

2025

# AXIA ENERGIA SUL **SUSTAINABLE FINANCE REPORT**

AXIA ENERGIA

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CHAPTER 1

# WELCOME

# FOREWORD

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Welcome to AXIA Energia Sul Sustainable Finance Report 2025.

Throughout this document, we present information on the allocation of proceeds raised through the Company's green bond issuance, demonstrating how these funds have been directed toward financing projects and initiatives that deliver environmental benefits.

In addition to detailing the allocation of proceeds, this report outlines the categories of projects eligible for financing, as well as the criteria applied in their selection and monitoring. We also present indicators of the positive socio-environmental impacts associated with the financed projects.

Through this report, we reinforce our commitment to transparency and to the adoption of market best practices, in line with AXIA Energia's Sustainable Finance Framework. In doing so, we support the allocation of capital toward activities that drive the transition to a low-carbon economy and foster sustainable development.

Click here to access all AXIA Energia ESG reports.

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# CONTEXT OF THE GREEN BOND ISSUANCE

Over the past few years, AXIA Energia has made steady progress in advancing the socio-environmental agenda across our operations, with particular emphasis on the green financing strategy adopted by AXIA Energia Sul. This instrument is designed to raise funds for sustainable projects and initiatives aimed at mitigating adverse impacts while generating environmental benefits.

In September 2021, AXIA Energia Sul carried out its third issuance of simple, non-convertible debentures, structured in two tranches totaling R$ 400 million.

The first tranche, amounting to R$ 185 million, marked AXIA's inaugural green bond issuance. The net proceeds were allocated to the financing of costs associated with the development, construction, and operation of projects focused on reinforcing substations and transmission lines operated by AXIA Energia Sul.

To ensure transparency in this operation, we prepared the Verification Report assessing the alignment of the first tranche of AXIA Energia Sul's third issuance of simple debentures with the Company's Green Bond Framework.

This document attests to the process of allocating proceeds to the Company's eligible green projects, as well as to the associated environmental benefits (see page 20 for further details).

**R$ 185 MILLION**
1st incentivized tranche

**IPCA + 5.3455%**
8-year amortization term

**Investment in transmission reinforcements and upgrades**
Classified as priority projects by the Ministry of Mines and Energy

## 2030 AGENDA

The Sustainable Development Goals (SDGs) are part of the United Nations (UN) 2030 Agenda and comprise 17 interconnected goals, further broken down into 169 targets, aimed at addressing global challenges and advancing sustainable development.

Recognizing the relevance of these goals to the electricity sector and their alignment with our corporate strategy, we have defined, within our Strategic Plan, nine priority SDGs to guide our actions.

The issuance of the green bond is directly linked to SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).




ck here to learn more about UN's SDG.

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# PROFILE

AXIA Energia Sul (formerly Companhia de Geração e Transmissão de Energia Elétrica do Sul do Brasil – CGT Eletrosul) is a company controlled by AXIA Energia, formed as a result of the corporate restructuring process of the former subsidiaries Eletrosul and CGTEE.

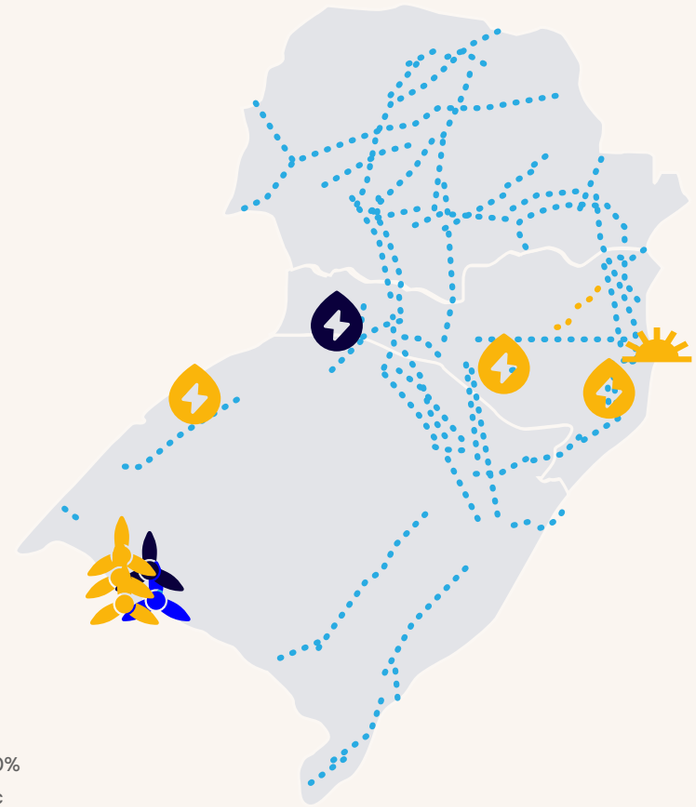
Headquartered in Florianópolis, Santa Catarina, we operate in energy generation, transmission, trading, and telecommunications. We have assets across the three states in Brazil's Southern Region, as well as in Mato Grosso do Sul.

Our electricity matrix is diversified and renewable, sourced from hydro, wind, and solar generation, totaling 1.6 GW of installed capacity. In total, we operate:

- 4 hydroelectric power plants[1];
- 10 wind farms;
- 1 solar plant.

Our transmission system comprises 52 substations, with a total transformation capacity of 34.6 thousand MVA, in addition to more than 12,000 kilometers of transmission lines.

At ANEEL Transmission Auction No. 004/2025, held in 2025, we were awarded four projects — sub-lots 6A, 6B, 7A, and 7B — dedicated exclusively to the implementation of synchronous condensers. Due to this characteristic, these projects do not include associated transmission or transformation lines.




*[1] Investees are companies with their own legal personality created to develop/operate a specific project.*

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## INAUGURATION OF THE COXILHA NEGRA WIND FARM

In 2025, we completed the implementation of Coxilha Negra Wind Farm, located in Sant'Ana do Livramento, in the state of Rio Grande do Sul, with all 72 wind turbines planned for the project entering into operation. The complex totals 302.4 MW of installed capacity, establishing itself as the largest wind generation project in the state.

With an investment of R$2.4 billion, the wind farm has the potential to supply electricity to over 1.5 million people, reinforcing the expansion of renewable generation within the Company's portfolio. Throughout its implementation, the project also contributed to local economic development by generating jobs and carrying out social and educational initiatives aimed at surrounding communities.

With the divestment of the Candiota thermal power plant in 2024 and the start of operations at the Coxilha Negra wind farm in 2025, we continue to make our electricity generation portfolio increasingly cleaner.

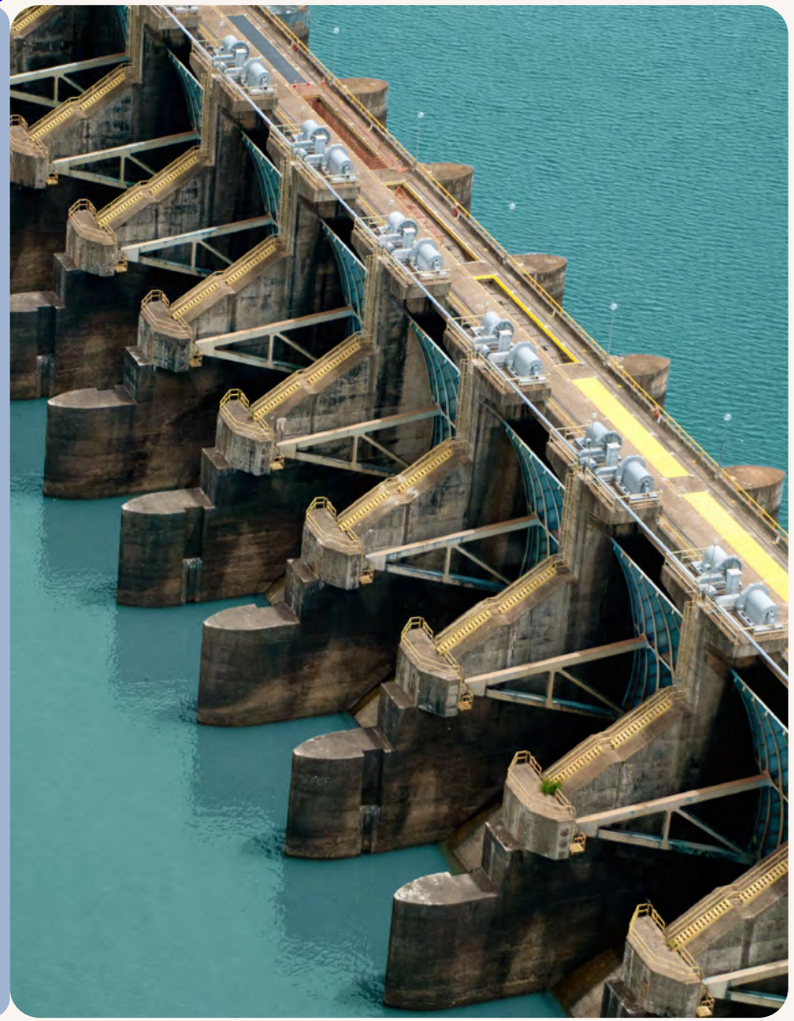
To learn more about AXIA Energia Sul, access our management and transmission businesses.



Coxilha Negra Wind Farm - Alexandro Albornoz

# SOCIO-ENVIRONMENTAL COMMITMENTS





HPP Luiz Carlos Barreto de Carvalho - AXIA Collection

## CORPORATE POLICIES

Given the complexity of the electricity sector, the breadth of its operations, and the structural role it plays within the Brazilian electric system, AXIA Energia maintains a set of corporate policies that reflect our institutional commitments — applicable across all subsidiaries, including AXIA Energia Sul. These policies establish guidelines for both strategic and operational matters, helping align the company with leading market practices and with environmental, social, and governance (ESG) principles.

The socio-environmental management of AXIA Energia and its subsidiaries is guided by the following corporate policies:

- Sustainability Policy;
- Environmental Policy;
- Social Responsibility Policy;
- Communication and Stakeholder Engagement Policy.

With the aim of continuously strengthening our governance, in 2025 we introduced the Private Social Investment Policy (PSI), revised the Water Resources Policy, and initiated the development of the Climate Change and Biodiversity Policies, which are expected to be approved in early 2026.

Particularly with regard to the ESG agenda, and in alignment with global sustainability guidelines, AXIA Energia Sul is committed to implementing and operating its assets in full compliance with Brazilian legislation and international best socio-environmental practices, ensuring respect for the communities and territories impacted by our activities.

In addition to our internal policies, we have undertaken institutional commitments and agreements that further reinforce our sustainability efforts. In this context, AXIA Energia Sul takes part in relevant external initiatives and commitments, including:

- Adherence to the United Nations Global Compact;
- Adherence to the Women's Empowerment Principles (WEPs), an initiative of UN Women;
- Participation in the National Movement for Citizenship and Solidarity – Nós Podemos Santa Catarina;
- Adherence to the Na Mão Certa Program.

Click here to access AXIA Energia's policies.

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## DECARBONIZATION IN PRACTICE

As part of the evolution of our business model, we have committed to achieving net zero by 2030, ten years ahead of the timeline established for the electricity sector by the Science Based Targets initiative (SBTi). The organization supports companies worldwide in setting science-based targets to mitigate climate change.

We are ambassadors for the United Nations Global Compact Net Zero Ambition and Amazon Impact movements, which support companies in defining ambitious climate targets and advancing the transition to a green economy in the Amazon region.

In 2025, we made significant progress in decarbonizing our portfolio, phasing out thermal power generation, strengthening strategic partnerships, and implementing initiatives focused on emissions reduction and the electrification of operations.

### END OF THERMAL POWER PLANTS

Upon the completion of the sale of thermal power plants to the Âmbar Energia S.A. group, we now operate with 100% of our energy generation coming from renewable sources.

Learn more about the sale of thermal power plants to Grupo Âmbar.

### AGREEMENT WITH ANTAQ

At the beginning of 2025, we entered into a cooperation agreement with the National Waterway Transportation Agency (Antaq). The agreement provides for mapping port facilities eligible to migrate to the Free Energy Market, as well as identifying the electrification potential of ports and terminals.

Access the agreement with ANTAQ.

### FLEET ELECTRIFICATION

In 2025, we advanced the electrification of our corporate fleet by replacing 60 combustion-engine vehicles with fully electric models. This initiative reduced operating costs, emissions, and maintenance-related risks, while enhancing operational efficiency and safety through the installation of wallbox chargers across our facilities.

### $SF_6$ REUSE

The management and reuse of SF6 gas, currently the main source of Scope 1 emissions, have undergone significant progress. We have entered into a contract with White Martins to recover the gas at units without dedicated recovery stations, thereby reducing fugitive emissions, procurement costs, and environmental risks, in alignment with circular economy principles.

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## EMISSIONS

The average emission factor of the National Interconnected System (SIN), presented below, reflects the amount of $CO_2$ associated with electricity generation in the country over the past five years.

| Year | SIN average emission factor ($gCO_2/kWh$) |
|---|---|
| 2021 | 126.4 |
| 2022 | 42.6 |
| 2023 | 38.5 |
| 2024 | 54.5 |
| 2025 | 46.1 |
| **Average (2021-2025)** | **61.6** |

AXIA Energia's efforts toward decarbonizing our operations have delivered meaningful results, with emissions declining in recent years. This progress contributes to lowering the SIN's average emission factor, further reinforcing Brazil's electricity matrix as one of the cleanest in the world.

| Year | Losses ue to transmission ($tCO_2e$) | Total GHG emission ($tCO_2e$) |
|---|---|---|
| 2021 | 162,273 | 2,692,933 |
| 2022 | 57,629 | 1,914,023 |
| 2023 | 50,023 | 2,056,070 |
| 2024 | 66,995 | 88,570 |
| 2025 | 61,494 | 66,542 |
| **Average (2021-2025)** | **398,414** | **6,818,138** |

Click here to know AXIA Energia's Climate Strategy.

## WATER AND CARBON FOOTPRINT CALCULATOR

In 2025, in partnership with Cepel, we developed a tool to estimate emissions associated with new assets that may be incorporated into our portfolio, enabling effective emissions management aligned with our net zero target.

We structured a dedicated module to calculate the CO2 emissions avoided by customers when purchasing our energy. This feature will be incorporated into our customer communication strategy and portfolio expansion efforts starting in 2026. In the coming year, the calculator will also include a new module for water footprint calculation.

## CLIMATE RESILIENCE IN TRANSMISSION INFRASTRUCTURE

AXIA Energia has been incorporating more robust climate resilience criteria into the design of transmission towers, considering the increasing intensity of extreme weather events. In studies conducted for ANEEL auctions, updated wind modeling has been adopted, including turbulence factors, high-intensity scenarios over shorter time intervals, and the assessment of extreme events such as downbursts, in full compliance with applicable regulations.

In 2025, a Technical Working Group was established to assess vulnerabilities, review loading assumptions, and propose structural and operational reinforcement solutions for critical corridors in the South, Southeast, and Midwest regions, with diagnostic results expected by 2026.

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# MANAGEMENT OF BIODIVERSITY IMPACTS

We work to prevent and reduce the impacts of our operations on biodiversity, while expanding conservation and restoration initiatives in the territories where we operate. This agenda is integrated into our strategy, strengthening business resilience and supporting the transition to a low-carbon economy.

In 2025, we began developing AXIA's Biodiversity Policy, which was approved in early 2026. The document, which is based on the guidelines of the Global Biodiversity Framework, the National Strategy and Action Plan for Biodiversity, the TNFD, and the 2030 Agenda, will guide the identification, assessment, and quantification of risks and opportunities related to biodiversity and ecosystem services, as well as the development of biodiversity conservation and restoration actions in the regions where we operate.



Purple Gallinule (*Porphyrio martinica*) – AXIA Collection

## TNFD ADOPTERS

As part of our commitment to biodiversity conservation, in 2024 we voluntarily adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework, aligning with global best practices in transparency regarding nature-related risks and opportunities.

Learn more about AXIA's work in climate and nature in the 2025 Annual Sustainability Report.

## COMMITMENTS TO BIODIVERSITY

We are signatories to the Brazilian Business Commitment for Biodiversity of the Brazilian Business Council for Sustainable Development (CEBDS), and we have joined the Business for Nature "Call to Action," aimed at collective efforts to reverse nature loss by 2030.

We also participate in CEBDS' Action for Nature Platform, aligned with TNFD guidelines, and are signatories to the Brazilian Business Sector Statement on the National Biodiversity Strategy and Action Plan (NBSAP), as well as to the Kunming-Montreal Global Biodiversity Agreement.

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# GREEN BONDS

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# ABOUT GREEN BONDS

Green Bonds are fixed-income instruments designed to raise funds for financing or refinancing initiatives that deliver measurable environmental or climate benefits, such as clean energy, energy efficiency, or the sustainable management of natural resources.

These instruments have become one of the primary financing mechanisms supporting the global climate agenda and the transition to a low-carbon economy.

Green bond issuances are guided globally by the Green Bond Principles (GBP), established by the International Capital Market Association (ICMA). These voluntary principles are structured around four core components that define best practices in transparency and governance:

**1. Use of Proceeds**
This component defines the categories of projects eligible to receive the funds raised, such as renewable energy and energy efficiency initiatives.

**2. Project Evaluation and Selection Process**
Outlines the criteria and procedures used to evaluate and select initiatives, in alignment with the categories of Green Projects.

**3. Management of Proceeds**
Describes how the funds raised are managed, tracked, and allocated to the selected projects.

**4. Reporting**
Refers to the periodic disclosure of information on the allocation and use of resources, ensuring transparency for investors.

Learn more about the Green Bond Principles and the International Capital Market Association.

In line with our decarbonization commitment, we have established a Green Bond Framework aligned with the GBP, which sets forth guidelines to ensure transparency, consistency, and credibility in our green bond issuances. The document guides the allocation of proceeds in accordance with our ESG strategy and commitments, with a focus on climate change mitigation and biodiversity protection.

In 2021, AXIA Energia Sul became the first company within the AXIA Group to issue green bonds.

The transaction was part of a debenture — an instrument issued by non-financial companies to raise funds for specific projects — totaling R$ 400 million. Out of this amount, R$ 185 million were raised through green bonds and invested in projects involving the construction and reinforcement of substations and transmission lines (learn more on page 21).

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# SECOND PARTY OPINION (SPO)

Through an independent consultancy, we obtained a Second-Party Opinion (SPO) on the green bond in order to provide investors with greater transparency and consistency throughout the issuance process.

The document verifies the financing alignment with AXIA Energia's Green Bond Framework and the Green Bond Principles, taking into account aspects such as sustainability commitments, ESG management practices, project selection processes, allocation of proceeds, and reporting mechanisms.

Obtaining this opinion strengthens the governance of the issuance and ensures that the proceeds are directed toward projects with clear and measurable environmental benefits.




This process involves a comprehensive assessment of the environmental aspects related to the financing, conducted in accordance with the Green Bond Principles guidelines. The evaluation considers:

- The alignment between the Framework, the GBP pillars, and the issuer's commitments, as well as the bond's potential contribution to the ESG agenda.
- The issuer's ESG performance, considering its processes and policies for managing the topic both institutionally and in engagement with stakeholders.

The SPO report was issued and publicly disclosed in April 2021, confirming the bond's compliance with the applicable frameworks and principles.

Access the SPO for AXIA Energia Sul debenture.

## TRANSPARENCY

With the aim of enhancing transparency in the management and allocation of resources, in February 2022 we joined the Green Bond Transparency Platform, an initiative focused on the standardized disclosure of information related to green bond issuances.

Developed by the Inter-American Development Bank (IDB), the platform strengthens the comparability of information within the sustainable finance market, bringing together data on the use of proceeds, the environmental impacts generated, and the methodologies and frameworks applied throughout the green financing process.

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# FINANCED PROJECTS

The debenture issuance enabled AXIA Energia Sul to allocate resources to nine projects aimed at strengthening and modernizing substations and power transmission lines, with the goal of generating positive socio-environmental impacts and reinforcing solutions aligned with the energy transition.

The total amount of R$185 million raised through the debentures was fully invested in projects with positive socio-environmental impact by December 31, 2025.

**100%** of the funds raised
Invested by 31/Dec/2025

**R$ 185 million**
Investment made

**R$ 196 MILLION**
Total investment planned for the projects

**R$ 185 MILLION**
Funds raised through the 3rd debenture issuance.

**R$ 11 MILLION**
Remaining amount financed with the company's own resources.



Actions with local communities - AXIA Collection

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## Financial Aspects of Funded Projects

In line with the Green Bond Principles, disclosing information on the management and allocation of proceeds is a key component of the green financing process. Within this context, we present below the amounts invested in each project through December 2025.

| Project | MME Ordinance | Document | Estimated investment for the project (R$ million) | Estimated allocation of debentures for the project (R$ million) | Percentage of investment covered by debentures | Investment made up to 31/ Dec/2025 (R$ million) | Allocation of debentures for the project (R$ million) | Completion of the estimated debenture allocation | Environmental Licensing |
|---|---|---|---|---|---|---|---|---|---|
| | | | (a) | (b) | (b) / (a) | (c) | (d) | (d) / (b) | |
| Project 1 | Project 7 MME Ordinance 389/2020 | ANEEL Authorizing Resolution No. 7.152/2018 | 34.48 | 32.00 | 92.80% | 33.86 | 32.00 | 100% | LO 07458/2020 |
| Project 2 | Project 5 MME Ordinance 389/2020 | ANEEL Authorizing Resolution No. 7.576/2019 | 50.18 | 48.60 | 97.00% | 52.87 | 48.60 | 100% | Letter No. 193/2019/ SERAD/COTRA/CGLIN /DILIC Letter No. 63/2020/DILIC |
| Project 3 | Project 4 MME Ordinance 389/2020 | ANEEL Authorizing Resolution No. 7.529/2018 | 45.21 | 42.15 | 93.23% | 42.15 | 42.15 | 100% | Letter No. 680/2020/ CGLIN/DILIC Letter No. 161/2019/CODUT/CGLIN/ DILIC |
| Project 4 | Project 8 MME Ordinance 389/2020 | CCT No. 40003881 | 1.34 | 1.20 | 89.00% | 1.75 | 1.20 | 100% | LO 07458/2020 |
| Project 5 | Project 1 MME Ordinance 850/2021 | CCT No. 1013150004 | 4.73 | 4.00 | 84.57% | 5.42 | 4.00 | 100% | LPIA 00252/2021 |
| Project 6 | Project 2 MME Ordinance 850/2021 | CCT No. 40004833 | 2.74 | 2.35 | 86.00% | 3.60 | 2.35 | 100% | LPIA 00251/2021 |
| Project 7 | Project 3 MME Ordinance 850/2021 | CCT No. 40005867 | 2.74 | 2.35 | 85.83% | 4.59 | 2.35 | 100% | Letter No. 299/2021/ CODUT/CGLIN/DILIC |
| Project 8 | Project 4 MME Ordinance 850/2021 | ANEEL Authorizing Resolution No. 9.655/2021 | 17.82 | 15.33 | 86.00% | 15.33 | 15.33 | 100% | Letter No. 215/2023/ CODUT/CGLIN/DILIC |
| Project 9 | Project 5 MME Ordinance 850/2021 | ANEEL Order No. 1425/2021 | 37.02 | 37.02 | 100% | 37.02 | 37.02 | 100% | Not applicable |
| **TOTAL (R$ million)** | | | 196.26 | 185 | 94.26% | 196.59 | 185 | 100% | |

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# VALUE CREATION

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# SOCIO-ENVIRONMENTAL IMPACTS OF GREEN BONDS

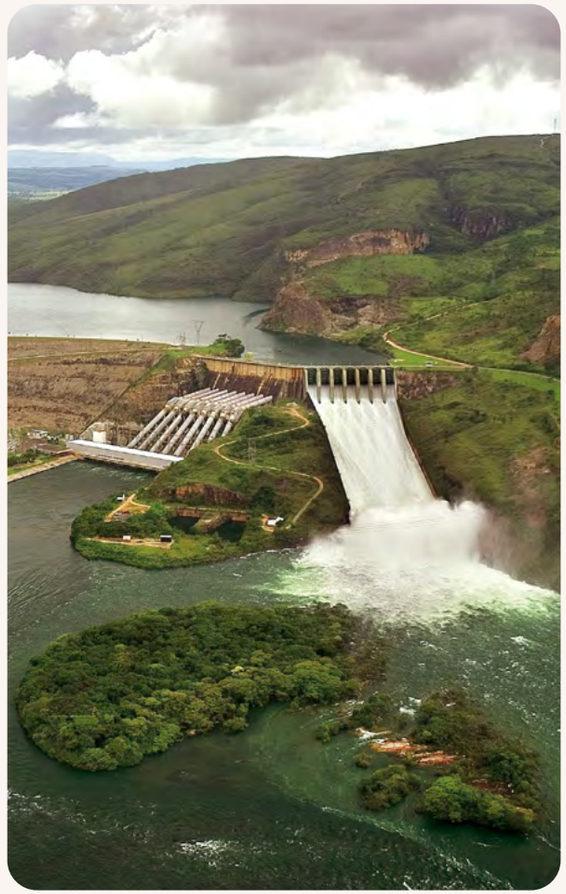
AXIA Energia's Green Bond Framework provides for the issuance of green bonds aimed at advancing renewable energy in Brazil, reinforcing our commitment to strengthening a more sustainable, efficient, and resilient power infrastructure.

Starting in 2025, we have maintained a fully renewable portfolio. This milestone consolidates our role as a key agent in the energy transition, helping ensure that Brazil's electricity matrix remains among the cleanest in the world.

More than a source of financing, green bonds represent a strategic lever to further enhance our value creation.

In this sense, the issuance of green bonds by AXIA Energia Sul delivers the following key benefits:

- **Strengthening energy security** through the interconnection of systems with complementary generation profiles from a seasonality perspective, such as wind and hydropower plants in Brazil;
- Enabling the transmission and integration of **renewable energy into the SIN**, reducing losses and increasing the reliability and security of the electricity system;
- **Expanding lower-emission power plants**, making it possible to transmit electricity over long distances and supply demand centers that might otherwise rely on more carbon-intensive sources;
- **Reducing greenhouse gas (GHG) emissions** throughout operations, contributing to climate change mitigation.



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# SOCIO-ECONOMIC BENEFITS OF INVESTMENTS

Investments made with the funds raised through the green financing generate meaningful socio-economic benefits in the regions covered by the projects.

In addition to improving the country's power transmission system, the reinforcement and modernization works at substations and transmission lines help drive local economic activity and create positive impacts on employment, income, and the circulation of goods and services.

During the execution phase, the projects contributed to the creation of an additional 441 direct jobs and 274 indirect jobs, while also stimulating the local industrial and commercial supply chain. This movement supported service contracting, input consumption, supplier mobilization, and the creation of economic opportunities across the benefiting municipalities.

## MUNICIPALITIES BENEFITED

The impacts of investments associated with green bonds strengthen the electricity infrastructure across 17 municipalities located in the states of Rio Grande do Sul, Paraná, Santa Catarina, and Mato Grosso do Sul.

By supporting improvements in assets that are strategic for the National Interconnected System (SIN), the projects help create more favorable conditions for regional development, enhancing the reliability of power supply and supporting economic activities that depend on a safer and more efficient electricity grid.

**441**
direct jobs created

**274**
indirect jobs created

| Municipalities benefited and their population (IBGE, 2025)[1] | |
|---|---|
| **RIO GRANDE DO SUL (RS)** | **975,228** |
| São Luiz Gonzaga | 35,865 |
| Caxias do Sul | 479,599 |
| Farroupilha | 72,552 |
| Ijuí | 87,848 |
| Gravataí | 275,430 |
| Nova Petrópolis | 23,934 |
| **PARANÁ (PR)** | **2,412,177** |
| Curitiba | 1,830,795 |
| Londrina | 581,382 |
| **SANTA CATARINA (SC)** | **2,283,816** |
| Siderópolis | 14,156 |
| Blumenau | 385,558 |
| Joinville | 664,541 |
| Biguaçu | 83,756 |
| Itajaí | 294,850 |
| Florianópolis | 587,486 |
| Palhoça | 253,469 |
| **MATO GROSSO DO SUL (MS)** | **288,798** |
| Dourados | 264,017 |
| Anastácio | 24,781 |
| | 5,960,019 |

[1] **Source**: IBGE, 2025. Population estimates.

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## FUNDED PROJECTS

The resources raised through the issuance of green bonds enabled us to finance nine projects. Below, we present the objectives of each initiative, as well as the socio-economic benefits resulting from their implementation..

### PROJECT 1
### SE LONDRINA – EXPANSION "M" AND SE IJUÍ 2 – EXPANSION "A" PROJECTS

The SE Londrina – Expansion "M" project aimed to implement the first and second 525 kV shunt reactor banks, designed to control voltage levels across the transmission network at 525 kV and 765 kV. This initiative strengthened the interconnection between the South and Southeast regions and contributed to optimizing the dispatch of hydroelectric power plants located in the Paraná, Paranapanema, and Iguaçu river basins, among others.

The SE Ijuí 2 – Expansion "A" project included the installation of a third 230/69-13.8 kV three-phase transformer with a capacity of 83 MVA, along with the corresponding 230 kV and 69 kV connection bays, configured in double-bus, four-breaker and main-and-transfer bus arrangements at the Ijuí 2 230/69 kV Substation. This implementation enhanced the reliability of electricity supply to the Northwestern region of Rio Grande do Sul and supported the transmission of energy generated by hydroelectric plants in the Jacuí River basin.

Once the project entered ing commercial operation, on December 5, 2020, the electricity transmission capacity increased by 83 MVA, further strengthening the security and reliability of the transmission system.

**JOBS CREATED:**

148
direct jobs

96
indirect jobs

Learn more about projects description.




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## PROJECT 2
## SECTIONING OF THE 230 KV ASSIS–LONDRINA TRANSMISSION LINE AT THE LONDRINA (COPEL) SUBSTATION AND JOINVILLE SUBSTATION – EXPANSION "L"

The Londrina Copel Substation – Eletrosul Expansion project encompassed the implementation of two 230 kV line entries, the sectioning of the Londrina–Assis transmission line at the Londrina Copel Substation, as well as the installation of two 230 kV line bays and the sectioning of the 230 kV Assis–Londrina transmission line at the same substation.

Through this initiative, we expanded the load-serving capacity of the Londrina Copel Substation and strengthened the interconnections between the Southern and Southeastern electrical systems. This enhancement increased operational reliability in dispatching hydroelectric power plants located in the Paranapanema and Tibagi river basins, among others.

Following the start of commercial operations on December 14, 2020, the project began mitigating the risk of undervoltage in the 230 kV network at the Londrina (COPEL-GT) Substation and, consequently, helped avoid the need for load shedding in the region during daytime periods in the event of outages affecting the 230 kV Londrina (AXIA Energia Sul) – Londrina (COPEL-GT) transmission line.

The Joinville Substation – Expansion "L" project focused on modernizing and increasing the substation's transformation capacity by replacing transformers TF3 and TF7 (230/138–13.8 kV, rated at 100 MVA and 75 MVA, respectively) and TF8 (230/69–13.8 kV, rated at 100 MVA) with three units rated at 150 MVA each, in addition to replacing TF5 (138/69–13.8 kV, rated at 33 MVA) with a new 66 MVA unit.

Expansion "L" of the Joinville Substation enabled us to enhance the reliability and stability of the electrical system, supporting regional load demand while facilitating the integration of energy generated from renewable sources.

Upon the commencement of commercial operations on January 28, 2022, the project enabled a 208 MVA-increase in electricity transmission capacity, further strengthening the reliability and security of the regional transmission system.

**JOBS CREATED:**

**38**
direct jobs

**24**
indirect jobs

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## PROJECT 3
## DESTERRO SUBSTATION– EXPANSION "B', PALHOÇA SUBSTATION – EXPANSION "I" AND PALHOÇA SUBSTATION– EXPANSION "J"

The Desterro Substation – Expansion "B" project encompassed the installation of the first and second 230 kV three-phase shunt reactor banks - 50 MVAr each - at Desterro Substation, along with their respective connection bays in a double-bus, four-breaker configuration.

Commercial operation, which began on December 23, 2020, enabled us to mitigate overvoltages in the power grid during nighttime periods. These overvoltages were associated with the commissioning of two new 230 kV circuits interconnecting Biguaçu Substation (mainland) and Ratones (Santa Catarina Island) Substation. This solution also enhanced operational flexibility for voltage control within the system serving the Greater Florianópolis area.

Palhoça Substation – Expansion "I" project aimed to replace transformer TF1 (230/138 kV, 84 MVA) with a new 150 MVA unit. Following the start of commercial operation on July 28, 2021, the project added 66 MVA to transmission capacity, contributing to increased reliability and security of the transmission system in the region.

Palhoça Substation – Expansion "J" project involved replacing transformers TF2 and TF3 (230/138 kV), each rated at 75 MVA, with two new 150 MVA units. After starting commercial operations on December 15, 2021, this reinforcement resulted in an additional 150 MVA of transmission capacity.

Taken together, these expansions enhance the reliability and stability of the power grid, enabling improved load supply and facilitating the integration and dispatch of generation from renewable energy sources.

**JOBS CREATED:**

53
direct jobs

28
indirect jobs

## PROJECT 4
## IJUÍ 2 SUBSTATION – EXPANSION "B"

The Ijuí 2 Substation – Expansion "B" Project was designed to implement a 69 kV line entry module, configured in a main and transfer bus arrangement, associated with the Ceriluz 3 – Ijuí 2 transmission line.

Through this development, we enhanced the reliability and stability of the electrical grid, enabling improved load service and supporting the integration and dispatch of generation from renewable energy sources.

Together with the 69 kV Ijuí 2 – Ceriluz 3 transmission line, the project allowed the concessionaire CERILUZ to migrate the supply of its captive market from RGE Sul's distribution network to the National Interconnected System's Basic Grid. In addition, the expansion enabled access for SHPP Sede II to Ceriluz 3 substation.

**JOBS CREATED:**

7
direct jobs

4
indirect jobs

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## PROJECT 5
## CAXIAS 6 SUBSTATION – EXPANSION "B"

The Caxias 6 Substation – Expansion "B" project included the installation of two 69 kV line bay modules, configured in a main and transfer bus arrangement, with the objective of enhancing the reliability and stability of the electrical grid. This upgrade enabled improved load service demand and supported the integration and transmission of generation from renewable sources.

In addition, the expansion, together with the 69 kV transmission lines Caxias 6 – Caxias 7 (C1 and C2), contributed to improving load service in the Caxias do Sul region, while also reducing the loading levels at the Caxias 1, Caxias 2, and Caxias 3 substations.

**JOBS CREATED:**

14
direct jobs

9
indirect jobs

## PROJECT 6
## MISSÕES SUBSTATION – EXPANSION "D"

The Missões Substation – Expansion "D" project aimed to install a 69 kV line bay module, also in a main and transfer bus configuration, contributing to increased reliability and stability of the electrical grid. This enhancement enabled improved load service and facilitated the integration and transmission of generation from renewable sources.

Together with the 69 kV transmission line São Luiz Gonzaga – Missões (C2), the expansion strengthened the reliability of supply to the São Luiz Gonzaga Substation by reducing the risk of load shedding in the event of an outage affecting the single 69 kV circuit that currently serves the substation.

**JOBS CREATED:**

9
direct jobs

6
indirect jobs

## PROJECT 7
## SIDERÓPOLIS SUBSTATION – EXPANSION "N"

The Siderópolis Substation – Expansion "N" project enabled the installation of a 69 kV line bay module, configured in a main and transfer bus arrangement, in connection with the Cocal do Sul – Siderópolis transmission line. The project enhanced the reliability and stability of the electrical grid, allowing for improved load service demand and supporting the integration and transmission of generation from renewable sources.

In conjunction with the 69 kV transmission line Siderópolis – Cocal do Sul, the project enabled the subsidiarie COOPERCOCAL to migrate the supply of its captive market from CELESC's distribution network to the National Interconnected System's Basic Grid.

**JOBS CREATED:**

14
direct jobs

9
indirect jobs

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## PROJECT 8

**RECONDUCTORING OF THE 230 KV TRANSMISSION LINE BLUMENAU – JOINVILLE NORTE; RECONDUCTORING OF THE 230 KV TRANSMISSION LINE BLUMENAU – JOINVILLE; AND RECONDUCTORING OF THE 230 KV TRANSMISSION LINE JOINVILLE – JOINVILLE NORTE**

Following the integration of the Joinville Sul 525/230/138 kV substation, potential overloads were identified in sections of the region's 230 kV transmission lines, which could pose a risk of load shedding during daytime periods in the event of a circuit outage. In response, we carried out reconductoring works on the transmission line segments located between the sectionalizing point, required for the integration of the new substation, and the Joinville and Joinville Norte substations.

The upgrades implemented on the 230 kV Blumenau – Joinville Norte transmission line (17.26 km), the 230 kV Blumenau – Joinville transmission line (12.35 km), and the 230 kV Joinville – Joinville Norte transmission line (0.2 km) contributed to enhancing the reliability and stability of the power grid, enabling improved load service and facilitating the flow of generation from renewable sources.

**JOBS CREATED:**

**50**
direct jobs

**33**
indirect jobs

## PROJECT 9

**MINOR REINFORCEMENTS ACROSS MULTIPLE FACILITIES OF THE AXIA ENERGIA SUL TRANSMISSION SYSTEM**

This project aimed to implement reinforcements at facilities under the responsibility of AXIA Energia Sul through the replacement of 123 substation yard assets, distributed as follows:

- 46 disconnect switches
- 3 circuit breakers
- 5 digital disturbance recorders
- 69 current transformers

The replacements were carried out at the Anastácio, Biguaçu, Blumenau, Caxias 6, Curitiba, Dourados, Farroupilha, Itajaí, Ijuí 2, Gravataí 2, Joinville, Londrina Esul, and Nova Petrópolis 2 substations.

These interventions enabled us to enhance the reliability and operational safety of the power grid, improving load service and supporting the integration of generation from renewable sources. The project also contributed to increasing the transmission capacity of the National Interconnected System (SIN), providing greater availability, reliability, and flexibility to the Company's transmission system.

The implementation of these improvements further advanced system reliability and operational flexibility, while strengthening support for service regularity, continuity, and security in the provision of public transmission services, including during system restoration processes in the event of failures.

**JOBS CREATED:**

**108**
direct jobs

**65**
indirect jobs

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# CONCLUSION

This report presents how the proceeds raised through the 3rd Debenture issuance by AXIA Energia Sul were allocated as of December 31, 2025, across the respective projects authorized under MME Ordinance No. 389/2020, dated October 27, 2020, and MME Ordinance No. 850 – SPE/MME 2021, dated August 20, 2021, which serve as collateral for the issuance.

Further information about AXIA Energia Sul's ESG journey can be found on the company's website:

https://www.axia.com.br/esg/gestao



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