7,621	5,952
Recoverable income tax and social contribution		5,216	3
Derivative financial instruments	18	47	11,839
Others receivable values		145	56
<b>Total current assets</b>		<u><b>534,864</b></u>	<u><b>2,732,452</b></u>
<b>Non-current</b>			
Prepaid expenses	7	10,143	26,343
Recoverable taxes		4,414	1,566
Deferred taxes	8	172,246	129,233
Property, plant, and equipment	9	5,663,477	3,398,343
Intangible assets		9	12
Right of use assets	10	737,155	762,748
<b>Total non-current assets</b>		<u><b>6,587,444</b></u>	<u><b>4,318,245</b></u>
<b>Total assets</b>		<u><u><b>7,122,308</b></u></u>	<u><u><b>7,050,697</b></u></u>

The notes are an integral part of these condensed interim financial information.

# UTE GNA II Geração de Energia S.A.

Condensed balance sheets on September 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022

(In thousands of Reais)

	Note	9/30/2023	12/31/2022
<b>Current</b>			
<b>Liabilities</b>			
Suppliers	11	49,382	149,187
Salaries and charges payable		1,983	1,897
Accounts payable - related parties	6	176,402	872,831
Borrowings and Loans	13	646	575
Taxes and contributions payable	12	78,431	3,376
Derivative financial instruments	18	-	107
Lease liabilities	10	49,383	7,225
<b>Total current liabilities</b>		<b>356,227</b>	<b>1,035,198</b>
<b>Non-current</b>			
Borrowings and Loans	13	3,091,227	2,304,634
Accounts payable - Related Parties	6	116,649	116,649
Lease liabilities	10	819,605	809,493
Other accounts payable		1,535	1,535
Other amounts payable		210	-
<b>Total non-current liabilities</b>		<b>4,029,226</b>	<b>3,232,311</b>
<b>Shareholders' equity</b>	14		
Share capital		3,186,213	3,186,213
Other comprehensive income (loss)		(114,864)	(152,092)
Accumulated losses		(334,494)	(250,933)
<b>Total shareholders' equity</b>		<b>2,736,855</b>	<b>2,783,188</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,122,308</b>	<b>7,050,697</b>

The notes are an integral part of these condensed interim financial information.

# UTE GNA II Geração de Energia S.A.

## Condensed statements of operations

Three and nine-month period ending on September 30<sup>th</sup>, 2023 and 2022

(In thousands of Reais)

	Note	Nine-month period ending in 9/30/2023	Nine-month period ending in 9/30/2022	Three-month period ending on 9/30/2023	Three-month period ending in 9/30/2022
<b>Operating income (expenses)</b>					
General and administrative expenses	15	(23,478)	(20,424)	(8,735)	(7,724)
Impairment and other losses	4	222	(37)	15	(13)
Other expenses	16	(82,267)	-	(29,231)	-
Other income	16	13	-	3	-
<b>Net income before financial result (expenses)</b>		<b>(105,510)</b>	<b>(20,461)</b>	<b>(37,948)</b>	<b>(7,737)</b>
<b>Net financial result</b>	17				
Financial income		85,519	317,860	3,474	18,575
Financial expenses		(106,583)	(528,287)	(83,800)	(41,979)
<b>Loss before tax</b>		<b>(126,574)</b>	<b>(230,888)</b>	<b>(118,274)</b>	<b>(31,141)</b>
Deferred income tax and social contribution	8	43,013	84,277	40,207	10,577
<b>Net loss of the period</b>		<b>(83,561)</b>	<b>(146,611)</b>	<b>(78,067)</b>	<b>(20,564)</b>

The notes are an integral part of these condensed interim financial information.

# UTE GNA II Geração de Energia S.A.

## Condensed statements of comprehensive income or loss

Three and nine-month period ending on September 30<sup>th</sup>, 2023, and 2022

*(In thousands of Reais)*

	Nine-month period ending in 9/30/2023	Nine-month period ending in 9/30/2022	Three-month period ending in 9/30/2023	Three-month period ending in 9/30/2022
<b>Net loss of the period</b>	<b>(83,561)</b>	<b>(146,611)</b>	<b>(78,067)</b>	<b>(20,564)</b>
Gains and losses hedge operations - NDFs	(11,731)	(151,053)	2,044	(39,557)
Gains and losses Time deposit	48,959	(162,698)	102,159	(33,542)
<b>Total comprehensive results of the period</b>	<b>(46,333)</b>	<b>(460,362)</b>	<b>26,136</b>	<b>(93,663)</b>

The notes are an integral part of these condensed interim financial information.



# UTE GNA II Geração de Energia S.A.

## Condensed statements of changes in shareholders' equity

Nine-month period ending on September 30<sup>th</sup>, 2023, and 2022

*(In thousands of Reais)*

	Share capital			Other comprehensive income (loss)	Accumulated loss	Shareholders' equity
	Paid	To be paid	Advance for future capital increase			
<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>3</b>	<b>219,000</b>	<b>46,249</b>	<b>(65,063)</b>	<b>(89,157)</b>	<b>111,032</b>
Net loss of the period	-	-	-	-	(146,611)	(146,611)
Payment of shares – SPIC	280,000	(219,000)	-	-	-	61,000
AFAC x Mutual Transfer – Infra	-	-	(46,249)	-	-	(46,249)
Hedge accounting	-	-	-	(313,751)	-	(313,751)
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>280,003</b>	<b>-</b>	<b>-</b>	<b>(378,814)</b>	<b>(235,768)</b>	<b>(334,579)</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>3,186,213</b>	<b>-</b>	<b>-</b>	<b>(152,092)</b>	<b>(250,933)</b>	<b>2,783,188</b>
Net loss of the period	-	-	-	-	(83,561)	(83,561)
Hedge accounting	-	-	-	37,228	-	37,228
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>3,186,213</b>	<b>-</b>	<b>-</b>	<b>(114,864)</b>	<b>(334,494)</b>	<b>2,736,855</b>

The notes are an integral part of these condensed interim financial information.

# UTE GNA I Geração de Energia S.A.

## Condensed statements of Cash flows

Nine-month period ending on September 30<sup>th</sup>, 2023, and 2022

(In thousands of Reais)

	9/30/2023	9/30/2022
<b>Cash flows from operating activities</b>		
Loss before tax	(126,574)	(230,888)
<b>Adjustments of items without cash effect:</b>		
Depreciation and amortization	4	3
Exchange variation	3,179	1,280
Exchange variation on lease liabilities	(24,947)	-
Amortization – IFRS 16	19,624	-
Interest – IFRS 16	59,751	-
IOF on mutual	-	5,521
Interest on loan	-	98,994
Fines and interest	6,494	-
Exchange variation on mutual	-	(182,283)
Gains and losses - <i>Swaps</i>	-	333,687
Gains and losses hedge operations - NDFs	43,654	(28,857)
Impairment and other losses	(222)	37
<b>Adjusted net loss / income</b>	<b>(25,395)</b>	<b>(2,506)</b>
<b>(Increase) decrease in assets and increase (decrease) of liabilities:</b>		
Recoverable taxes	(7,968)	(3,226)
Prepaid expenses	13,960	10,663
Other advances	(89)	(53)
Accounts receivable - related parties	232	(149)
Suppliers	(90,464)	(51,245)
Accounts payable - related parties	(645,335)	(123,429)
Taxes and contributions payable	(1,198)	605
Other amounts payable	210	-
Salaries and charges payable	86	1,669
Income tax and social contribution paid	(1,762)	-
<b>Net cash used in operating activities</b>	<b>(757,723)</b>	<b>(167,671)</b>
<b>Cash flow in investment activities</b>		
Acquisition of property, plant, and equipment	(1,885,646)	(709,989)
Financial instruments – NDF (PPE)	(43,654)	-
Escrow account	1,271,535	(1,537,012)
<b>Net cash used in investment activities</b>	<b>(657,765)</b>	<b>(2,247,001)</b>
<b>Cash flow from financing activities</b>		
Resources from new loans	600,000	1,300,000
Payment of lease liabilities	(5,470)	-
Payment of finance charges	(45,810)	-
Financial instruments - SWAP	-	(333,687)
Shareholder loan received - SPIC	-	486,481
<b>Net cash from financing activities</b>	<b>548,720</b>	<b>1,452,794</b>
<b>Decrease in cash and cash equivalents</b>	<b>(866,768)</b>	<b>(961,878)</b>
At the beginning of the period	1,101,343	1,321,380
At the end of the period	163,553	196,804
Exchange variance on cash and cash equivalents	71,022	162,698
<b>Decrease in cash and cash equivalents</b>	<b>(866,768)</b>	<b>(961,878)</b>

The explanatory notes are an integral part of the condensed interim financial information.

## **Notes of the condensed interim financial information**

*(In thousands of Reais, unless stated otherwise)*

### **1 Operations**

UTE GNA II Geração de Energia S.A. ("GNA II" or "Company") was incorporated on October 21<sup>st</sup>, 2015, and on April 8<sup>th</sup>, 2019, the legal type of the company's was changed from limited liability company to a joint stock company, changing its corporate name from UTE GNA II Geração de Energia Ltda. to UTE GNA II Geração de Energia S.A. The Company had as controllers Prumo Logística S.A ("Prumo") and Gás Natural Açú S.A. ("GNA HoldCo") until October 2020. On November 25<sup>th</sup>, 2020, GNA II shares that were Prumo's shares were transferred to GNA HoldCo, and subsequently transferred from GNA HoldCo to Gás Natural Infraestrutura S.A. ("GNA Infra") and also new shares were subscribed by Siemens Participações S.A. ("Siemens"). On January 28<sup>th</sup>, 2021, the Company became jointly controlled by the following shareholders: Gás Natural Açú Infraestrutura S.A. ("GNA Infra"), Siemens Participações ("Siemens") and SPIC Brasil ("SPIC"), a subsidiary of State Power Investment Corporation of China, now has as joint controlling shareholders the following companies: GNA Infra, Siemens and SPIC. On September 19<sup>th</sup>, 2022, the Company's corporate restructuring process was concluded, which represents the consolidation of the agreements between the shareholders. The shares held by GNA Infra and Siemens Participações were transferred to Junergy Ltda ("Junergy") and BP Gás & Power ("BPGIL").

In December 2017, UTE GNA II won the A-6 auction, a project for a Thermal Power Plant with a capacity of 1,672.6 megawatts that will demand investments of R\$ 6,400 thousand\*, with an estimated start of operations on January 1<sup>st</sup>, 2025.

The works of UTE GNA II were started at the end of September 2021, currently about 85.50% of the project has already been completed, following the agreed schedule.

Between the months of March, May and July 2022, UTE GNA II received the entirety of its contracted bridge loan of R\$ 1,300 thousand. There was liquidation on December 28<sup>th</sup>, 2022, as mentioned in note 13.

On December 27<sup>th</sup>, 2022, the first disbursement of R\$ 2,400,000 was released from Banco Nacional de Desenvolvimento Econômico e Social (BNDES), and the second disbursement, in the amount of BRL 600,000, was made on July 14<sup>th</sup>, 2023, out of a total of R\$ 3,930,000 of approved credit line, as mentioned in note 13.

(\*) Not reviewed information

**a. Going Concern**

The GNA II Project aims at the construction of a gas-fired combined cycle thermoelectric plant with a capacity of 1,672,6 MW, in addition to being part of the development of the so-called "Açu Gas Hub", strategically located in the northeast of the state of Rio de Janeiro, which aims to offer an efficient logistics solution for the commercialization and consumption of natural gas and its products.

The Company recorded a net loss in the amount of R\$83,561 in the period ended September 30<sup>th</sup>, 2023 (and a net loss of R\$146,611 on September 30<sup>th</sup>, 2022), and on that date, current assets exceed current liabilities by R\$178,637 (R\$1,697,254 on December 31<sup>st</sup>, 2022).

The Company has commitments related to the construction of the Thermal Power Plant, which it intends to use to honor them: escrow account; cash and cash equivalents and the balance of your credit line approved with BNDES.

For potential cash needs in situations of Capex Overrun Costs, Commissioning Costs and Costs arising from Delays in the Start of Commercial Operations (COD), the Company has an Equity Support Agreement signed between its shareholders and guarantor banks that provides for capital contributions up to the limit of R\$ 1,420,000.

The Company is in the pre-operational phase and therefore the Management does not recognize uncertainty about the future ability to generate operating cash flow.

## **2 Basis of preparation**

**a. Compliance statement (with respect to IFRS and CPC standards)**

Condensed interim financial information has been prepared in accordance with CPC 21 (R1) – Interim Financial Statements issued by the Accounting Pronouncements Committee (CPC) and international accounting standards IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board ("IASB").

Condensed interim financial information shall be read in conjunction with the financial statements on December 31<sup>st</sup>, 2022, approved on April 4<sup>th</sup>, 2023, which were prepared in accordance with accounting practices adopted in Brazil, which include the provisions of the Brazilian Corporation Law and the Accounting Pronouncements Committee (CPC), and with the international financial reporting standards (IFRS) issued by the International Accounting Standards Board (IASB), as specified above.

Authorization for the conclusion of the preparation of this financial information was given by Management on November 16<sup>th</sup>, 2023.

**b. Basis Measurement**

The condensed interim financial information has been prepared based on historical cost, except for financial instruments that were measured at fair value through profit or loss and financial instruments at fair value through other comprehensive income (loss).

**c. Functional currency**

The condensed interim financial information is presented in Reais, which is the Company's functional currency. All balances have been rounded to the nearest thousand, unless otherwise indicated.

**3 Use of estimates and judgments**

The significant judgments made by Management in the application of accounting policies and the main sources of estimation uncertainty are the same applied and evidenced in note 5 – Use of estimates and judgments in the consolidated financial statements for the year ended on December 31<sup>st</sup>, 2022.

**4 Cash and Cash Equivalent**

	9/30/2023	12/31/2022
Cash and Banks	259	434
<b>Financial investments</b>		
Financial investments (a)	163,344	1,101,181
	<b>163,603</b>	<b>1,101,615</b>
Provision for e expected loss (b)	(50)	(272)
<b>Total</b>	<b>163,553</b>	<b>1,101,343</b>

(a) The cash balance and cash equivalent on September 30<sup>th</sup>, 2023, is composed of a current account with banks Santander, Bradesco, Banco do Brasil, BTG Pactual and Citibank, investment in CDBs at Santander, Bradesco and BTG, which are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

The cash decrease is due to the EPCs (related parts) payment to purchase equipment for the thermal construction.

(b) The estimated financial losses were calculated based on the loss rates of a Corporate Default study published by S&P on April 3<sup>rd</sup>, 2023, referring to 15 years of data collected by the company on the default risk of companies at each rating level.

Cash and cash equivalents are held with bank and financial counterparties, which have been grouped into 5 levels, separated between AAA and BB according to their rating on Standard & Poor's. As shown in the table below, counterparties in which the Company has outstanding balances on September 30<sup>th</sup>, 2023, are classified AAA, based on the average of its ratings.

The estimated loss position in cash and cash equivalents was calculated based on expected the 12-month loss rate and reflects the maturities of risk exposures.

Risk Level	Rating	Gross Balance	Loss Rate (1)	Loss Provision
Level 1	AAA	163,603	0.01%	(50)

(1) Loss Rate considers the 1-year Global Corporate Average Default Rate reported by S&P at 4/3/2023

The estimated loss drive in the first six months was:

<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>(139)</b>
Addition	(37)
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>(176)</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>(272)</b>
Addition	222
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>(50)</b>

## 5 Escrow account

	9/30/2023	12/31/2022
Time Deposits Guarantee (a)	319,485	1,591,020
<b>Total</b>	<b>319,485</b>	<b>1,591,020</b>

- (a) Application in Time Deposit (EUR and USD) in Santander Luxembourg in the equivalent amount of BRL 319,485 on September 30<sup>th</sup>, 2023 (R\$ 1,591,020 on December 31<sup>st</sup>, 2022) for Natural Hedge purposes to avoid foreign exchange exposure in the implementation contracts, as follows:

	EUR Application	USD Application	Total
<b>Balance on January 1<sup>st</sup>, 2022</b>	-	-	-
2021 transfer addition (*)	1,269,959	-	1,269,959
2021 transfer exchange variation (*)	(24,297)	-	(24,297)
2021 Interest Transfer (*)	68	-	68
Addition	155,915	292,240	448,155
Exchange variation (other comprehensive results)	(203,450)	40,752	(162,698)
Interest	1,504	4,321	5,825
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>1,199,699</b>	<b>337,313</b>	<b>1,537,012</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>1,263,276</b>	<b>327,744</b>	<b>1,591,020</b>
Exchange variation (other comprehensive results)	(52,865)	(18,157)	(71,022)
Interest	7,113	5,441	12,554
Rescue for EPC payment	(1,020,858)	(192,209)	(1,213,067)
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>196,666</b>	<b>122,819</b>	<b>319,485</b>

(\*) Amount referring to the portion transferred from the Time deposits line that was on note 4 cash and cash equivalents with the December 2021 balance

## 6 Related parties

The Company adopts the Corporate Governance practices recommended and/or required by the legislation and regulations in force. The Company's Shareholders' Agreement establishes guidelines that aim to ensure that transactions between the Company and its related parties are conducted in the best interest of GNA, with independence and transparency, to prevent situations of potential conflict of interest when carrying out operations involving related parts. In addition, the GNA Code of Conduct establishes rules with the objective of preventing situations of conflict of interest involving any employee of the Company, which are applicable to all employees and stakeholders of GNA.

In accordance with the Brazilian Corporation Law, the members of the Company's Board of Directors are prohibited from deliberating on any matter or acting in any operations or businesses in which they have conflicting interests with those of the Company.

The main balances of assets and liabilities on September 30<sup>th</sup>, 2023, and December 31<sup>st</sup>, 2022, related to transactions with related parties, as well as transactions that influenced the result for the period, arise from the Company's transactions with companies under common control, shareholders, management members and other related parties, as follows:

	<b>9/30/2023</b>	<b>12/31/2022</b>
<b>Assets:</b>		
<b>Accounts receivable</b>		
GNA HoldCo - Investee in a company belonging to the same economic group (a)	5	5
GNA Infra - Investee in a company belonging to the same economic group (a)	1	-
UTE GNA I - Under common control (a)	17	28
<b>Total Assets</b>	<b>23</b>	<b>33</b>
<b>Liability:</b>		
<b>Accounts payable</b>		
<i>Accounts payable - transactions – current</i>		
GNA HoldCo - Investee in a company belonging to the same economic group (a)	313	366
GNA Infra - Investee in a company belonging to the same economic group (a)	12	12
UTE GNA I - Under common control (a)	2,330	2,715
Siemens Aktiengesellschaft - Part of the Siemens Par economic group, which is jointly controlling (b)	173,747	869,738
	<b>176,402</b>	<b>872,831</b>
<i>Accounts payable – Shareholders' loan - non-current</i>		
SPIC Brasil – Jointly Venture (d)	116,649	116,649
	<b>116,649</b>	116,649
<b>Total liabilities</b>	<b>293,051</b>	<b>989,480</b>
<b>Accounts Payable</b>		
Current	176,402	872,831
Non-current	116,649	116,649
	<b>293,051</b>	<b>989,480</b>

*UTE GNA II Geração de Energia S.A.*  
*Condensed interim financial information*  
*on September 30<sup>th</sup>, 2023*

**Result:**

<b>Shared costs</b>	<b>Nine-month period ending in 9/30/2023</b>	<b>Nine-month period ending in 9/30/2022</b>	<b>Three-month period ending in 9/30/2023</b>	<b>Three-month period ending in 9/30/2022</b>
GNA HoldCo - Investee in a company belonging to the same economic group (a)	(2,142)	(2,959)	(479)	(830)
GNA Infra - Investee in a company belonging to the same economic group (a)	(106)	(52)	(24)	(6)
UTE GNA I - Under common control (a)	(18,367)	(15,248)	(6,189)	(6,265)
	<b>(20,615)</b>	<b>(18,259)</b>	<b>(6,692)</b>	<b>(7,101)</b>
<b>Financial income and expenses</b>				
	<b>Nine-month period ending in 9/30/2023</b>	<b>Nine-month period ending in 9/30/2022</b>	<b>Three-month period ending in 9/30/2023</b>	<b>Three-month period ending in 9/30/2022</b>
SPIC Brasil – Joint Venture (d)	-	(86,067)	-	(36,169)
Siemens Aktiengesellschaft - Part of the Siemens Par economic group, which is jointly controlling (c)	2,047	-	(15,160)	-
SEF. - Part of the economic group of Siemens Energy Inc. Indirect shareholder of UTE GNA II (c) and (d)	-	154,989	-	27,186
BP Global Investments Limited – Joint Venture (d)	-	14,368	-	(24,462)
	<b>2,047</b>	<b>83,290</b>	<b>(15,160)</b>	<b>(33,445)</b>
<b>Total</b>	<b>(18,568)</b>	<b>65,031</b>	<b>(21,852)</b>	<b>(40,546)</b>



- (a) Agreement for sharing of personnel expenses and other expenses between the companies of the GNA Group.
- (b) Purchases of thermal equipment.
- (c) Exchange variation on related parties.
- (d) Mutual payments held in the months of May, September, and November 2021. And January, February, and March 2022. As per the move below:

	<b>Infra 100% CDI</b>	<b>SEF 0.5% - 1.5%</b>	<b>SPIC 100% CDI</b>	<b>BPGIL 0,5% - 2% +USD Libor</b>	<b>Total</b>
<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>141,677</b>	<b>986,704</b>	<b>563,052</b>	<b>682,388</b>	<b>2,373,821</b>
Receipts	-	-	486,481	-	486,481
Interest (i)	-	6,391	86,067	6,535	98,993
Exchange Variation	-	(161,380)	-	(20,903)	(182,283)
Appropriate IOF (i)	-	-	5,521	-	5,521
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>141,677</b>	<b>831,715</b>	<b>1,141,121</b>	<b>668,020</b>	<b>2,782,533</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>-</b>	<b>-</b>	<b>116,649</b>	<b>-</b>	<b>116,649</b>
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>-</b>	<b>-</b>	<b>116,649</b>	<b>-</b>	<b>116,649</b>

- (i) The residual balance refers to the portion of interest and IOF that were not paid by SPIC in the corporate reorganization that occurred on October 31<sup>st</sup>, 2022. On September 30<sup>th</sup>, 2023, there was no movements.

The amounts related to the remuneration of the members of the Management are presented below:

	<b>Nine-month period ending in 9/30/2023</b>	<b>Nine-month period ending in 9/30/2022</b>	<b>Three-month period ending in 9/30/2023</b>	<b>Three-month period ending in 9/30/2022</b>
<b>Directors</b>				
Shared expenses with directors' fees (a)	(1,670)	(2,165)	(547)	(769)
<b>Total</b>	<b>(1,670)</b>	<b>(2,165)</b>	<b>(547)</b>	<b>(769)</b>

- (a) These are amounts related to the expenses with management in the companies GNA HoldCo, GNA Infra and UTE GNA I and that were transferred to the Company.

## 7 Prepaid expenses

	<u>9/30/2023</u>	<u>12/31/2022</u>
<b>Current assets</b>		
Transaction cost (a)	79	-
Insurance premium (b)	38,695	22,206
<b>Total</b>	<u>38,774</u>	<u>22,206</u>
<b>Non-current assets</b>		
Insurance premium (b)	10,143	26,343
<b>Total</b>	<u>10,143</u>	<u>26,343</u>

(a) Transaction cost to obtain long-term financing from thermal. The amounts are presented in the current assets until the effective raising of financing resources occurs, where they will then, from that moment, be reclassified to the liabilities, as reducing accounts of the passive balance of the loans. In December 2022 and July 2023, the transfers were made for the first and second disbursements, as mentioned in note 13.

(b) Insurance premiums: as required by the ANEEL 005/2017 auction notice, engineering risks, civil liability, works and transportation of imported equipment.

## 8 Deferred Taxes

	<u>9/30/2023</u>	<u>12/31/2022</u>
Deferred Taxes Assets	172,246	129,233
<b>Total</b>	<u>172,246</u>	<u>129,233</u>

	<u>Deferred taxes assets</u>	<u>Deferred taxes liabilities</u>	<u>Total</u>
<b>Balance on January 1<sup>st</sup>, 2022</b>	<u>37,164</u>	-	<u>37,164</u>
Pre-operational expenses	6,944	-	6,944
Temporary differences – financial result	42,099	-	42,099
Tax loss and negative basis	35,234	-	35,234
<b>Balance on September 30<sup>th</sup>, 2022</b>	<u>121,441</u>	-	<u>121,441</u>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<u>129,233</u>	-	<u>129,233</u>
Pre-operational expenses	35,855	-	35,855
Temporary differences – exchange variation IFRS 16	-	(8,482)	(8,482)
Temporary differences – financial result	509	-	509
Tax loss and negative basis	15,131	-	15,131
<b>Balance on September 30<sup>th</sup>, 2023</b>	<u>180,728</u>	<u>(8,482)</u>	<u>172,246</u>

	9/30/2023	9/30/2022
<b>Accounting loss before taxes</b>	<b>(126,574)</b>	<b>(230,888)</b>
Income tax and social contribution rate	34%	34%
<b>Income tax and social contribution (base x rate)</b>	<b>43,035</b>	<b>78,502</b>
<b>Permanent additions:</b>		
Gifts and Sponsorships	(22)	(12)
<b>Adjustments to derive the effective rate:</b>		
IRPJ / CSLL deferred previous years	-	5,787
<b>Total income tax and social contribution of the period</b>	<b>43,013</b>	<b>84,277</b>
Current	-	-
Deferred	43,013	84,277
<b>Total</b>	<b>43,013</b>	<b>84,277</b>
	<b>(33.98) %</b>	<b>(36.50) %</b>

Technical feasibility studies indicate the full capacity to recover, in subsequent years, the recognized deferred tax amounts and correspond to the best estimates of management on the future evolution of the Company and the market in which it will start operations on 2025.

## 9 Property, plant, and equipment

	Advances for asset formation (a)	Works in progress and equipment under construction (b)	IT Equipment	Total
<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>1,089,933</b>	<b>55,778</b>	-	<b>1,145,711</b>
Additions (c)	39,989	770,922	-	<b>810,911</b>
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>1,129,922</b>	<b>826,700</b>	-	<b>1,956,622</b>
Cost	1,129,922	826,700	-	<b>1,956,622</b>
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>1,129,922</b>	<b>826,700</b>	-	<b>1,956,622</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>138,086</b>	<b>3,260,257</b>	-	<b>3,398,343</b>
Additions (c)	49,670	2,215,453	11	<b>2,265,134</b>
Transfers	(125,432)	125,432	-	-
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>62,324</b>	<b>5,601,142</b>	<b>11</b>	<b>5,663,477</b>
Cost	62,324	5,601,142	11	<b>5,663,477</b>
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>62,324</b>	<b>5,601,142</b>	<b>11</b>	<b>5,663,477</b>
<b>Depreciation rate</b>	<b>-%</b>	<b>-%</b>	<b>20%</b>	

A depreciation rate has not been determined, given that the assets are still in the manufacturing and construction phase.

- (a) Advance for PPE formation. The balance of advances on September 30<sup>th</sup>, 2023 is composed of advances made to suppliers for future delivery of equipment.
- (b) Works in progress: The balance of works in progress on September 30<sup>th</sup>, 2023, is composed mainly of imported equipment, national equipment, services referred to construction, values of licenses for the implementation of UTE GNA II, term of commitment assumed (TCCA), capitalization of insurance and consultancies directly related to the works.
- (c) Financial capitalizations were made on September 30<sup>th</sup>, 2023, and on December 31<sup>st</sup>, 2022, in the following amounts:

<b>Financial capitalizations</b>	<b>9/30/2023</b>	<b>12/31/2022</b>
Interest Loans (Santander and BNDES)	315,728	120,103
Financial charges/fee Borrowings (BNDES)	46,456	575
IOF on loans (BNDES)	56,295	45,036
Financial income	(59,837)	(8,183)
Transaction cost (BNDES)	3,128	-
Interest expense on lease (Land)	66,131	42,506
Ineffectiveness - Hedge	4,574	4,851
<b>Total Financial Capitalizations</b>	<b>432,475</b>	<b>204,888</b>
<b>Capitalizations, amortizations, IFRS 16</b>	<b>9/30/2023</b>	<b>12/31/2022</b>
Amortization of right of use - Land	17,432	11,463
<b>Total Capitalizations amortizations IFRS 16</b>	<b>17,432</b>	<b>11,463</b>
<b>Total</b>	<b>449,907</b>	<b>216,351</b>

The movement of financial capitalizations and amortizations on September 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022, were R\$233,556 and R\$193,974, respectively.

## 10 Right of Use / Lease Liability

IFRS 16 introduces a single model of accounting for leases in the balance sheet for lessor. A lessee recognizes a right-of-use assets that represents its right to use the leased assets and a lease liability represents his obligation to make lease payments. Exemptions are available for short-term rentals and low-value items.

The variation of the first three months ending 2023 and 2022 of the right of use and lease liabilities is shown in the table below:

	Land	FSRU	Total
<b>Right of use</b>			
<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>175,992</b>	-	<b>175,992</b>
Depreciation	(4,844)	-	<b>(4,844)</b>
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>171,148</b>	-	<b>171,148</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>208,911</b>	<b>553,837</b>	<b>762,748</b>
Depreciation	(5,969)	(19,624)	<b>(25,593)</b>
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>202,942</b>	<b>534,213</b>	<b>737,155</b>
<b>Lease liabilities</b>			
<b>Balance on January 1<sup>st</sup>, 2022</b>	<b>198,369</b>	-	<b>198,369</b>
Interest incurred	17,827	-	<b>17,827</b>
<b>Balance on September 30<sup>th</sup>, 2022</b>	<b>216,196</b>	-	<b>216,196</b>
<b>Balance on January 1<sup>st</sup>, 2023</b>	<b>262,881</b>	<b>553,837</b>	<b>816,718</b>
Transfer to suppliers	-	(689)	<b>(689)</b>
Payments	-	(5,470)	<b>(5,470)</b>
Interest Incurred	23,625	59,751	<b>83,376</b>
Exchange variation (financial result note)	-	(24,947)	<b>(24,947)</b>
<b>Balance on September 30<sup>th</sup>, 2023</b>	<b>286,506</b>	<b>582,482</b>	<b>868,988</b>
Current	16,936	32,447	49,383
Non-current	269,570	550,035	819,605

The amortization and interest expense related to the land lease are being capitalized in the amount of R\$ 29,594 and (R\$ 31,043 on December 31<sup>st</sup>, 2022).

The amortization and interest expense related to the FSRU's rent are being recorded in note 15 of other expenses.

## 11 Suppliers

	<u>9/30/2023</u>	<u>12/31/2022</u>
<b>Current liabilities</b>		
Domestic suppliers	27,167	10,911
Foreign suppliers	8,771	35,052
Provisioned expenses	13,444	103,224
<b>Total</b>	<u>49,382</u>	<u>149,187</u>

## 12 Taxes and contributions payable

	<u>9/30/2023</u>	<u>12/31/2022</u>
<b>Current liabilities</b>		
Service Tax ("ISS")	1,499	1,591
INSS third parties	7	6
Withholding Income Tax ("IRRF")	352	475
PIS/COFINS payable	137	297
PIS/COFINS/CSLL – withholding	165	1,007
Tax on circulation of goods and services ("ICMS")	20	-
State Fiscal Balance Fund / Temporary Budget Fund ("FEEF/FOT") (a)	76,252	-
<b>Total</b>	<u>78,431</u>	<u>3,376</u>

- a) State Fiscal Balance Fund / Temporary Budget Fund ("FEEF/FOT") - Up to September 30<sup>th</sup>, 2023, the Company had made an assessment based on the understanding that there was uncertainty about the constitutionality of these taxes payment, based on the opinions of legal experts who treated the situation of non-payment as a potential contingency, whose prognosis of loss was possible. As such, there was no accounting record of any provision related to the issue, but only a disclosure in an explanatory note in accordance with the accounting standards in force in Brazil.

On October 17<sup>th</sup>, 2023, the decision of the Federal Supreme Court in favor of the requirement to make a deposit in favor of the state fund for the promotion of Fiscal Equilibrium of the State of Rio de Janeiro (previously called FEEF, now called FOT) as a condition for maintaining tax benefits, makes the Companies eligible for the obligation to pay the FEEF and FOT taxes. As of this moment, the Company has changed its understanding of what happened, treating the issue as an immediate tax obligation. Given that the STF decision takes place after the conclusion of the financial statements for September 30<sup>th</sup>, 2023, and the tax event for this obligation is prior to September 30<sup>th</sup>, 2023, the accounting treatment is to record the effects of these taxes on the base date of September 30<sup>th</sup>, 2023.

### 13 Borrowings and loans

On March 29<sup>th</sup>, 2022, the Company subscribed debentures in the amount of R\$ 1,300 thousand reais equivalent to 13 (thirteen) quotas of R\$ 100,000 due until on September 25<sup>th</sup>, 2022, postponed in a 1st time until November 24<sup>th</sup>, 2022 and subsequently postponed until December 30<sup>th</sup> with the interest rate of CDI + 0.74%. The first installment received was in the amount of R\$ 700,000 equivalents to 07 (seven) quotas, the second installment received was in the amount of R\$ 300,000 equivalents to 03 (three) quotas and the third installment received was in the amount of R\$ 300,000 equivalents to 03 (three) quotas.

On November 30<sup>th</sup>, 2020, the Company signed long-term financing agreements with BNDES, the 1<sup>st</sup> disbursement of which was made on December 27<sup>th</sup>, 2022 in which were used part of these funds to fully settle the debentures on December 28<sup>th</sup>, 2022, and the second disbursement was made on July 14<sup>th</sup>, 2023.

The loan has a "Project Finance" structure, guaranteed mainly through fiduciary assignment, pledge of shares, and pledge of assets (equipment), of the accounts linked to the project, in addition to bank guarantee issued by the institutions: Banco do Brasil, Banco BNPP Paribas Brasil, Banco Bradesco, Banco BTG Pactual, Banco Santander and Itaú Unibanco.

Banks	Currency	Purpose	Annual financial charges	Maturity	Guarantees (a)	Total credit line	Effective interest rate
BNDES	Real	Investments	Subs. A; F: IPCA + 4.59% Subs. B; C;D;E: IPCA + 5.39% Sub. G: IPCA + 7.90%	Dec./44	Reserve Account, Fiduciary Alienation and Conditional Assignment.	3,930,000	IPCA +10.43%

On September 30<sup>th</sup>, 2023, the liability is recognized as follows:

	12/31/2022							9/30/2023	
	Total	Disbursement in R\$	Incurring interest	Incurring Finance Charges/Fee	Financial Charges/Fee Paid	Capture cost addition	Monthly amortization transaction cost	Total	
<b>Institutions</b>									
BNDES	2,305,209	600,000	195,625	45,881	(45,810)	(12,160)	3,128	3,091,873	
	<b>2,305,209</b>	<b>600,000</b>	<b>195,625</b>	<b>45,881</b>	<b>(45,810)</b>	<b>(12,160)</b>	<b>3,128</b>	<b>3,091,873</b>	
Current	575								646
Non-current	2,304,634								3,091,227
<b>Total</b>	<b>2,305,209</b>								<b>3,091,873</b>

On December 31<sup>st</sup>, 2022, the liability is recognized as follows:

	12/31/2021					12/31/2022		
	Total	Disbursement in R\$	Main amortization	Incurred interest	Paid interest	Incurred Financial Charges/Fee	Cost of funding addition	Total
<b>Institutions</b>								
BNDES	-	2,400,000	-	3,328	-	575	(98,694)	2,305,209
Santander	-	1,300,000	(1,300,000)	116,775	(116,775)	-	-	-
	-	<b>3,700,000</b>	<b>(1,300,000)</b>	<b>120,103</b>	<b>(116,775)</b>	<b>575</b>	<b>(98,694)</b>	<b>2,305,209</b>
Current	-							575
Non-current	-							2,304,634
<b>Total</b>	-							<b>2,305,209</b>

### Financial and non-financial covenants

The financing agreements have clauses with financial and non-financial covenants, usual for this type of transaction, such as the obligation to present financial statements to creditors, compliance with tax, social security, labor and applicable environmental legislation, restrictions on additional indebtedness and disposals of assets outside the normal course of business.

The agreement entered into between the Company and its creditor establishes a financial covenant where from 2025, during the term of this agreement, the obligation to maintain the Historical Debt Service Coverage Index (ICSD) of a minimum of 1.30 times calculated annually based on the audited financial statements.

## 14 Shareholders' equity

Shareholders	9/30/2023		12/31/2022	
	Number of common shares	% share	Number of common shares	% share
SPIC (i) and (iii)	13,180	33.00%	13,180	33.00%
Junergy (ii) and (iii)	13,380	33.50%	13,380	33.50%
BPGIL (ii) and (iii)	13,380	33.50%	13,380	33.50%
<b>Total</b>	<b>39,940</b>	<b>100.00%</b>	<b>39,940</b>	<b>100.00%</b>

- (i) On May 23<sup>rd</sup>, 2022, UTE GNA II held an EGM in which it defined an increase in the number of shares without par value, where GNA Infra now holds 4,002 shares, Siemens Par now holds 1,972 shares and SPIC now holds 2,942 shares.
- (ii) On September 19<sup>th</sup>, 2022, UTE GNA II held an EGM in which the process of transferring shares from GNA Infra and Siemens Par to Junergy and BPGIL was completed. Junergy and BPGIL received 2,987 shares with the value of R\$ 1,493.50(\*\*) from GNA Infra and Siemens Par.



- (iii) On October 31<sup>st</sup>, 2022 there was the issuance of new shares, where the payment of capital occurred through the conversion of loans and contributions, as described below:
- SPIC – 10,238 shares per share price R\$ 95,178.46 totaling R\$ 974,437,058.12(\*\*) referring to the conversion of the loan and 320 shares at a share price of R\$ 190,346.70, totaling R\$ 61,000.00 (\*\*) referring to the payment of capital;
  - Junergy – 10,393 shares per share price R\$ 86,949.01 totaling R\$ 903,661,031.05(\*\*).
  - BPGIL – 10,393 shares per share price: R\$ 98,923.54, totaling R\$ 1,028,112,345.70(\*\*).

### (a) Share capital

On September 30<sup>th</sup>, 2023 and on December 31<sup>st</sup>, 2022, the Company's share capital is R\$ 3,186,213, represented by 39,940 common shares, registered and without par value. The contributions of capital increase made in the 2022 fiscal year are shown as follows:

	Shareholder					Share capital
	GNA Infra	Siemens	SPIC	BPGIL	JUNERGY	
<b>Balance on January 1<sup>st</sup>, 2022</b>	2	1	219,000	-	-	219,003
9/19/2022 (i)	(2)	(1)	-	2	1	-
10/31/2022 (i)	-	-	1,035,437	1,028,112	903,661	2,967,210
<b>Balance on January 1<sup>st</sup>, 2023</b>	-	-	1,254,437	1,028,114	903,662	3,186,213
<b>Balance on September 30<sup>th</sup>, 2023</b>	-	-	1,254,437	1,028,114	903,662	3,186,213

(i) Completion of the corporate reorganization UTE GNA II – The process of transferring GNA's shares has been completed Infra and Siemens Par for Junergy and BPGIL. And there was the issuance of new shares for, Junergy and BPGIL.

(\*\*) Values presented in reais.

### b) Advance for future capital increase

With the completion of the corporate reorganization of GNA II, it was agreed that the value of AFAC belonging to Infra would be converted into a loan, where it was liquidated with the date of November 1<sup>st</sup>, 2022.

	Shareholder	
	GNA INFRA	AFAC
<b>Balance on January 1<sup>st</sup>, 2022</b>	46,249	46,249
Conversion of AFAC to mutual	(46,249)	(46,249)
<b>Balance on January 1<sup>st</sup>, 2023</b>	-	-
<b>Balance on September 30<sup>th</sup>, 2023</b>	-	-

### c) Dividends

The Company's shares participate on equal terms in the distribution of dividends, interest on equity and other benefits to shareholders. The bylaws provide for the distribution of a mandatory minimum dividend of 25% of net income for the year, adjusted in the form of article 202 of Law no. 6,404/76. In the six-month period ended on September 30<sup>th</sup>, 2023, and on December 31<sup>st</sup>, 2022, the Company posted a loss with no dividend distribution.

**d) Other comprehensive income (loss)**

The balances that make up other comprehensive income are related to the recognition of the mark-to-market of hedge accounting and the portion of the exchange variation of time deposits in foreign currency.

**15 General and administrative expenses**

	Nine-month period ending in 9/30/2023	Nine-month period ending in 9/30/2022	Three-month period ending in 9/30/2023	Three-month period ending in 9/30/2022
Personnel	(16,398)	(14,362)	(5,572)	(5,739)
Communication and Institutional Affairs	(551)	(1,434)	(161)	(225)
IT and Telecom	(1,837)	(1,366)	(640)	(399)
Administrative services	(1,245)	(1,117)	(425)	(499)
Consulting and auditing	(1,605)	(934)	(388)	(409)
Other	(1,842)	(1,211)	(1,549)	(453)
<b>Total</b>	<b>(23,478)</b>	<b>(20,424)</b>	<b>(8,735)</b>	<b>(7,724)</b>

**16 Other expenses and incomes**

	Nine-month period ending in 9/30/2023	Nine-month period ending in 9/30/2022	Three-month period ending in 9/30/2023	Three-month period ending in 9/30/2022
<b>Other expenses</b>				
Incurred interest	(59,751)	-	(19,778)	-
Amortization	(19,624)	-	(6,541)	-
Insurance	(2,887)	-	(2,887)	-
Other	(5)	-	(25)	-
<b>Total (i)</b>	<b>(82,267)</b>	<b>-</b>	<b>(29,231)</b>	<b>-</b>
<b>Other incomes</b>				
Other incomes	13	-	3	-
<b>Total</b>	<b>13</b>	<b>-</b>	<b>3</b>	<b>-</b>
<b>Other results</b>	<b>(82,254)</b>	<b>-</b>	<b>(29,228)</b>	<b>-</b>

(i) As mentioned in note 10 right of use/lease liability the amounts pertaining to interest incurred and amortization are being recognized in line with other expenses. The reason for the non-capitalization of expenses with FSRU is due to the fact that the Thermal Plant was supposed to start its operations in January 2023. Therefore, the split of the contract between UTE GNA I and UTE GNA II took place in December 2022, since it was expected that UTE GNA II would already be operating in January 2023. Therefore, it is concluded that these costs with the FSRU should be considered as abnormal waste impacting the result.

## 17 Financial result

	Nine-month period ending in 9/30/2023	Nine-month period ending in 9/30/2022	Three-month period ending in 9/30/2023	Three-month period ending in 9/30/2022
<b>Financial expenses</b>				
Loss on Hedge operations (SWAP)	-	(333,687)	-	-
Exchange variation	-	(87,679)	-	(1,303)
Interest on loans	-	(98,994)	-	(40,528)
Expense with IFRS 16 update	(53,159)	-	(30,803)	-
IOF on loan	-	(5,521)	-	-
IOF	-	(1,930)	-	(59)
Loss on NDF operations	(46,797)	(467)	(46,488)	(86)
Other	(6,627)	(9)	(6,509)	(3)
<b>Total</b>	<b>(106,583)</b>	<b>(528,287)</b>	<b>(83,800)</b>	<b>(41,979)</b>
<b>Financial income</b>				
Exchange variation	2,703	29	(9,122)	29
Income with IFRS 16 update	78,106	-	8,836	-
Gain on Hedge operations (SWAP)	-	22,447	-	-
Exchange variation on loan	-	268,653	-	7,053
Interest on financial investments	-	19,654	-	10,011
Gain on NDF operations	3,142	6,876	3,110	1,281
Other	1,085	-	188	-
Discounts obtained	13	-	13	-
Accrued or earned interest	470	201	449	201
<b>Total</b>	<b>85,519</b>	<b>317,860</b>	<b>3,474</b>	<b>18,575</b>
<b>Net financial result</b>	<b>(21,064)</b>	<b>(210,427)</b>	<b>(80,326)</b>	<b>(23,404)</b>

## 18 Financial Instruments

### a. General considerations and internal policies

The Company's financial risk management follows the proposal in the Financial Risk Policy, and in the Credit Risk Policy approved by the Board of Directors, in addition to the other financial regulations.

In addition, the use of derivatives has the sole purpose of protecting and mitigating risks, so that the contracting of exotic derivatives or for speculative purposes is prohibited.

The monitoring of risks is done through a management of controls that aims to continuously monitor the contracted operations and comply with the approved risk limits.

The Company is exposed to several financial risks, among which the market, credit and liquidity risks stand out.

Risks	Origin of the exhibition	Management	Amount 09/30/2023	Amount 12/31/2022
Market Risk - Exchange Rate	Financial instruments that are not denominated in BRL.	Hedge operations with NDF and Time Deposits Guarantee	Total amount of NDF agreeded for accounts payable related parties R\$ 1,050 Amount of escrow account R\$ 319,485	Total amount of NDF agreeded: R\$ 689,976 Amount of escrow account R\$ 1,591,020
Market risk – Interest rate	Loans and financing indexed to different interest rates, including CDI and IPCA, and financial investments.	Management of exposure limit of assets and liabilities by interest rate component and inflationary indices	Amount of Loans and financing R\$ 3,091,873 Amount of Financial investments R\$ 163,344	Amount of Loans and financing R\$ 2,305,209 Amount of Financial investments R\$ 1,101,181
Liquidity risk	Agreemental or assumed obligations.	Availability of revolving credit lines	Amount of commitments assumed R\$1,209,541 Amount of lease liabilities R\$ 868,988	Amount of commitments entered into 3,205,350 Amount of lease liability: R\$ 816,718
Credit risk	Receivables, guarantees and advances to suppliers.	Portfolio diversification and policies for monitoring solvency and liquidity indicators of counterparties	Amount of Financial investments R\$163,344 Amount of accounts receivable related parties R\$ 23	Amount of Financial investments R\$ 1,101,181 Amount of accounts receivable related parties R\$ 33

## b. Market risk management

### (i) Foreign exchange risk

The Company, to ensure that significant fluctuations in the quotations of currencies to which its accounts payable to foreign suppliers with foreign exchange exposure during the construction phase do not affect its income statement and cash flow, had, on September 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022, foreign exchange hedge operations.

The SWAP transactions were settled on May 19<sup>th</sup>, 2022.

The Company has chosen to protect the expenses of its imported equipment from its foreign exchange exposure arising from commitments made with Capex, with the objective of economic and financial protection against exchange rate fluctuation risk, through the combination of the contracting of derivative instruments of Non-deliverable Forwards (NDF) and carrying out a natural hedge operation applying the most relevant values related to the exchange exposure of the thermal EPC contract between January 2023 and January 2025, in investments in hard currency (EUR and USD).

On September 30<sup>th</sup>, 2023, the Company had already recognized in accounts payable from related parties the amount of R\$ 173,747 (R\$ 869,738 on December 31<sup>st</sup>, 2022) referring to the arrival of imported equipment. This amount is not hedged by any derivative instrument, and therefore exposed to the exchange variation of the EUR and USD, which until September 30<sup>th</sup>, 2023 was R\$ 2,047 recognized in the exchange variation line in note 16 financial result, (December 31<sup>st</sup>, 2022 was R\$ 28,082) as mentioned in item (e) of this note.

Foreign exchange hedging strategies are described in the item 'Additional information on derivative instruments.

**(ii) Interest Rate Risk**

This risk arises from the possibility of the Company incurring losses due to fluctuations in annual interest rates, such as price indices, which impact financial expenses related to income from financial investments.

Accordingly, the Company continuously monitors market interest rates to assess the possible need to contracting protection against the risk of volatility in these rates.

**c. Liquidity risk management**

The liquidity risk is characterized by the possibility of the Company will not honor its commitments on the respective maturities. The financial management adopted by the Company constantly seeks to mitigate liquidity risk, having as main point the hedge of debts in foreign currency.

The permanent monitoring of the cash flow allows the identification of eventual fundraising needs, with the necessary advance for the structuring and choice of the best sources.

If there is plus cash, financial investments are made for excess funds, with the objective of preserving liquidity.

On September 30<sup>th</sup>, 2023, the Company had a total of short-term investments of R\$163,344 (December 31<sup>st</sup>, 2022 R\$1,101,181) and escrow account of R\$319,485 (December 31<sup>st</sup>, 2022 R\$1,591,020).

**d. Credit risk management**

Credit risk refers to the possibility of the Company incurring losses due to non-compliance with obligations and commitments by counterparties.

The risk is basically coming from cash and cash equivalent and escrow account.

***Credit risk with financial institutions***

For operations involving cash and cash equivalents and derivatives, the Company follows the provisions of its Credit Risk Policy, which aims to mitigate risk through diversification with financial institutions with good credit quality.

The exposure is also monitored with each counterparty, its credit quality and its long-term ratings published by the rating agencies for the main financial institutions with which the Company has open derivative transactions.

The following shows the total credit exposure held by the Company in financial assets. The amounts are stated in full without considering any balance of the provision for impairment of the asset.

	9/30/2023	12/31/2022
<b>Measured at fair value through profit or loss</b>		
Cash and cash equivalent	163,553	1,101,343
Escrow account	319,485	1,591,020

**e. Additional information on derivative instruments**

The Company has derivative instruments of *Non-deliverable Forwards* (NDF) for the purpose of economic and financial protection against exchange rate fluctuation risk.

All derivative transactions of the hedge programs are detailed in the following table, which includes, by derivative contract, information on type of instrument, reference value (nominal), maturity, fair value including credit risk and amounts paid/received or provisioned in the period.

To determine the economic relationship between the protected payments to suppliers and the hedge instrument, the Company adopts prospective effectiveness testing methodology through the critical terms of the object and the contracted derivative to conclude if there is an expectation that changes in the cash flows of the hedged item and the hedging instrument can be mutually offset.

***Non-deliverable Forward hedging program - NDF***

To reduce cash flow volatility, the Company contracted NDF (*Non-deliverable forwards*) and escrow account (*Time deposits*) operations to mitigate foreign exchange exposure, arising from disbursements denominated or indexed to the Dollar and the Euro

	9/30/2023	12/31/2022
<b>Assets</b>		
Current - Time Deposit (exchange variation)	(206,764)	(135,743)
Current – NDF	47	11,839
<b>Total Assets</b>	<b>(206,717)</b>	<b>(123,904)</b>
<b>Liabilities</b>		
Current - NDF	-	107
Current – Hedging Booking Cost	-	28,082
<b>Total Liabilities</b>	<b>-</b>	<b>28,189</b>
Other comprehensive income - NDF	-	11,732
Other comprehensive income - Time Deposit (exchange variation)	(114,864)	(135,743)
Other Comprehensive income - Cost of Reserve Hedge	-	(28,082)
<b>Total shareholders' equity</b>	<b>(114,864)</b>	<b>(152,093)</b>
Financial Expenses – Swap	-	(311,240)
Financial Income and Expenses – <i>NDFs</i>	(230)	4,851
<b>Total Financial Result</b>	<b>(230)</b>	<b>(306,389)</b>
<b>Gain (Loss) settled hedge recognized on PPE - NDF</b>	<b>(285,139)</b>	<b>(299,091)</b>
<b>Gain (Loss) settled hedge recognized in the financial result - NDF</b>	<b>(43,424)</b>	<b>-</b>
<b>Gain (Loss) Swap recognized in the financial result</b>	<b>-</b>	<b>(333,687)</b>
<b>Gain (Loss) settled hedge recognized on PPE - Time Deposit (exchange variation)</b>	<b>(104,381)</b>	<b>-</b>
<b>Gain (Loss) settled hedge recognized in the financial result - Time Deposit (exchange variation)</b>	<b>12,481</b>	<b>-</b>

	NDF contracted		Mark-to-market (MTM)		Amount receivable
	in R\$	Maturity (year)	9/30/2023	12/31/2022	or paid
<b>NDF</b>	<b>9/30/2023</b>		<b>9/30/2023</b>	<b>12/31/2022</b>	<b>9/30/2023</b>
USD Term	1,050	2023	47	1,184	(6,651)
EUR Term	-	2023	-	10,549	(22,821)
<b>Liquid</b>			<b>47</b>	<b>11,733</b>	<b>(29,472)</b>

This program is classified according to hedge accounting criteria and measured at fair value through comprehensive income.

#### ***Accounting treatment of derivative instruments***

Derivative financial instruments are recognized as assets or liabilities in the balance sheet and measured at fair value. When the transaction is eligible and designated as hedge accounting, changes in the fair value of derivatives are recorded as follows:

- (i) Cash flow hedge: variation in the fair value of derivative financial instruments designated as effective cash flow hedge have their effective component recorded in equity (other comprehensive income or loss) and the ineffective component recorded in income (Revenue/Financial expense). The amounts recorded in equity are only transferred to Property, plant, and equipment in an appropriate account (Settled hedge) when the protected item is effectively realized.

The Company documents at the beginning of the hedge accounting operation, with the objective of risk management, the relationship between the hedge instruments and the items protected by it, as well as the strategy for carrying out hedge operations and documents, both at the beginning and continuously, its assessment that the derivatives used in the hedge operations are effective.

### **18.1 Estimate fair value**

Fair value is the price that would be received in the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants on the measurement date, in the main market or, in its absence, in the most advantageous market to which the Company has access on that date. The fair value of a liability reflects its *non-performance risk*. The risk of non-compliance includes, among others, the Company's own credit risk.

For the measurement and determination of the fair value of derivative instruments, named *Non-Deliverable Forward* (NDF), contracted by UTE GNA II, we use the market rates obtained on the B3 website, which are (i) DI x Pre; (ii) Real x USD (iii) Real x Euro. For this pricing, we consider the closing date of the accounting period under review.

Financial assets and liabilities recorded at fair value shall be classified and disclosed in accordance with the following levels:

**Level 1** - Prices quoted without adjustments in active markets for instruments identical to those of the Company.

**Level 2** - Prices quoted with or without adjustments for similar assets or liabilities with information directly or indirectly in active markets, except for quoted prices included in the previous level.

The following table presents the book and fair values of the Company's financial instruments and other assets and liabilities, as well as their level of measurement, on September 30<sup>th</sup>, 2023 and on December 31<sup>st</sup>, 2022.



**UTE GNA II Geração de Energia S.A.**  
Condensed interim financial information  
on September 30<sup>th</sup>, 2023

	Level	9/30/2023		12/31/2022	
		Accounting	Fair Value	Accounting	Fair Value
<b>Financial assets (Current / Non-current)</b>					
Cash and cash equivalent	2	163,553	163,553	1,101,343	1,101,343
Escrow account	2	319,485	319,485	1,591,020	1,591,020
Accounts receivable – related parties	2	23	23	33	33
<b>Financial liabilities (Current / Non-current)</b>					
Suppliers	2	49,382	49,382	149,187	149,187
Accounts payable – related parties	2	293,051	293,051	989,480	989,480
Borrowings and financing	2	3,091,873	3,091,873	2,305,209	2,305,209
Lease liabilities	2	868,988	868,988	816,718	816,718
<b>Measured at fair value through comprehensive income</b>		(47)	(47)	(11,732)	(11,732)
Non-deliverable forwards (NDF) – Hedge instrument	2	(47)	(47)	(11,732)	(11,732)

There were no Level 2 transfers during the year ended on December 31<sup>st</sup>, 2022.

***Evaluation methods and techniques***

- Cash and banks, escrow account, accounts receivable, accounts receivable related parties, accounts payable and accounts payable related parties – They arise directly from the Company's operations being measured at amortized cost and are recorded at their original value, less provision for losses and adjustment to present value when applicable. The book value is close to the fair value in view of the short settlement period of these transactions.
- Suppliers – The Company understands that the fair value of suppliers, because they have most of their maturities in the short term, is already reflected in their book value.
- Borrowings and financing – For financing classified and measured at amortized cost, the Company understands that, because they are bilateral operations and do not have an active market or other similar source with conditions comparable to those already presented and that can be a parameter for the determination of their fair values, the book values reflect the fair value of the operations.
- Derivative instruments – To calculate the mark-to-market – MTM, we use the projection of the quotation of the currency agreement in the NDF for the maturity date according to the futures curve of BM&F. This value is brought to present value according to the projection of the CDI according to the future DI curve of BM&F.

## 19 Insurance Coverage

The Company adopts the policy of contracting insurance coverage for assets subject to risks, for amounts considered by the Management as sufficient to cover any claims, considering the nature of its activity.

On September 30<sup>th</sup>, 2023 and December 31<sup>st</sup>, 2022, the insurance coverage is as follows:

	9/30/2023	12/31/2022
Performance Guarantee	186,749	186,749
Civil Liability - Construction	225,720	225,720
Engineering Risks	6,011,634	4,591,112
Transport of Imported Equipment	5,535,817	5,768,079

## 20 Commitments made

On September 30<sup>th</sup>, 2023, the Company presented commitments made for future purchases in the amount of R\$ 1,209,541 (R\$ 3,205,350 on December 31<sup>st</sup>, 2022). that must be due during the construction and operation of the thermoelectric plant.

	9/30/2023	12/31/2022	Description
<b>Assets</b>			
<b>Prepaid expense</b>			
Transaction cost	5,064	4,198	Expenses linked to Financing
<b>Total Prepaid Expenses</b>	<b>5,064</b>	<b>4,198</b>	
<b>PPE/Intangible</b>			
Advances for the PPE formation	939,640	2,769,718	Advances to be made to suppliers for future delivery of equipment.
Works in progress and equipment under construction (*)	100,534	262,435	Expenses with project development (consulting, financial and legal advice, environmental studies and opinions, insurance and implementation licenses).
<b>Total PPE/Intangibles</b>	<b>1,040,174</b>	<b>3,032,153</b>	
	<b>1,045,238</b>	<b>3,036,351</b>	
<b>Total active</b>			
<b>Result</b>			
General and Administrative Expenses	164,303	168,999	Travel agency contract, emergency brigade service and legal expenses, benefit expenses.
<b>Total result</b>	<b>164,303</b>	<b>168,999</b>	
	<b>1,209,541</b>	<b>3,205,350</b>	

(\*) There are contracts already signed, as mentioned in note 1, which are in force, but are under renegotiation of some commercial clauses and have conditions precedent for obligations to occur between the parties and therefore, are not presented in this note.

## **21 Subsequent events**

### **Receipt of disbursement from BNDES**

On October 18<sup>th</sup>, 2023, the Company received the 3<sup>rd</sup> disbursement from BNDES in the amount of R\$ 500,000.

### **Payment of FEEF/FOT contribution**

On October 23<sup>rd</sup>, 2023, the Company paid R\$ 76,252 for the total contribution due to the FEEF/FOT to date.

Rio de Janeiro, November 16<sup>th</sup>, 2023.

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**UTE GNA II GERAÇÃO DE ENERGIA S.A.**  
**MANAGEMENT**