

UTE GNA I Geração de Energia S.A.

**Condensed interim financial information
on March 31st, 2023**

Contents

Independent auditors' report on the condensed interim financial information	3
Condensed balance sheets	5
Condensed statements of operations	7
Condensed statements of comprehensive income (loss)	8
Condensed statements of changes in shareholders' equity	9
Condensed statements of Cash flows	10
Notes to the condensed interim financial information	11



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Independent Auditors' Report on the 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 Directors of **UTE GNA I Geração de Energia S.A**
Rio de Janeiro – RJ

Introduction

We have reviewed the condensed financial information of UTE GNA I Geração de Energia S.A (“Company”) as of March 31, 2023, which comprise the condensed balance sheets as of March 31, 2022, and related condensed statements of operations, comprehensive income (loss), changes in shareholders' equity and cash flows for the three-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 March 31, 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.



Other matters - Prior period not reviewed

We draw attention to the fact that we have not reviewed the condensed statements of operations and comprehensive income (loss), changes in shareholders' equity and cash flows for the three-month period ended March 31, 2022 and any related note for the periods then ended, presented as corresponding amounts in the condensed financial information for the current period and, consequently, we did not issue a conclusion on them.

Rio de Janeiro, May 10, 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 I Geração de Energia S.A.

Condensed balance sheets on March 31st, 2023 and December 31st, 2022

(In thousands of Reais)

	Note	31/03/2023	12/31/2022
Current			
Assets			
Cash and cash equivalents	4	196,194	93,592
Escrow account	5	615	98,178
Accounts receivable - customers	7	115,479	123,041
Accounts receivable - related parties	6	157,608	149,631
Inventories	8	181,766	191,764
Other advancements		20,072	19,917
Prepaid expenses		34,782	44,051
Recoverable taxes	9	3,410	2,858
Recoverable income tax and social contribution	9	16	16
Derivative financial instruments	23	1,887	3,667
Other receivable values		-	25,590
Total current assets		711,829	752,305
Non-current			
Prepaid expenses		8	2,013
Recoverable taxes	9	3	3
Deferred taxes	10	480,339	434,943
Escrow account	5	10,832	10,472
Property, plant, and equipment	11	4,455,528	4,507,502
Intangible assets		29,948	30,268
Right of use assets	12	299,330	302,947
Total non-current assets		5,275,988	5,288,148
Total assets		5,987,817	6,040,453

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

UTE GNA I Geração de Energia S.A.

Condensed balance sheets on March 31st, 2023 and December 31st, 2022

(In thousands of Reais)

	Note	3/31/2023	12/31/2022
Current			
Liabilities			
Suppliers	13	77,381	127,094
Salaries and charges payable		14,116	11,601
Accounts payable - related parties	6	202,684	191,821
Borrowings and financings	16	3,392,242	3,351,522
Taxes and contributions payable	14	9,003	5,469
Sector charges and tax benefits	15	33,838	640
Derivative financial instruments	23	19,706	8,042
Lease liabilities	12	151,786	154,579
Other Accounts Payable		80	80
Total current liabilities		3,900,836	3,850,848
Non-current			
Suppliers	13	39,725	39,725
Accounts payable - related parties	6	427,425	382,532
Shareholders' Loan	6	198,598	192,443
Sector charges and tax benefits	15	-	32,188
Derivative financial instruments	23	3,416	-
Lease liabilities	12	523,856	554,929
Total non-current liabilities		1,193,020	1,201,817
Shareholders' equity	18		
Share capital		925,802	925,802
Capital reserves		925,802	925,802
Other comprehensive income (loss)		(14,557)	(1,865)
Accumulated losses		(943,086)	(861,951)
Total shareholders' equity		893,961	987,788
Total liabilities and shareholders' equity		5,987,817	6,040,453

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

UTE GNA I Geração de Energia S.A.

Condensed statements of operations

Three-month period ending on March 31st, 2023 and 2022 (not reviewed)

(In thousands of Reais)

	Note	3/31/2023	3/31/2022 (not reviewed)
Net income	19	229,641	466,361
Cost of provided services	20	(182,896)	(514,483)
Gross income		46,745	(48,122)
Operating income (expenses)			
General and administrative expenses	21	(7,365)	(7,296)
Reduction to net realizable value of inventories and other losses	4 and 8	-	22,529
Other income		7	-
Other expenses		(5)	-
Net income before financial result (expenses)		39,382	(32,889)
Net financial result	22		
Financial income		32,457	291,742
Financial expenses		(194,251)	(238,073)
Loss before taxes		(122,412)	20,780
Deferred income tax and social contribution	10	41,277	(7,305)
Profit / Loss of the period		(81,135)	13,475

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

UTE GNA I Geração de Energia S.A.

Condensed statements of comprehensive income or loss

Three-month period ending on March 31st, 2023, and 2022 (not reviewed)

(In thousands of Reais)

	<u>3/31/2023</u>	<u>3/31/2022</u> <u>(not reviewed)</u>
Profit (Loss) of the period	(81,135)	13,475
Items that can subsequently be reclassified to the result		
Losses from hedge operations	(16,859)	(46,025)
Income tax and social contribution on other comprehensive income (loss)	4,118	13,943
Others	49	4,825
Total comprehensive loss of the period	<u>(93,827)</u>	<u>(13,782)</u>

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

UTE GNA I Geração de Energia S.A.

Condensed statements of changes in shareholders' equity

Three-month period ending on March 31st, 2023, and 2022 (not reviewed)

(In thousands of Reais)

	<u>Capital Reserve</u>				Shareholders' equity
	Share capital	Goodwill in the issuance of shares	Equity valuation adjustment	Accumulated losses	
Balance on January 1st, 2022	925,802	925,802	13,131	(463,340)	1,401,395
Profit of the period	-	-	-	13,475	13,475
Loss with hedge operations	-	-	(27,257)	-	(27,257)
Balance on March 31st, 2022 (not reviewed)	925,802	925,802	(14,126)	(449,865)	1,387,613
Balance on January 1st, 2023	925,802	925,802	(1,865)	(861,951)	987,788
Loss of the period	-	-	-	(81,135)	(81,135)
Loss with hedge operations	-	-	(12,692)	-	(12,692)
Balance on March 31st, 2023	925,802	925,802	(14,557)	(943,086)	893,961

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

Three-month period ending on March 31st, 2023, and 2022 (not reviewed)

(In thousands of Reais)

	31/03/2023	3/31/2022 (not reviewed)
Cash flows from operating activities		
Profit (Loss) before taxes	(122,412)	20,780
Adjustments of items without cash effect:		
Depreciation and amortization	57,351	65,278
Write-of PPE	5	-
Provision of insurance indemnity payable	6,091	-
Provision of insurance indemnity receivable	(6,091)	-
Insurance deferral	12,036	10,747
Reduction to net realizable value of inventories and other losses	-	(22,529)
Exchange variation	(3,182)	(61,152)
Interest on shareholders' loan	6,155	4,100
Interest on contract - subordinated	1,500	1,505
Ineffectiveness - hedge	2	29,293
Interest and exchange variation on lease liability	8,905	(183,195)
Interest on bank loans appropriation	127,699	132,625
Incurred financial charges/fee appropriation	5,390	6,326
Gain/Loss Hedge	4,271	52,416
Transaction cost Appropriation	10,984	12,311
Adjusted net losses	108,704	68,505
(Increase) decrease in assets and increase (decrease) of liabilities:		
Recoverable taxes	(552)	25,016
Prepaid expenses	(762)	(610)
Accounts receivable - customers	7,562	518,166
Inventory	9,998	(156,669)
Other advancements	(155)	(530)
Other receivable values	31,680	-
Accounts receivable - related parties	(7,977)	(575)
Suppliers	(60,329)	10,250
Accounts payable - related parties	44,477	(154,049)
Taxes and contributions payable	3,534	(44,607)
Sector charges and tax benefits	1,010	6,076
Settlement of hedge operations - cost	(4,271)	(52,416)
Salaries and charges payable	2,515	1,539
Net cash from (used in) operational activities	135,436	220,096
Cash flow from investment activities		
Acquisition of PPE	(1,305)	(11,053)
Acquisition of intangible assets	(139)	(147)
Liabilities to third parties	-	(18,953)
Net cash used in investment activities	(1,444)	(30,153)
Cash flow from financing activities		
Payment of lease liabilities	(26,383)	(28,376)
Loan principal payment	(43,055)	(38,442)
Payment of loan interests	(54,927)	(149,085)
Payment of financial charges	(5,371)	(6,511)
Escrow account	97,563	180,739
Liabilities to third parties	-	(253,774)
Net cash from financing activities	(32,173)	(295,449)
Increase (reduction) in cash and cash equivalent	101,816	(105,506)
At the beginning of the period	93,592	186,963
At the end of the period	196,194	81,457
Effect of exchange rate variation in cash and cash equivalent	(786)	-
Increase (decrease) in cash and cash equivalent	101,816	(105,506)

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

Notes of the condensed interim financial information

(In thousands of Reais, unless stated otherwise)

1. Operations

UTE GNA I Geração de Energia S.A. (“UTE GNA I” or “Company”) based in São João da Barra, in the state of Rio de Janeiro, was incorporated on September 17th, 2015, and on October 20th, 2017, the Company was changed from a limited company to a joint stock company. Its core activities are studying, planning, protecting, constructing, operating, maintaining and exploring of electricity generation systems awarded to it by concession or authorization of any nature; trading electricity; activities associated with the electricity service, including the management of energy transmission and generation systems; construction, maintenance, operation and exploration of liquefied natural gas (LNG) terminals and natural gas pipelines; transportation of gases and liquids through pipelines and transfer lines acquiring interests in other companies, and representing Brazilian and foreign companies. On January 28th, 2021, the Company became jointly controlled by the following shareholders: Gás Natural Açú Infraestrutura S.A. (“GNA Infra”), Siemens Participações Ltda (“Siemens”) and SPIC Brasil Energia Participações (“SPIC”), a subsidiary of State Power Investment Corporation of China.

UTE GNA I operates (i) a gas-fired combined cycle thermoelectric power plant of approximately 1,338 MW that will meet UTE Novo Tempo’s contractual obligations under its energy trading contracts, (ii) an LNG regasification terminal (“Regasification Terminal”), which will provide capacity to import natural gas for the GNA I project, for future power plants, and for other potential projects in the industrial area of Porto do Açú. The Company is part of the development of the “Açú Gas Hub,” strategically located in the north-east of Rio de Janeiro state, which aims to offer an efficient logistics solution for the sale and consumption of natural gas and related products.

The UTE GNA I thermoelectric power plant, together with the LNG Regasification Terminal and the 345 kV Transmission Line, started commercial operation, with the necessary regulatory authorizations, on September 16th, 2021.

On September 16th, 2021, UTE GNA I started its commercial operation, remaining in dispatch until the first half of February 2022, period in which ONS requested the interruption of dispatch due to the increase in storage levels in all subsystems of the SIN (“Sistema Interligado Nacional”) especially in the SE/CW, NE, and N subsystems.

The UTE GNA I is in discussion with BP Gas Marketing (“bpGM”) – part of the BP economic group, its supplier of liquefied natural gas, regarding the interpretation of the pricing mechanism of the LNG Sale and Purchase Agreement, entered by and between bpGM and the Company, on November 17th, 2017. The Company continues to fulfill all obligations set forth in the agreements entered with bpGM. In this spirit, the Company paid, on March 7th, 2022, and March 11st, 2022, the amounts under discussion to bpGM, reserving the right to be reimbursed for any payment more than the amount due, including interest.

On July 29th, 2022, the Company proposed an arbitration proceeding against bpGM in order to discuss the amounts charged by bpGM and provisionally paid by UTE GNA I in relation to certain LNG charges used in compliance with the dispatch notices of the National System Operator ("ONS"), under the LNG Sale and Purchase Agreement ("LNG SPA") and the Short Term LNG Sale and Purchase Agreement ("Short Term LNG SPA"), both celebrated between bpGM and UTE GNA I. Finally, on March 1st, 2023, UTE GNA I presented its initial allegations to the Arbitral Tribunal, and on June 14th, 2023, bpGM will present its defense.

The Company informs that the purpose of the arbitration procedure will not result in an impact on the operations of the project, or the continuity of the supply of LNG under the LNG SPA.

a. Going concern

The condensed interim financial information was prepared on a going concern basis, which assumes that the Company will obtain sufficient financial resources to generate future cash flow.

The Company recorded a net loss in the amount of R\$81,135 for the period ended March 31st, 2023 (and net profit of R\$13,475 as of March 31st, 2022), and on that date, current liabilities exceed current assets by R\$3,189,007 (liability current exceeds current assets by R\$ 3,098,543 as of December 31st, 2022).

For the 2022 fiscal year, as a result of non-recurring events, the Debt Service Coverage Ratio ("ICSD") was calculated below the limit established in the contract in the amount of 1.10 times.

Due to the breach of covenant, the Company transferred the loan that was in the non-current liabilities to the current liabilities in the amount of R\$3,062,751 due to non-compliance with the covenants. This led to an increase in its negative net working capital. This increase does not generate uncertainty about operational continuity, due to the following points:

- Commitment of capital contribution of shareholders as contractually provided in term and amount to cure the covenant, avoiding default on debt.
- With the entry into commercial operation of UTE GNA II (scheduled for 2025), there will be the sharing of costs from its commissioning (in mid-2024), which will generate a decrease in the Company's costs.
- The evaluation of future cash flows demonstrates that the Company will have sufficient cash generation to pay the debt installments and its commitments.

With all the points mentioned above, Management does not recognize uncertainty about the Company's operating capacity.

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").

The condensed interim financial information should be read in conjunction with the annual financial statements on December 31st, 2022, approved on March 30th, 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 the Company's management on May 10th, 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 thousands, except as otherwise indicated.

3. Use of judgments and estimates

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 December 31st, 2022.

4. Cash and cash equivalent

	3/31/2023	31/12/2022
Cash and banks (a)	92,426	45,363
Financial investments		
Financial investments (a)	103,788	48,248
	196,214	93,611
Provision for expected loss (b)	(20)	(19)
Total	196,194	93,592

- (a) The balance of cash and cash equivalents as of March 31st, 2023, is composed of a current account with banks Santander, Bradesco, Banco do Brasil, BTG Pactual and Citibank, investment in CDBs at Citibank and Fundo do BNP, which are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value
- (b) The estimated financial losses were calculated based on the loss rates of a Corporate Default study published by S&P on April 2nd, 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, counterparts in which the Company has outstanding balances on March 31st, 2023, are classified as AAA, based on the average of its ratings.

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

In thousands of Reais

Risk Level	Rating	Gross Balance	Loss rate (1)	Provision for Loss
Tier 1	AAA	196,214	0.01%	(20)

- (1) Loss Rate considers the 1-year Global Corporate Average Default Rate released by S&P on 04/03/2023.

The movement of the estimated loss in the first three months were:

Balance on January 1st, 2022	(114)
Addition	28
Balance on March 31st, 2022 (not reviewed)	(86)
Balance on January 1st, 2023	(19)
Addition	(1)
Balance on March 31st, 2023	(20)

5. Escrow account

	<u>3/31/2023</u>	<u>12/31/2022</u>
Deposit NTN-B (a)	10,832	10,472
Debt service deposit (b)	615	98,178
Total	<u>11,447</u>	<u>108,650</u>
Current	615	98,178
Non-current	10,832	10,472

- (a) In May 2019, UTE GNA I gave fiduciary guarantee, in favor of BNDES, 2,619 Federal Government Bonds (NTN-B 2035), maturing in 2035, which will remain available until the end of the obligations in the financing contract. The number of titles has not changed since the acquisition.
- (b) In December 2022 and 2021, UTE GNA I transferred cash and cash equivalents to the debt service deposit to effect part of the settlement due on January 2nd, 2023 and on January 3rd, 2022, respectively.

The movement on March 31st, 2023, of the title was:

	<u>Federal government bonds (NTN-B 2035)</u>	<u>Linked deposit</u>	<u>Total</u>
Balance on January 1st, 2022	<u>10,659</u>	<u>180,958</u>	<u>191,617</u>
Receipt for debt service (cash flow)	-	(180,739)	(180,739)
Interest provision (note 23 financial result)	198	-	198
Balance on March 31st, 2022 (not reviewed)	<u>10,857</u>	<u>219</u>	<u>11,076</u>
Balance on January 1st, 2023	<u>10,472</u>	<u>98,178</u>	<u>108,650</u>
Payment for debt service (cash flow)	-	(97,563)	(97,563)
Interest provision (note 23 financial result)	360	-	360
Balance on March 31st, 2023	<u>10,832</u>	<u>615</u>	<u>11,447</u>

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 parties. In addition, the GNA Code of Conduct establishes rules to prevent situations of conflict of interest involving any employee of the Company, which are applicable to all employees and stakeholders of GNA.

And in accordance with the Brazilian Corporation Law, the members of the Company's Board of Directors are prohibited from deliberating on any matter or from 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 March 31st, 2023, and December 31st, 2022, related to transactions with related parties, as well as the transactions that influenced the result for the period, arise from the Company's transactions with the companies under common control, shareholders, management members and other related parties, as follow:

	3/31/2023	12/31/2022
Asset:		
Accounts receivable - current		
GNA Infra - Joint Venture (a)	198	248
GNA HoldCo - Indirect Shareholder (a)	323	424
UTE GNA II - Under common control (a)	1,842	2,715
Siemens Energy - Indirect Shareholder (g)	146,244	146,244
Siemens Aktiengesellschaft – Part of the Siemens Par economic group, which is joint venture (j)	9,001	-
Total Asset	157,608	149,631
 Liability:		
Accounts payable		
<i>Accounts payable - transactions - current</i>		
GNA HoldCo – Indirect Shareholder (a)	252	289
GNA Infra – Joint Venture (a)	23	12
UTE GNA II – Under common control (a)	5	27
Porto do Açu Operações S.A - Shareholder Investment (b) e (f)	2,567	1,887
Siemens Aktiengesellschaft – Part of the Siemens Par economic group, which is joint venture(c)	199,642	189,517
Reserva Ambiental Fazenda Caruara – Shareholder Investment (e)	54	53
Águas Industriais do Açu S/A - Shareholder Investment (h)	141	36
Total	202,684	191,821
 <i>Accounts payable - transactions - non-current</i>		
BP Global - Part of the BP economic group, which is indirect subsidiary of the indirect shareholder (d)	57,961	60,153
Total	57,961	60,153
 <i>Accounts payable - subordinate contract - non-current</i>		
Porto do Açu Operações S.A - Shareholder Investment (i)	23,149	19,085
Siemens Ltda (i) - Part of the economic group of Siemens Par, which is joint venture	32,610	27,173
Siemens Energy - Indirect shareholder (i)	13,144	10,918
BP Global - Part of the BP economic group, which is indirect subsidiary of the indirect shareholder (i)	300,561	265,203
Total	369,464	322,379
Total non-current	427,425	382,532
 <i>Accounts payable - mutual - non-current</i>		
GNA Infra – Joint Venture (l)	84,700	82,075
Siemens Participações – Joint Venture (l)	48,345	46,846
SPIC Brasil – Joint Venture (l)	65,553	63,522
Total	198,598	192,443

Result:

<i>Shared costs</i>	3/31/2023	3/31/2022 (not reviewed)
GNA HoldCo - Indirect shareholder (a)	363	361
GNA Infra - Joint Venture (a)	619	537
UTE GNA II - Under common control (a)	6,295	4,653
	7,277	5,551
 <i>Financial Expenses - interest on loan</i>		
GNA Infra - Joint Venture (l)	(2,625)	(1,749)
Siemens - Joint Venture (l)	(1,498)	(998)
SPIC Brasil – Joint Venture (l)	(2,032)	(1,353)
	(6,155)	(4,100)
 <i>Financial Expenses - interest on subordinated contract</i>		
Porto do Açu Operações S.A - Shareholder Investment (i)	(77)	(96)
BP Global - Subsidiary of the minority shareholder of Majority shareholder (i)	(1,423)	(1,409)
	(1,500)	(1,505)
Total	(378)	(54)

- (a) Agreement for sharing expenses with personnel and other expenses between the companies of the GNA Group.
- (b) Sharing of personnel expenses, lease agreement and other general expenses incurred between UTE GNA I x Porto do Açu x Prumo.
- (c) EPC UTE / O&M and LTMP UTE agreements.
- (d) Amounts referring to the Natural Gas Supply agreement.
- (e) Provision of services in the Caruara reserve regarding the control of seedlings.
- (f) Apportionment of expenses with COVID-19 humanitarian actions between the companies Porto do Açu x UTE GNA I x Ferroport x Vast.
- (g) Recognition of Delay Liquidated Damages (compensation related to the delay in entering commercial operations as established in the EPC contract) in June 2021.
- (h) Amount referring to industrial water supply services in the Industrial Complex of Porto do Açu.
- (i) Subordinated contracts relating to i) Porto do Açu - Land lease agreement (note 17), ii) Operating and maintenance O&M and Long-term maintenance plan LTMP fixed installment agreement with Siemens and Energy and iii) Flexible fee agreement with BP Global.
- (j) Registration of guarantee on material insurance indemnity in the amount of R\$ 51,913 in account payable. The amount of R\$ 9,001 in the accounts receivable line refers to taxes paid by UTE GNA I for the exchange of parts. The portion of taxes paid by UTE GNA I will be deducted from the amounts at the end of the insurance indemnity process.
- (l) Appropriation of interest on loan. These loans have no maturity and are indexed to 100% CDI. See move below:

	Infra	SPIC	Siemens	Total
Balance on January 1st, 2022	73,171	56,631	41,765	171,567
Appropriate interest	1,749	1,353	998	4,100
Balance on March 31st, 2022 (not reviewed)	74,920	57,984	42,763	175,667
Balance on January 1st, 2023	82,075	63,522	46,846	192,443
Appropriate interest	2,625	2,032	1,498	6,155
Balance on March 31st, 2023	84,700	65,554	48,344	198,598

The amounts referring to the compensation of the Management members are presented below:

	3/31/2023	3/31/2022 (not reviewed)
Directors		
Salaries	(503)	(294)
Bonus	(804)	(580)
Benefits and charges	(152)	(89)
Total	(1,459)	(963)

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

7. Customers

	3/31/2023	12/31/2022
National Customers – Regulated Market (a)	115,479	123,041
Total	115,479	123,041

- (a) Amounts referring to the sale of electricity in the Regulated Market.

As mentioned in Note 1 on September 16th, 2021, UTE GNA I started its commercial operation, remaining in dispatch until the first half of February 2022, period in which ONS requested the interruption of dispatch due to the increase in the levels of storage in all SIN (*Sistema Interligado Nacional*) subsystems, especially in SE/CW, NE, and N subsystems.

8. Inventories

	<u>3/31/2023</u>	<u>12/31/2022</u>
LNG Inventory - liquefied natural gas	180,965	190,515
MGO Inventory - marine gas oil	478	926
O&M Inventory - operation and maintenance	323	323
Total	<u>181,766</u>	<u>191,764</u>

The inventory movements in 2023 and 2022 are demonstrated below:

	LNG Stock	MGO Stock	O&M Stock	Reduction to the net realizable value of inventories	Total
Balance on January 1st, 2022	89,207	-	-	(22,501)	66,706
Addition	425,066	1,783	349	-	427,198
Reversion				22,501	22,501
Output for consumption operation (*)	(293,030)	-	-	-	(293,030)
Balance on March 31st, 2022 (not reviewed)	<u>221,243</u>	<u>1,783</u>	<u>349</u>	<u>-</u>	<u>223,375</u>
Balance on January 1st, 2023	<u>190,515</u>	<u>926</u>	<u>323</u>	<u>-</u>	<u>191,764</u>
Output for consumption operation	(9,550)	(448)	-	-	(9,998)
Balance on March 31st, 2023	<u>180,965</u>	<u>478</u>	<u>323</u>	<u>-</u>	<u>181,766</u>

(*) The Company was in dispatch.

9. Recoverable taxes

	<u>3/31/2023</u>	<u>12/31/2022</u>
Current Asset		
Taxes to be recovered		
Withholding income tax ("IRRF")	3,098	2,613
PIS / COFINS to be recoverable	154	156
ICMS to be recovered	152	83
ISS to be recovered	6	6
Total	<u>3,410</u>	<u>2,858</u>
Income tax and social contribution to be recovered		
Income tax and social contribution ("IRPJ/CSLL")	16	16
Total	<u>16</u>	<u>16</u>
Non-current assets		
Income tax and social contribution to be recovered		
Income tax and social contribution ("IRPJ/CSLL")	3	3
Total	<u>3</u>	<u>3</u>

10. Deferred taxes

	<u>3/31/2023</u>	<u>12/31/2022</u>
Deferred tax assets	480,339	434,943
Total	480,339	434,943

	<u>Deferred taxes Active</u>	<u>Deferred taxes liabilities</u>	<u>Total</u>
Balance on January 1st, 2022	229,037	(6,800)	222,237
Pre-operational expenses	(3,049)	-	(3,049)
Tax loss and negative basis	80,680	-	80,680
Temporary differences exchange variation IFRS 16	(81,805)	-	(81,805)
Derivatives mark to market (MTM)	7,143	6,800	13,943
Other temporary differences	(3,131)	-	(3,131)
Balance on March 31st, 2022 (not reviewed)	228,875	-	228,875
Balance on January 1st, 2023	466,282	(31,339)	434,943
Pre-operating expenses	(3,049)	-	(3,049)
Tax loss and negative basis	54,716	-	54,716
Temporary differences exchange variation IFRS 16	-	(5,891)	(5,891)
Derivatives mark to market (MTM)	4,118	-	4,118
Other temporary differences	(4,498)	-	(4,498)
Balance on March 31st, 2023	517,569	(37,230)	480,339

	<u>3/31/2023</u>	<u>3/31/2022 (not reviewed)</u>
Profit (loss) before taxes	(122,412)	20,780
Income tax and social contribution rate	34%	34%
Income tax and social contribution (base x rate)	41,620	(7,065)
Permanent additions:		
Gifts and Sponsorships	(5)	(3)
Bonus/Retention Bonus	(273)	(199)
INSS w/Bonuses	(55)	(38)
Non-deductible fines	(10)	-
Total income tax and social contribution for the period	41,277	(7,305)
Deferred	41,277	(7,305)
Total	41,277	(7,305)
	(33.72) %	(35.15) %

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, having started operations on September 16th, 2021.

11. Property, plant, and equipment

	Advances for asset formation (a)	Improvement in third- party property	Fixed assets LT / SE	O&M and LTMP Spare Parts	Fixed assets in operation	Furniture and Utensils	Machinery and Equipment	IT Equipment	Total
Balance on January 1st, 2022	137,746	-	-	110,828	4,572,516	517	151	697	4,822,455
Additions (b)	4,495	-	-	2,703	3,788	11	2	4	11,003
Depreciation	-	-	-	-	(51,381)	(12)	(4)	(61)	(51,458)
Balance on March 31st, 2022 (not reviewed)	142,241	-	-	113,531	4,524,923	516	149	640	4,782,000
Cost	142,241	-	-	113,531	4,644,812	621	173	1,230	4,902,608
Accumulated depreciation	-	-	-	-	(119,889)	(105)	(24)	(590)	(120,608)
Balance on March 31st, 2022 (not reviewed)	142,241	-	-	113,531	4,524,923	516	149	640	4,782,000
Balance on January 1st, 2023	6,389	1,014	2,209	123,349	4,373,307	546	150	538	4,507,502
Additions (b)	569	483	-	1,740	(1,680)	6	41	146	1,305
Writte-offs	-	-	-	-	-	-	-	(5)	(5)
Depreciation	-	(15)	-	(1,648)	(51,521)	(14)	(6)	(70)	(53,274)
Balance on March 31st, 2023	6,958	1,482	2,209	123,441	4,320,106	538	185	609	4,455,528
Cost	6,958	1,511	2,209	133,007	4,646,405	693	229	1,457	4,792,469
Accumulated depreciation	-	(29)	-	(9,566)	(326,299)	(155)	(44)	(848)	(336,941)
Balance on March 31st, 2023	6,958	1,482	2,209	123,441	4,320,106	538	185	609	4,455,528
Depreciation rate	-%	-%	-%	4.96%	4.96%	10%	10%	20%	

(a) Advance for formation of fixed assets: The balance of advances on March 31st, 2023 and December 31st, 2022 is composed of amounts of advances made for delivery of O&M and LTMP spare parts.

(b) Of the additions that occurred in the period, the total amount of R\$(7) (R\$(38) on December 31st, 2022) had no effect on cash flows.

11.1 Impairment test for non-current assets (“impairment”)

In accordance with CPC 01 (R1) - Impairment of assets, Management assesses the recoverability of its assets when there are indications of devaluation, to verify potential losses due to the inability to recover the carrying amounts. In view of the discussion with BP Gas Marketing (“bpGM”) – part of the BP economic group, its supplier of liquefied natural gas, regarding the interpretation of the pricing mechanism of the LNG Sale and Purchase Agreement, entered between bpGM and the Company on November 17th, 2017, the Company carried out an impairment assessment. See Note on Subsequent Events .

On the valuation base date, the Company used the value in use based on the assumptions listed below, which include internal and external factors:

- Macroeconomic scenario of the country.
- 22-year cash flow period.
- Effective discount rate - considering the weighted average cost of capital "WACC" of 8.59% per year. The WACC derives from an effective cost of equity "*ke*" of 11.79% and an after-tax cost of debt "*kd*" of 6.05% per effective year. The Cost of Equity, in turn, was obtained through a CAPM model that considered a sample of companies in the same segment and their respective "*Unlevered Beta*" risks. The projection of the capital structure used to leverage the beta index was the median of the structure of the companies contained in the sample.

For the cash flow projection, short and long-term assumptions based on the Company’s last budget cycle were used. This exercise is conducted annually and includes the evaluation and updating of revenue and operating cost assumptions, including dispatch volume, for the entire duration of the CCEAR (Electricity Trading Contracts in the Regulated Environment). These amounts are updated in the Company’s financial model, where results are projected in the balance sheet, income statement and cash flow statements. For the long term, the Company’s financial model considers the base values for the budget year, being readjusted based on its specific contractual assumptions and indexes projected in the macroeconomic scenarios adopted, until the end date of the CCEARs, May 2044

On December 31st, 2022, there were no significant changes in the projections, including macroeconomic assumptions of the financial model, which would generate a new indicator for the recoverable value test.

On March 31st, 2023, the Company analyzed the assumptions used in the impairment test carried out on December 31st, 2022 and did not identify the need to set up a provision for the recoverability of its assets.

12. Right of Use / Lease Liabilities

The transaction on March 31st, 2023, of the asset right of use and the lease liability is shown in the table below:

	Land	Commercial room	FSRU	Total
Right of use				
Balance on January 1st, 2022	82,380	1,075	1,090,595	1,174,050
Depreciation	(905)	(202)	(12,300)	(13,407)
Balance on March 31st, 2022 (not reviewed)	81,475	873	1,078,295	1,160,643
Balance on January 1st, 2023				
Balance on January 1st, 2023	87,417	1,976	213,554	302,947
Depreciation	(1,005)	(90)	(2,522)	(3,617)
Balance on March 31st, 2023	86,412	1,886	211,032	299,330
Rental liabilities				
Balance on January 1st, 2022	122,713	1,275	1,491,613	1,615,601
Transfer to suppliers/accounts payable Related parties (*)	(3,719)	-	(12,014)	(15,733)
Payments	-	(259)	(28,117)	(28,376)
Interest incurred	3,419	31	39,255	42,705
Exchange variation (Financial result note 23)	-	-	(225,896)	(225,896)
Balance on March 31st, 2022 (not reviewed)	122,413	1,047	1,264,841	1,388,301
Balance on January 1st, 2023	130,168	2,346	576,994	709,508
Transfer to suppliers/accounts payable Related parties (*)	(3,986)	-	(12,402)	(16,388)
Payments	-	(145)	(26,238)	(26,383)
Interest incurred	3,626	80	20,678	24,384
Exchange variation (Financial result note 23)	-	-	(15,479)	(15,479)
Balance on March 31st, 2023	129,808	2,281	543,553	675,642
Current	15,019	565	136,202	151,786
Non-current	114,789	1,716	407,351	523,856

After analyzing adherence with IFRS 16, the Company identified the following contracts in compliance with this standard:

- (i) Lease of land signed with Porto do Açú Operations S.A (related party).
- (ii) Lease of commercial office.
- (iii) Bareboat Charter FSRU.

(*) Transfer to suppliers / accounts payable related parties – The lease agreement for the land signed with The Porto do Açú Operações is a subordinate deal-off commitment in accordance with the clauses of the Company's financing agreement. For this reason, the amount due is being transferred monthly to the accounts payable related parts as mentioned in note 6 letter b. While the FSRU contract refers to the portion of the invoice to be paid in the following month.

13. Suppliers

	<u>3/31/2023</u>	<u>12/31/2022</u>
National suppliers	63,657	75,365
Foreign suppliers	12,762	1,476
Provisioned expenses	40,687	89,978
Total	<u>117,106</u>	<u>166,819</u>
Current	77,381	127,094
Non-current	39,725	39,725

14. Taxes and contributions payable

	<u>3/31/2023</u>	<u>12/31/2022</u>
Service tax ("ISS")	320	168
INSS third parties	254	249
Tax on the circulation of goods and services ("ICMS")	1,180	1,101
Withholding income tax ("IRRF")	477	933
PIS/COFINS payable	6,151	2,265
PIS/COFINS/ CSLL - tax withholding	348	740
PIS/COFINS on imports	13	13
State Fund to Combat Poverty and Social Inequalities ("FECP")	260	-
Total	<u>9,003</u>	<u>5,469</u>
Current	9,003	5,469

15. Sectoral charges and tax benefits

The sectoral charges were created by laws approved by the National Congress to enable the implementation of public policies in the Brazilian electricity sector. Its values are contained in the resolutions or orders of ANEEL. Each of the charges has predefined objectives.

	<u>3/31/2023</u>	<u>12/31/2022</u>
National Energy Development Fund ("FNDCT")	304	305
Ministry of Mines and Energy ("MME")	152	153
Research and Development ("R&D")	8,716	7,896
Energy Development Account ("CDE")	183	182
	<u>9,355</u>	<u>8,536</u>
Contribution decree 45.308/2015 (a)	24,483	24,292
Total	<u>33,838</u>	<u>32,828</u>
Current	33,838	640
Non-current	-	32,188

- (a) Contribution of Decree 45,308 of July 8th, 2015 - Benefit granted by the Treasury Department of the State of Rio de Janeiro, where exemption from ICMS collection was allowed in the purchase of equipment during the construction period of the Thermal Power Plant and in the acquisition of LNG by 2032. Upon entry into operation, power plant shall constitute 2% of variable expenses in LNG as an obligation to be designated by the Secretary of Finance of the State of Rio de Janeiro.

	National Energy Development Fund ("FNDCT")	Ministry of Mines and Energy ("MME")	Research and Development ("R&D")	Energy Development Account ("CDE")	Contribution decree 45.308/2015 (a)	Total
Balance on January 1st, 2022	1,903	952	6,082	-	17,286	26,223
Addition	1,878	939	1,878	-	6,617	11,312
Payment	(3,524)	(1,763)	-	-	-	(5,287)
Index Update (Selic)	-	-	51	-	-	51
Balance on March 31st, 2022 (not reviewed)	257	128	8,011	-	23,903	32,299
Balance on January 1st, 2023	305	153	7,896	182	24,292	32,828
Addition	914	456	640	274	191	2,475
Payment	(915)	(457)	-	(273)	-	(1,645)
Index Update (Selic)	-	-	180	-	-	180
Balance on March 31st, 2023	304	152	8,716	183	24,483	33,838

16. Borrowings and Loans

On December 20th, 2018, UTE GNA I signed long-term financing agreements with BNDES, whose amounts were made available over the years 2019 to 2021. BNDES financing is guaranteed by KfW IPEX-Bank GmbH ("KfW") until debt repayment is paid.

In August 2021, UTE GNA I issued debentures in the amount of BRL 1.8 billion, with a total term of 18 years, grace period of 24 months and maturing on July 15th, 2039, at the IPCA rate + 5.92%. The settlement of the debentures was fully conducted on August 4th, 2021

The loans have a "Project Finance" structure, guaranteed through fiduciary sale of assets (equipment), shares, accounts, and conditional assignment of the company's contractual rights, as well as the flow of receivables from its energy commercialization contracts (Contract for Trade of Electricity in the Regulated Environment, "CCEAR"). With the settlement of the loan granted by the IFC and the issue of debentures by UTE GNA I, the guarantees were mostly shared between KfW and the Fiduciary Agent, representing the interests of the debenture holders of UTE GNA I.

The table below demonstrates how the funding was structured:

Banks	Currency	Purpose	Annual financial charges	Maturity	Guarantees (a)	Total credit line	Effective interest rate
BNDES	Real	Investments	IPCA + 5.63%	Jan./33	Reserve Account, Fiduciary	1.762.800	IPCA +10.97%
Debentures	Real	Investments	IPCA + 5.92%	Jul./39	Alienation and Conditional Assignment.	1.800.000	IPCA + 6.43 %

- (a) The guarantee package is shared in the first degree, proportionately and without any order of preference of receipt among the senior creditors, except for conditional assignment offered only in favor of KfW.

On March 31st, 2023, the liability is recognized as follows:

	12/31/2022	3/31/2023						
	Total	Main depreciation	Incurred interest	Paid interest	Incurred Financial charges/Fee	Paid Financial charges /Fee	Monthly amortization transaction cost	Total
Institutions								
BNDES	1,622,569	(43,055)	48,884	(54,927)	-	-	-	1,573,471
Transaction cost (BNDES)	(318,249)	-	-	-	-	-	7,937	(310,312)
Debentures	2,173,296	-	78,815	-	5,390	(5,371)	-	2,252,130
Transaction cost (Debentures)	(126,094)	-	-	-	-	-	3,047	(123,047)
	3,351,522	(43,055)	127,699	(54,927)	5,390	(5,371)	10,984	3,392,242
Current	3,351,522	(43,055)	127,699	(54,927)	5,390	(5,371)	10,984	3,392,242

On December 31st, 2022, the liability is recognized as follows:

	12/31/2021	12/31/2022							
	Total	Main amortization	Transfer between Current and Non-Current Liabilities	Incurred interest	Paid interest	Incurred Financial Charges/Fees	Paid financial charges/Fee	Monthly amortization transaction cost	Total
Institutions									
BNDES	1,800,715	(76,883)	-	191,201	(292,464)	-	-	-	1,622,569
Transaction cost (BNDES)	(349,857)	-	-	-	-	-	-	31,608	(318,249)
Debentures	1,942,688	-	-	231,383	-	24,377	(25,152)	-	2,173,296
Transaction cost (Debentures)	(142,503)	-	-	-	-	-	-	16,409	(126,094)
	3,251,043	(76,883)	-	422,584	(292,464)	24,377	(25,152)	48,017	3,351,522
Current	325,176	(33,828)	3,062,751	290,662	(292,464)	24,377	(25,152)	-	3,351,522
Non-Current	2,925,867	(43,055)	(3,062,751)	131,922	-	-	-	48,017	-

In accordance with CPC 20(R1), borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of such asset, therefore, the Company appropriated the portion of the cost of funding and interest to fixed assets in progress until the start of operations on September 16th, 2021.

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.

Financial covenants include the obligation to maintain the Debt Service Coverage ("ICSD") ratio above 1.10 times, annually based on the last 12 months immediately preceding the applicable measurement dates.

As mentioned in the operational context, due to the breach of the covenant, the Company transferred the loan that was in the non-current to the current liability. To cure the covenant, a capital contribution from shareholders is foreseen.

17. Provision for contingencies

The Company has active arbitration against BP mentioned in the operational context and is in the process of presenting the allegations between the parties.

On March 31st, 2023 and December 31st, 2022, the Company had R\$155,000 related to passive exposures whose probability of loss is considered possible.

Below is the main exhibition:

- **Acciona Arbitration**

UTE GNA I was informed of the filing of a request for arbitration on April 29th, 2021, with the ICC Court (International Chamber of Commerce), in which it was requested in a procedure instituted by the service providers Acciona Construcción and Acciona Industrial, both of which were contracted to enable the implementation of the LNG terminal project. On January 20th, 2022, Acciona presented its "initial allegations" in which it requires approximately R\$ 155,000 to compensate for possible losses resulting from the breach of contractual obligations. In turn, UTE GNA I declares losses, caused by Acciona, higher than the amount claimed by Acciona and, according to the updated analysis of specialized technical consultants and legal opinion of the lawyers, both hired by UTE GNA I, the most probable scenario is a positive outcome in favor of the Company. Based on these analyses, the Company's management understands that the outcome of this arbitration should have a neutral to positive financial effect for the Company. Finally, in accordance with the schedule agreed upon in the arbitration, within 30 working days (from May, 2nd, 2023) the transcripts of the hearing held between April, 24th and 29th, 2023 will be presented to the parties.

18. Shareholders' equity

Shareholders	3/31/2023		12/31/2022	
	Number of common shares (thousand)	% share	Number of common shares (thousand)	% share
GNA Infra	831,185	44,89%	831,185	44,89%
Siemens	409,390	22,11%	409,390	22,11%
SPIC	611,029	33,00%	611,029	33,00%
Total	1,851,604	100,00%	1,851,604	100,00%

a) Share capital

On March 31st, 2023, and December 31st, 2022, the Company's capital reserve is R\$925,802, represented by 1,851,604 common shares, nominative and without nominal value. The movement in the period is shown as below:

	Shareholder			Share capital
	GNA Infra	Siemens	SPIC	
Balance on January 1 st , 2022	415,592	204,695	305,515	925,802
Balance on December 31 st , 2022	415,592	204,695	305,515	925,802
Balance on March 31 st , 2023	415,592	204,695	305,515	925,802

b) Capital reserve

On March 31st, 2023, and December 31st, 2022 the Company's capital reserve is R\$925,802, where GNA Infra has the amount of R\$415,592, Siemens R\$204,695 and SPIC R\$305,515. The movement in the period is shown below:

	Shareholder			Capital reserve
	GNA Infra	Siemens	SPIC	
Balance on of January 1 st , 2022	415,592	204,695	305,515	925,802
Balance on December 31 st , 2022	415,592	204,695	305,515	925,802
Balance on March 31 st , 2023	415,592	204,695	305,515	925,802

c) Legal reserve

Constituted based on 5% of the net income of the period, observing the limits provided for by the Brazilian Corporation Law. In the period ended March 31st, 2023 and December 31st, 2022, the Company presented a loss and there was no constitution of a legal reserve.

d) Dividends

The Company's shares participate on equal terms in the distribution of dividends, interest on equity and other benefits to shareholders. The bylaws determine the distribution of a mandatory minimum dividend of 25% of the net income for the period, adjusted pursuant to Article 202 of Law No. 6,404/76. In the period ended on March 31st, 2023 and December 31st, 2022, the Company presented a loss with no distribution of dividends.

e) Other comprehensive income (loss)

The balances that make up other comprehensive results are related to the mark-to-market recognition of hedge *accounting*, deferred tax recognized from these mark-to-market.

19. Net revenue

Revenue is recognized to the extent that it is probable that these economic benefits will be generated for the Company, when it is possible to portray the transfer of goods and or services, in this case the supply of energy, and can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable, net of any variable consideration, such as discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties, or other related items.

Operating revenue is composed of revenue from the availability, generation, and sale of electricity (billed and provisioned) and from the sale of energy in the short-term market, Electric Energy Commercialization Chamber, which are recognized on the accrual basis, in according with information disclosed by that entity or by Management's estimate.

The composition of the Company's net revenue shown in the table below:

	3/31/2023	3/31/2022 (not reviewed)
Gross income		
Regulated Market	259,608	239,184
Free Market (i)	-	287,324
Total	259,608	526,508
Charges on revenue		
PIS/COFINS - Regulated Market	(24,013)	(22,124)
ICMS/FECP - Regulated Market	(3,670)	(6,750)
Sector Charges - Regulated Market	(2,284)	(2,103)
PIS/COFINS - Free Market	-	(26,578)
Sector charges - Free Market	-	(2,592)
Total	(29,967)	(60,147)
Net revenue	229,641	466,361

(i) Free market – The free market revenues in the GNA I TPP are related to sales in energy condition. There were no free market sales in the first quarter of 2023.

20. Costs of products and/ or services provided

	3/31/2023	3/31/2022 (not reviewed)
LNG Consumption Operation (a)	(9,550)	(293,030)
Operational services	(64,307)	(64,799)
Depreciation and amortization	(56,700)	(64,586)
Taxes, fines, and fees	(32,147)	(37,718)
General expenses and maintenance	(1,196)	(40,277)
Insurance	(12,001)	(10,394)
Personnel	(1,367)	(1,364)
Consulting and auditing	(617)	(730)
Other third-party services	(1,412)	(597)
Administrative services	(1,791)	(494)
Environmental and land	(837)	(277)
IT and Telecom	(361)	(111)
Communication and institutional affairs	(160)	(101)
(MGO) marine gas oil operation consumption (b)	(448)	-
Travel	(2)	(5)
	(182,896)	(514,483)

(a) Portion of LNG inventory consumption for operation as reported in note 08.

(b) Portion of marine gas oil (MGO) inventory consumption for operation as reported in note 08.

21. General and administrative expenses

	3/31/2023	3/31/2022 (not reviewed)
Personnel	(4,355)	(4,624)
IT and Telecom	(107)	(732)
Depreciation and amortization	(472)	(693)
Consulting and auditing	(795)	(528)
Legal expenses	(1,340)	(292)
Other	(296)	(427)
Total	(7,365)	(7,296)

22. Financial result

	3/31/2023	3/31/2022 (not reviewed)
Financial expenses		
Interest on borrowings	(127,698)	(132,625)
Financial charges	(5,391)	(6,326)
Transaction cost	(10,983)	(12,311)
Lease interest	(24,384)	(42,706)
Loss on Hedge Operations (SWAP)	(84)	(29,393)
Commissions and brokerages	(3,918)	(6,852)
Interest on loans	(6,155)	(4,100)
IOF	(635)	(1,571)
Interest and fines on subordinated contracts	(1,500)	(1,505)
Interest and fines	(199)	(63)
Bank charges	(4)	(9)
Exchange variation expense on lease	(12,113)	-
Other	(1,187)	(612)
Total financial expense	(194,251)	(238,073)
Financial income		
Exchange variation income on lease	27,592	225,896
Exchange variation	1,788	60,914
Interest on financial investments	2,547	4,334
Monetary variation - government securities	360	198
Interest and fines received	88	154
Other	-	102
Gain on Hedge Operations (SWAP)	82	100
Financial variation - IPCA	-	40
Discounts obtained	-	4
Total financial revenue	32,457	291,742
Net financial result	(161,794)	53,669

23. Financial risk management

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	Values 3/31/2023	Values 31/12/2022
Market risk - exchange rate	Financial instruments that are not denominated in BRL.	Hedge operations with NDF.	Total amount of NDF contracted R\$ 214,193 NDF amount contracted for accounts receivable R\$ 135,565	Total amount of NDF contracted R\$ 91,257 NDF amount contracted for accounts receivable R\$ 140,254
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\$ 3,392,242 Amount of Financial Investments R\$ 103,788	Amount of Loans and Financing R\$ 3,351,522 Amount of Financial Investments R\$ 48,248
Liquidity risk	Contractual or assumed obligations.	Availability of revolving credit lines	Amount of commitments assumed R\$ 13,432,257	Amount of commitments assumed R\$ 12,713,256
Credit risk	Receivables, derivative transactions, guarantees and advances to suppliers.	Portfolio diversification and policies for monitoring solvency and liquidity indicators of counterparties.	Amount of accounts receivable related parties R\$ 157,608 Amount of bank deposit linked to R\$ 11,447	Amount of accounts receivable related parties R\$ 149,631 Amount of bank deposit linked to R\$ 108,650

b. Market risk management

i. Foreign exchange risk

The Company, in order to ensure that significant fluctuations in the quotations of the currencies to which its balances payable to foreign suppliers with foreign exchange exposure during the construction and operation phase are subject, so that it does not affect its income and cash flow, had as of March 31st, 2023, foreign exchange hedge operations.

As mentioned in Note 12, the Company has a foreign currency lease agreement for the operating period in the amount of USD 401,961, which has protection through hedging operations as mentioned in item c ‘liquidity risk management’.

Foreign exchange hedging strategies are described in the item ‘Supplementary information on derivative instruments.’

ii. Interest rate risk

This risk arises from the possibility that the Company may incur losses due to fluctuations in annual interest rates and debt IPCA, such as price indices, which impact financial expenses related to the income from financial investments.

In this way, the Company continuously monitors market interest rates in order to assess the possible need to contract protection against the risk of volatility of these rates.

c. Liquidity risk management

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

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

If there are cash leftovers, financial investments are made for the surplus resources, in order to preserve liquidity.

On March 31st, 2023, the Company had a total of short-term investments of R\$103,788 (December 31st, 2022 R\$48,248) and escrow account of R\$11,447 (December 31st, 2022 R\$108,650).

In accordance with the Company's hedging policy, for foreign currency contracts of the operational phase, the Company contracted foreign exchange coverage prior to the commencement of the operation, which occurred on September 16th, 2021.

However, the operating hedging strategy covers part of the anticipated foreign exchange exposure as follows: 75% of the year, 1.50% of year 2 and 25% of year 3, in short, 18 months of subsequent currency hedging.

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.

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 to 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 outstanding derivative operations are also monitored.

The following is the total credit exposure held in financial assets by the Company. The amounts are shown in their entirety without considering any balance of the reduction provision for recoverability of the asset.

	3/31/2023	12/31/2022
Measured at fair value through profit or loss		
Cash and cash equivalent	196,194	93,592
Escrow account	11,447	108,650
Derivative financial instruments	(14,557)	(1,865)

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 Hedge Program - NDF

To reduce cash flow volatility, the Company may contract operations via NDF (*Non-deliverable forwards*) to mitigate the foreign exchange exposure originated by disbursements denominated or indexed to the Dollar and Euro.

	<u>3/31/2023</u>	<u>12/31/2022</u>
Assets		
Current	1,887	3,667
Non-current (i)	6,678	2,559
Total Assets	<u>8,565</u>	<u>6,226</u>
Liabilities		
Current (ii)	19,706	8,091
Non-current	3,416	-
Total Liabilities	<u>23,122</u>	<u>8,091</u>
Other comprehensive income	(14,557)	(1,865)
Total shareholders' equity	(14,557)	(1,865)
Gain (Loss) Settled hedge recognized in PPE (iii)	122,299	118,053
Gain (Loss) Settled hedge recognized in result	(4,636)	(59,434)
Total Gain (Loss) Hedge	<u>117,663</u>	<u>58.619</u>

- (i) On March 31st, 2023, the amount of 6,678 refers to the deferred tax related to the mark-to-market of NDF's. On December 31st, 2022, the value of 2,559 is mark-to-market of NDF's.
- (ii) On March 31st, 2023, the value of 19,706 is the sum of mark-to-market in the outstanding NDF's. On December 31st, 2022, the value of 8,091 is the sum of the mark-to-market of the NDF's plus the exchange rate variation of the hedged foreign currency securities. The value of this exchange rate variation of 50 is recognized in the line of suppliers on the balance sheet.
- (iii) On March 31st, 2023, the liquidated hedge movement was in the amount of R\$ (59,434) (on December 31st, 2022 it was R\$ (11,464).

	NDF contracted		Marking a		Amount to be receivable/received or payable/paid
	in R\$		market (MTM)		
NDF	3/31/2023	Maturity (year)	3/31/2023	12/31/2022	3/31/2023
USD Term	(1,447)	2023	(10,571)	(4,884)	1,580
USD Term	(87,035)	2024	(6,966)	-	-
USD Term	(19,146)	2025	(529)	-	-
Term EUR	(106,566)	2023	(3,169)	509	(1,971)
			(21,235)	(4,375)	(391)

This program is classified according to the 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 amounts recorded as hedge reserve cost are the exchange variations of hedged foreign currency securities. Gain/loss on hedging operations are the monthly recorded mark-to-markings of all protected securities.
- (ii) 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.

Fair value estimate

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 I, we use the market rates from B3 website, which are (i) Real x USD and (ii) Real x Euro. For this pricing, we consider the closing date of the accounting period under analysis,

Financial assets and liabilities recorded at fair value must be classified and disclosed according to 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.

Level 3 - Assets and liabilities whose prices do not exist or where these prices or valuation techniques are supported by a small or non-existent, unobservable, or illiquid market.

The table below shows the book and fair values of the Company's financial instruments and other assets and liabilities, as well as their measurement level, on March 31st, 2023, and December 31st, 2022:

	Level	3/31/2023		12/31/2022	
		Accounting	Fair Value	Accounting	Fair Value
Financial assets (Current / Non-current)					
Measured at fair value through profit or loss		365,249	365,249	351,873	351,873
Cash and cash equivalent	2	196,194	196,194	93,592	93,592
Escrow Account	2	11,447	11,447	108,650	108,650
Accounts receivable – related parties	2	157,608	157,608	149,631	149,631
Financial liabilities (Current/Non-current)					
Measured at amortized cost		5,013,697	5,013,697	4,994,645	4,994,645
Suppliers	2	117,106	117,106	166,819	166,819
Accounts payable - related parties	2	630,109	630,109	574,353	574,353
Mutual – related parties	2	198,598	198,598	192,443	192,443
Borrowings	2	3,392,242	3,392,242	3,351,522	3,351,522
Lease liabilities	2	675,642	675,642	709,508	709,508
Measured at fair value through comprehensive income		(21,235)	(21,235)	(4,375)	(4,375)
<i>Non-deliverable forwards (NDF) - Hedge instrument</i>	2	(21,235)	(21,235)	(4,375)	(4,375)

There were no transfers between Level 2 during the period ended March 31st, 2023.

Assessment methods and techniques

- Cash and banks, accounts receivable and 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 its book value.

- Borrowing – 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 contracted 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.

24. 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 March 31st, 2023 and December 31st, 2022, the insurance coverages are as follows:

	<u>3/31/2023</u>	<u>12/31/2022</u>
Property / BI	2,540,200	2,608,850
CBI – FSRU	1,407,946	1,445,996
Terrorism	1,310,743	1,346,167
Civil Liability - Operation	203,216	208,708
Transportation of Imported Equipment	39,668	44,533
Civil Liability (Office and Employees)	10,000	10,000
Bond Guarantee - Lease	1,711	1,711
Fire (office property)	6,000	6,000
Civil Liability (Port Operator)	223,538	229,579
Civil Liability (Environmental)	10,500	10,500
LNG Transport	127,010	130,443
Customs Guarantee	907	907

25. Commitments made

On March 31st, 2022, the Company presented commitments for future purchases in the amount of R\$13,432,257 (R\$12,713,256 on December 31st, 2022), which must be due during the construction and operation of the thermoelectric plant.

	<u>3/31/2023</u>	<u>31/12/2022</u>	Description
Assets			
Fixed Assets/Intangible			
Advances for PPE formation	2,698	2,062	Maintenance and air quality, surveillance service, consultancies, studies, and projects.
Works in progress and equipment under construction	-	455	Expenses related to the completion of the thermal work
Spare Parts - Maintenance	996,243	974,947	Replacement and maintenance parts of Power plant and expenses with their import.
Intangible	1,508	1,301	System licenses.
Total PPE/Intangibles	<u>1,000,449</u>	<u>978,765</u>	
Total Asset	<u>1,000,449</u>	<u>978,765</u>	
Result			
Costs	11,803,755	11,138,483	Thermal operation contracts, FSRU operations.
General and Administrative Expenses	72,218	66,769	Travel and accommodation expenses, IT consulting, financial advice, office expenses, employee benefits.
Transaction Costs (Financial Expenses)	33,218	31,293	Expenses linked to Financing, Debentures.
Total Result	<u>11,909,191</u>	<u>11,236,545</u>	
Grand Total	<u>12,909,640</u>	<u>12,215,310</u>	

26. Subsequent events

Equity cure - shareholders

On April 20th, 2023, as mentioned in Note 1, the shareholders of UTE GNA I subscribed for 162,400 new shares in the amount of R\$ 162,400. This amount was distributed in Share Capital and Capital Reserve considering 50% for each.

Rio de Janeiro, May 10th, 2023.

UTE GNA I GERAÇÃO DE ENERGIA S.A.