



Financial Statements and Independent Auditor's Report

At December 31, 2024

(A free translation of the original in Portuguese and Spanish)

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BALANCE SHEET AT DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

ASSETS

	<u>Note</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	997,450	682,158
Trade receivables	6	934,775	878,484
Bonds receivable	7	59	234,256
Assets held for sale	8	1,267	44,448
Other Assets	9	15,569	18,119
TOTAL CURRENT ASSETS		<u>1,949,120</u>	<u>1,857,465</u>
NON-CURRENT ASSETS			
Bonds receivable	7	2,454	2,118
Judicial deposits	10	20,919	25,368
		<u>23,373</u>	<u>27,486</u>
RESULTS	11		
From prior years		(15,418,645)	(15,284,971)
Current financial year		(442,992)	(133,674)
		<u>(15,861,637)</u>	<u>(15,418,645)</u>
INVESTMENT PROPERTY	12	<u>124,729</u>	<u>-</u>
PROPERTY, PLANT AND EQUIPMENT	13	<u>17,588,121</u>	<u>17,620,013</u>
INTANGIBLE ASSETS	13	<u>29,244</u>	<u>27,963</u>
TOTAL NON-CURRENT ASSETS		<u>1,903,830</u>	<u>2,256,817</u>
TOTAL ASSETS		<u><u>3,852,950</u></u>	<u><u>4,114,282</u></u>

The accompanying notes are an integral part of these financial statements.



BALANCE SHEET AT DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

LIABILITIES AND EQUITY

	<u>Note</u>	<u>12/31/2024</u>	<u>12/31/2023</u>
LIABILITIES			
CURRENT LIABILITIES			
Borrowings and financing	14	-	246,609
Remuneration and reimbursements	15	627,040	765,323
Suppliers	16	115,713	144,367
Salaries and social charges	17	76,021	85,557
Labor indemnities	18	38,377	34,387
Post-employment benefits	19	71,030	42,985
Provision for lawsuits	20	11,571	16,186
Other payables		5,180	3,578
TOTAL CURRENT LIABILITIES		<u>944,932</u>	<u>1,338,992</u>
NON-CURRENT LIABILITIES			
Labor indemnities	18	198,898	219,986
Post-employment benefits	19	2,475,839	2,300,808
Provision for lawsuits	20	130,983	152,552
Other payables		2,298	1,944
TOTAL NON-CURRENT LIABILITIES		<u>2,808,018</u>	<u>2,675,290</u>
TOTAL LIABILITIES		<u>3,752,950</u>	<u>4,014,282</u>
EQUITY			
Capital	21		
Emp. Bras. Particip. En. Nuclear e Binacional S.A. - ENBPar		50,000	50,000
Administración Nacional de Electricidad		50,000	50,000
TOTAL EQUITY		<u>100,000</u>	<u>100,000</u>
TOTAL LIABILITIES AND EQUITY		<u>3,852,950</u>	<u>4,114,282</u>

The accompanying notes are an integral part of these financial statements.



STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

	Note	12/31/2024	12/31/2023
OPERATING REVENUES	22		
Contracted power		2,807,554	2,433,310
Remuneration for electricity assignment		161,024	273,336
Royalties and reimbursement for energy additional to the one tied to the contracted power		47,309	62,311
Total operating revenues		3,015,887	2,768,957
OPERATING EXPENSES			
REMUNERATION AND REIMBURSEMENTS	23		
Yields from capital		(62,756)	(62,244)
Remuneration for electricity assignment		(161,024)	(273,336)
Electricity related to contracted power			
Royalties		(425,034)	(524,058)
Reimbursement of management and supervision charges		(32,695)	(40,313)
		<u>(457,729)</u>	<u>(564,371)</u>
Energy additional to the one tied to the contracted power			
Royalties		(43,930)	(57,860)
Reimbursement of management and supervision charges		(3,379)	(4,451)
		<u>(47,309)</u>	<u>(62,311)</u>
		(728,818)	(962,262)
GENERAL AND ADMINISTRATIVE EXPENSES	24		
Operation, maintenance, and management		(1,152,002)	(766,320)
Social and environmental responsibility programs		(871,946)	(921,760)
		<u>(2,023,948)</u>	<u>(1,688,080)</u>
Total operating expenses		(2,752,766)	(2,650,342)
SERVICE INCOME		<u>263,121</u>	<u>118,615</u>
OTHER INCOME (EXPENSES)		9,321	2,874
Finance income		204,628	82,386
Finance costs		(34,078)	(70,201)
FINANCE RESULT	25	<u>170,550</u>	<u>12,185</u>
PROFIT FOR THE YEAR		442,992	133,674

The accompanying notes are an integral part of these financial statements.



STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

	<u>12/31/2024</u>	<u>12/31/2023</u>
SOURCES OF FUNDS		
Operations		
Profit for the year	442,992	133,674
Expense items not affecting net working capital		
Long-term monetary restatements - borrowings	-	9,850
Long-term monetary restatements - estimated obligations	(330,924)	63,560
Provisions and other adjustments to PP&E and intangible assets	(44,017)	47,781
Write-offs of property, plant and equipment and intangible assets	16,428	30,877
	<u>84,479</u>	<u>285,742</u>
Third parties		
Increase in non-current liabilities	687,169	330,903
Transfer from current liabilities to non-current liabilities	159,286	77,014
Transfer from non-current assets to current assets	-	234,455
Decrease in non-current assets	7,116	8,077
	<u>853,571</u>	<u>650,449</u>
TOTAL SOURCES	<u>938,050</u>	<u>936,191</u>
INVESTMENTS OF FUNDS		
Investments in PPI, property, plant and equipment, and intangible assets	66,529	69,149
Increase in non-current assets	3,004	7,948
Decrease in non-current liabilities	202,474	167,624
Transfer from non-current to current - borrowings	-	259,079
Transfer from non-current to current - estimated obligations	180,328	102,206
TOTAL INVESTMENTS	<u>452,335</u>	<u>606,006</u>
INCREASE IN NET WORKING CAPITAL	<u>485,715</u>	<u>330,185</u>
STATEMENT OF CHANGES IN NET WORKING CAPITAL		
Closing net working capital		
Final current assets	1,949,120	1,857,465
Final current liabilities	(944,932)	(1,338,992)
	<u>1,004,188</u>	<u>518,473</u>
Opening net working capital	<u>518,473</u>	<u>188,288</u>
Increase in net working capital	<u>485,715</u>	<u>330,185</u>

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STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

	<u>12/31/2024</u>	<u>12/31/2023</u>
FROM OPERATING ACTIVITIES		
Profit for the year	442,992	133,674
Profit (loss) adjustments		
Write-offs of property, plant and equipment and intangible assets	16,428	30,877
Provisions and other adjustments to PP&E and intangible assets	(837)	3,333
Monetary restatement of judicial deposits	(849)	1,685
Monetary restatements - borrowings	-	13,791
Monetary restatements - estimated obligations	(39,250)	64,108
Monetary restatements - post-employment benefits	(253,487)	-
Liability provisions		
Finance charges - borrowings	4,987	27,337
Finance charges - post-employment benefits	29,013	-
Provisions for personnel	(18,378)	6,380
Actuarial provisions	-	(61,121)
Pension plan settlement cost	(15,294)	207,123
Provision for lawsuits	10,713	16,125
Adjusted profit	<u>176,038</u>	<u>443,312</u>
Changes in assets and liabilities		
Changes in trade receivables	(56,291)	57,933
Changes in other receivables	7,517	700
Changes in remunerations and reimbursements	(138,283)	124,314
Changes in trade and other payables	(26,698)	72,842
Changes in salaries and social charges	(5,903)	(1,032)
Changes in post-employment benefits	442,844	-
	<u>223,186</u>	<u>254,757</u>
Net cash from operating activities	<u>399,224</u>	<u>698,069</u>
FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(66,529)	(69,149)
Net cash used in investing activities	<u>(66,529)</u>	<u>(69,149)</u>
FROM FINANCING ACTIVITIES		
Amortization of borrowings and financing	(9,176)	(241,091)
Payment of interest on borrowings and financing	(8,227)	(32,729)
Net cash used in financing activities	<u>(17,403)</u>	<u>(273,820)</u>
TOTAL EFFECTS IN CASH AND CASH EQUIVALENTS	<u>315,292</u>	<u>355,100</u>
Opening balance of cash and cash equivalents	682,158	327,058
Closing balance of cash and cash equivalents	<u>997,450</u>	<u>682,158</u>
Change in cash and cash equivalents	<u>315,292</u>	<u>355,100</u>

The accompanying notes are an integral part of these financial statements.



STATEMENT OF VALUE ADDED

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

	<u>12/31/2024</u>	<u>12/31/2023</u>
GENERATION OF VALUE ADDED		
Revenues		
Contracted power	2,807,554	2,433,310
Remuneration for electricity assignment	161,024	273,336
Royalties and reimbursement for energy additional to the one tied to the contracted power	47,309	62,311
Sundry revenues (expenses)	9,321	2,874
	<u>3,025,208</u>	<u>2,771,831</u>
(-) Inputs acquired from third parties		
Materials	19,895	31,930
Third-party services	88,350	110,008
Other operating expenses	995,135	938,710
	<u>1,103,380</u>	<u>1,080,648</u>
GROSS VALUE ADDED	<u>1,921,828</u>	<u>1,691,183</u>
(+) Value added received through transfer		
Finance income	204,628	82,386
	<u>204,628</u>	<u>82,386</u>
VALUE ADDED TO DISTRIBUTE	<u>2,126,456</u>	<u>1,773,569</u>
DISTRIBUTION OF VALUE ADDED		
Compensation:		
Personnel		
Direct compensation	220,997	227,138
Benefits	134,628	157,767
Pension plan settlement cost	-	207,123
Actuarial provisions	519,103	(61,121)
Labor indemnities	13,351	42,346
Government Severance Indemnity Fund for Employees (FGTS)	4,930	5,140
	<u>893,009</u>	<u>578,393</u>
Government		
INSS e IPS	27,559	29,039
Royalties	468,964	581,918
Remuneration for electricity assignment	161,024	273,336
	<u>657,547</u>	<u>884,293</u>
Third-party capital		
Debt charges	4,987	27,337
Monetary variation	-	39,962
Other finance costs	29,091	2,902
	<u>34,078</u>	<u>70,201</u>
Own capital		
Yields from capital	62,756	62,244
Reimbursement of management and supervision charges	36,074	44,764
	<u>98,830</u>	<u>107,008</u>
Profit for the year	<u>442,992</u>	<u>133,674</u>
VALUE ADDED DISTRIBUTED	<u>2,126,456</u>	<u>1,773,569</u>

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars unless otherwise stated)

1. OPERATIONS

ITAIPU Binacional ("ITAIPU") is a Binational Entity established and governed, with equal rights and obligations, by the Treaty signed on April 26, 1973, between the Federative Republic of Brazil and the Republic of Paraguay, also referred to as the High Contracting Parties, with capital, in equal portions, from Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A. - ENBPar and the Administración Nacional de Electricidad - ANDE, also referred to as the Parties.

ITAIPU has its headquarters in Brasília, capital of the Federative Republic of Brazil, and in Asunción, capital of the Republic of Paraguay, and benefits from broad tax exemption in both countries, in accordance with the signed Treaty.

Its purpose is the hydroelectric utilization of the water resources of the Paraná River, which are jointly owned by both countries, from and including the Salto Grande de Sete Quedas or Salto de Guaíra to the mouth of the Iguazu River, through the construction and operation of a hydroelectric power plant with a total installed capacity of 14,000 MW, generating high-quality electricity with social and environmental responsibility, contributing to sustainable development in both Brazil and Paraguay.

ITAIPU formally began its operations on May 17, 1974, and the Hydroelectric Power Plant was officially inaugurated on October 25, 1984. As of March 1985, two generating units were already available for contracting. The first implementation stage of the generating units was completed in 1991. With the commissioning of the last two generating units in December 2006 and April 2007, the power plant began supplying 12,135 MW per month for contracting by the Brazilian and Paraguayan purchasing entities.

In 2024, ITAIPU generated 67.1 million MWh (compared to 83.9 million MWh in the same period of 2023).

Information on the Itaipu Treaty

ITAIPU is governed under the terms stipulated in the Treaty and its Attachments, referred to below, and its administrative bodies comprise a Board of Directors and an Executive Board, with an equal number of members from each country.

Attachment "A" - Itaipu Bylaws.

Attachment "B" - General Description of Facilities for the Production of Electricity and Auxiliary Works.

Attachment "C" - Financial Bases and Provision of Electricity Service of Itaipu.

The Treaty has an indefinite duration, as described in Article XXV, which states that its amendment requires a new agreement between the High Contracting Parties.

The provisions of **Attachment "C"**, specifically, as set forth in Article VI of the said Attachment, are to be reviewed after a period of fifty years from the date the Treaty entered into force, considering, among other aspects, the degree of amortization of the debts contracted by ITAIPU for the project and the relationship between the contracted power by the purchasing entities of both countries (see Notes 14 and 22). Attachment "C" addresses the conditions for electricity supply, the composition of electricity service costs, and revenues (see Explanatory Notes to the Operating Account).

On April 16, 2024, a meeting was held between the two countries, during which a Memorandum of Understanding was signed between Brazil and Paraguay regarding Guidelines Related to ITAIPU Binacional Energy. In this memorandum, the High Contracting Parties committed, among other matters, to complete the review of Attachment C of the Treaty by December 31, 2024. However, as of the date of this report, the review has not yet been finalized.

Amendment to ITAIPU's Mission

In 2003, ITAIPU revised its mission, permanently incorporating social and environmental responsibility among its strategic objectives, in addition to the activity of electricity generation.

According to the Strategic Plan, ITAIPU's mission is: "To generate high-quality electricity with social and environmental responsibility, contributing to sustainable development in Brazil and Paraguay." Its vision is: "To be a modern, collaborative binational entity committed to regional integration, recognized for excellence in clean and renewable energy generation and for its contribution to the sustainable development of Paraguay and Brazil."

Loan Repayment in 2024

In April 2024, the Entity settled its obligations with the Brazilian National Treasury related to the loan obtained for the construction of the power plant. The amount amortized in 2024 was USD 251,596 (see Note 14).

Technological Update Plan of the Hydroelectric Power Plant (PAT)

The ITAIPU Binacional Technological Update Plan (PAT) is a highly complex and comprehensive project aimed at modernizing the hydroelectric power plant and its substations. The plan includes the upgrade of supervision, control, protection, monitoring, and measurement systems and equipment, as well as the construction of new warehouses and training centers for the new technologies. The project is expected to be implemented over a 14-year period starting in 2022.

By the end of 2024, the total amount invested reached USD 64.6 million, recorded under Property, Plant and Equipment. Of this amount, USD 35.8 million was allocated in 2024 and USD 27.8 million in 2023.

On January 30, 2025, the first tangible PAT deliverable was completed: the Integration and Training Center for Systems - CINTESC-MD, with an area of 1,257.59 m² and a cost of USD 1.8 million. In 2025, the first decommissioning, disassembly, and installation of updated technical assets with new technologies are also expected to begin (see Note 13).

2. PRESENTATION OF THE FINANCIAL STATEMENTS

Basis of Presentation

As established in the Entity's official acts, the Financial Statements have been prepared in accordance with the provisions of the Treaty that created ITAIPU, its Attachments, and other official acts, as well as the accounting practices adopted in Brazil and Paraguay.

The financial statements comprise the Balance Sheet, the Statement of Results, the Statement of Sources and Uses of Funds, and the Notes to the Financial Statements.

In addition, the Statement of Cash Flows and the Statement of Value Added are presented as supplementary information, along with Attachment I, which includes the Statement of the Operating Account and the Notes to the Statement of the Operating Account.

a) Statement of Cash Flows

This statement is prepared using the indirect method and presents the cash flows for the period, classified into operating, investing, and financing activities. Operating activities are those that arise from transactions that constitute the Entity's main sources of revenue. Therefore, they result from transactions and other events that are considered in determining the net result for the period. Investing activities include disbursements for resources expected to generate future cash flows. Financing activities include cash flows related to capital providers, such as banks, shareholders, etc.

b) Statement of Value Added - SVA

The SVA aims to provide information regarding the wealth generated by the Entity during the period and how such wealth was effectively distributed. The main components of the wealth generated by the Entity include revenue items, minus goods and services acquired from third parties, and plus value added received through transfers, which are subdivided according to the nature of the transactions. The distribution of wealth includes amounts related to personnel, social charges, royalties, compensation for energy supply, and remuneration of third-party and own capital. The SVA is prepared in accordance with the basic conceptual framework for the preparation and presentation of financial statements, and its data is obtained through the reorganization of elements from the Statement of Results for the same period.

c) Statement of the Operating Account

The Statement of the Operating Account is prepared strictly in accordance with Attachment "C" of the Itaipu Treaty and its regulations. Attachment "C" sets out the financial bases and electricity service provisions, defining the Operating Account as the annual balance between revenue and service cost. This statement aims to demonstrate the Entity's economic and financial balance (Attachment I).

d) Statement of Changes in Financial Position - SCFP

The SCFP presents the changes in the Entity's financial position, detailing the sources and uses of funds. Sources of funds are represented by increases in working capital derived from the Entity's operations (results of the period and other changes in equity) or from third-party resources (including increases in long-term liabilities, reductions in long-term assets, and disposal of investments and fixed assets). Uses of funds are represented by reductions in working capital, including investments in Property, Plant and Equipment and Intangible Assets, increases in non-current assets, and reductions in non-current liabilities. Although this statement is no longer legally required, ITAIPU presents the SCFP in accordance with its internal regulations.

The main provisions and/or accounting guidelines that differ from the practices commonly adopted in Brazil and Paraguay are:

- (i) Depreciation of Property, Plant and Equipment and amortization of Intangible Assets are not recorded, and the assets in these groups are not subject to impairment testing (Notes 3.g and 13);
- (ii) The Entity's results are not recorded under Equity, but rather under the item "Results," classified in Non-Current Assets (Note 11);
- (iii) Post-employment benefit obligations, including actuarial gains and losses and plan asset returns, are recognized immediately in profit or loss (Notes 3.m and 19);
- (iv) The remuneration on equity paid to the Parties does not take profit realization into account and is recorded as an operating expense in the results (Notes 15 and 23);
- (v) ITAIPU does not prepare the Statement of Changes in Equity or the Statement of Comprehensive Income, as its Equity does not vary; and
- (vi) The Statement of changes in financial position is included with the Financial Statements and the Statement of cash flows and the Statement of value added are presented as supplementary information.

The issuance of the Financial Statements was authorized by the Executive Board on April 3, 2025.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In preparing the Entity's Financial Statements, the following material accounting policies were adopted for recording its economic and financial transactions and operations:

a) Reference currency for recording transactions

In accounting for transactions and presenting the Financial Statements, the currency of the United States of America is used as the functional currency, as established in Attachment "A" to the Treaty.

Economic and financial transactions carried out in various currencies are converted into U.S. dollars based on market closing exchange rates published by the Central Banks of Brazil and Paraguay, according to the following criteria:

- Property, Plant and Equipment and Intangible Assets - converted at the exchange rate on the day prior to the date costs were incurred.
- Capital - at the exchange rates in effect on the capitalization dates.
- Borrowings and financing - updated in their original currency in accordance with contractual indices and converted into the functional currency using the exchange rate in effect on the last business day of each calendar month.
- Other assets and liabilities - converted at the exchange rates adopted on the last business day of each calendar month.

Operating revenues from the provision of electricity services are measured and accounted for in US Dollars and the corresponding invoice values, payable in Reais or Guaranis, are converted to those currencies based on the rates in effect on the day preceding settlement.

Yields from capital, royalties, and reimbursement of management and supervision charges, as well as remuneration for electricity assignment, components of operating expenditure, are calculated and accounted for in US Dollars and paid in Reais or Guaranis, at the rates in effect on the day preceding settlement.

Operating expenses, finance costs, and sundry expenses, as well as finance income and sundry revenues, are translated based on the rates in effect on the day preceding the date they were incurred.

Thus, asset and liability balances in U.S. dollars as of the reporting date of these Financial Statements may have changed due to fluctuations in the exchange rates of the real and guarani, particularly between the reporting date and the date of reading of the Financial Statements.

b) Use of estimates and judgments

The preparation of the Financial Statements requires the use of judgments, estimates, and assumptions that affect the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

In recognizing expected credit losses, a probability-weighted estimate is used over the expected life of the financial instrument. Expected credit losses may occur even if full payment is anticipated, but after the contractual due date.

Information about assumptions, estimates, and uncertainties that involve a significant risk of resulting in material adjustments in future reporting periods includes:

- (i) Measurement of post-employment benefit obligations: key actuarial assumptions;
- (ii) Recognition and measurement of provisions for legal proceedings: key assumptions about the probability and magnitude of outflows.

c) Cash and Cash Equivalents

Includes cash on hand, bank deposits, and other short-term, highly liquid investments that are readily convertible into known amounts of cash.

d) Trade receivables

These are non-derivative financial assets with fixed payments not quoted in an active market. Initial measurement is based on the value of the electricity services provided, and subsequent measurement is at amortized cost.

e) Assets held for sale

Refers to real estate properties not related to the company's operating context, approved for sale by the Board of Directors. ITAIPU expects to dispose of these assets within one year from the date of reclassification.

f) Investment Property

Comprises real estate properties, primarily residential, that are no longer part of the entity's operational context but are still held by ITAIPU. These assets are measured at historical cost, as per CPC 28/IAS 40, and their fair value is disclosed in a specific note (Note 12).

g) Property, plant and equipment and intangible assets

Investments in works related to acquisition, construction, assembly and engineering, including general administration expenses, finance charges on third-party funds during the construction period, pre-operational costs for mobilization and training of personnel during the construction period and apportionments of administration expenses were accounted for under the historical cost principle.

Revenues and refunds from exemptions and tax benefits related to the works were recorded during the construction period and reduced the cost of the work. From the date of start-up of the Hydroelectric Power Plant, these were apportioned between the cost of the work and sundry revenues; from the date of full operation, these are recorded as sundry revenues.

ITAIPU does not record depreciation of Property, Plant and Equipment or amortization of Intangible Assets over their useful lives, nor does it perform impairment tests on these assets, as its revenue is calculated based on liability charges and because these expenses are not part of the Cost of Electricity Service, as defined in Attachment "C" to the Treaty.

h) Borrowings and financing

Borrowings and financing are measured at amortized cost using the effective interest rate method (Note 14). This method is used to calculate the amortized cost of a financial asset or liability and to allocate and recognize interest income or expense over the corresponding period.

As of December 31, 2023, for better presentation, ITAIPU reclassified its pension liabilities with FIBRA and CAJUBI to the Post-employment Benefits subgroup (Notes 3.m, 14, and 19).

i) Operating revenues

Includes revenue from the provision of electricity services, including: (i) contracted capacity; (ii) royalties and reimbursement for administrative and supervisory charges related to energy in excess of the linked energy associated with contracted capacity; and (iii) remuneration for from electricity assignment.

Annual revenue from contracted capacity billing is based on the application of the Tariff (Unit Cost of the Electricity Service - CUSE), which results from dividing the annual Cost of Electricity Service by the sum of the monthly contracted capacities. The Tariff is established and approved annually.

The contracts ITAIPU maintains with its clients (ENBPar and Ande) derive from the Official Acts of ITAIPU, linking revenue from contracted capacity billing to the annually approved Tariff, based on the financial and electricity service conditions set forth in Attachment C of the Treaty.

j) Operating expenses

include operation, maintenance, and administrative expenses related to the operation of the Hydroelectric Plant, as well as remuneration and reimbursements to the High Contracting Parties and the Parties, as provided in Attachment "C" to the Treaty. Since 2003, following the change in ITAIPU's mission, these also include expenses related to socio-environmental responsibility programs, as ratified by Reversal Notes No. 228/05 from the Brazilian Embassy in Asunción and No. 1/05 from the Paraguayan Ministry of Foreign Affairs, both dated March 31, 2005. Operating expenses are recognized on an accrual basis, considering the present contractual obligations assumed by the Entity.

All operational expenses are executed within the limits of the budget approved by the Board of Directors and require individual approval when formalized, according to applicable regulations.

k) Financial Income

Includes income from interest on bank deposits, updates of guarantee deposits under Brazil's external debt restructuring agreement (Note 7), late payment penalties on electricity service invoices, discounts obtained, and net monetary adjustments, which include inflation adjustments and exchange differences on contractually established operations, mainly in reais and guaranis, converted into the functional currency (U.S. dollar) as described in item "a" of this Note, and other financial income.

l) Financial Expenses

Include interest on loans and financing contracts (Note 14), interest on actuarial liabilities (Note 19), net monetary adjustments - including inflation and exchange rate variations on contractually established operations, mainly in reais and guaranis, converted to the functional currency (U.S. dollar), as described in item "a" - as well as late payment charges on remuneration and reimbursements, and other financial expenses.

m) Post-employment Benefits

ITAIPU recognizes its obligations arising from employee benefit plans using the following practices:

- i) actuarial valuations for pension and medical plans are carried out by qualified actuaries using the projected unit credit method and the best estimates regarding investment performance, salary growth, retirement age, turnover, mortality, expected healthcare costs, among others, considering each country's specificities.;
- ii) the actuarial result of the pension plan - the present value of obligations minus the fair value of plan assets, with immediate recognition of all actuarial gains and losses - is recognized, when negative, directly in the income statement (Notes 2.iii and 19).

iii) The present value of the medical plan obligations, with immediate recognition of all actuarial gains and losses, is fully recognized in ITAIPU's Financial Statements, directly in the income statement, as it is fully sponsored by the Entity with no segregated plan assets (Notes 2.iii and 19).

The accounting provisions related to the aforementioned obligations are updated at the end of each year, or whenever an event occurs that requires their revision.

iv) Obligations with cash outflows are recognized in the Financial Statements, updated by contractual charges and monetary variations, when applicable. As of December 31, 2023, the liabilities previously classified under Borrowings and Financing for FIBRA and CAJUBI were reclassified to Post-employment Benefits (Notes 3.h, 14, and 19.1).

4. EFFECTS OF EXCHANGE-RATE CHANGES ON THE FINANCIAL STATEMENTS

The Entity's operations, carried out in various currencies, primarily in Brazilian reais and Paraguayan guaranis, are accounted for using the United States dollar as the reference currency.

The effects of changes in the purchasing power of these currencies are reflected in the Financial Statements, in accordance with the conversion criteria described in Note 3.a, to the extent of their variation relative to the United States dollar exchange rate.

Exchange rates per United States dollar

Closing rate	Brazil		Paraguay	
	Rate in Reais (R\$)	Change in the year - %	Rate in Guaranis (Gs)	Change in the year - %
12/2023	4.8413	(7.2)	7,283.62	(0.8)
12/2024	6.1923	27.9	7,843.41	7.7

The amounts recorded in United States dollars remain stated at historical cost.

5. CASH AND CASH EQUIVALENTS

They include bank and cash balances held in Brazilian reais and Paraguayan guaranis, their equivalents in United States dollars, as well as those held in that currency in banks located in Paraguay.

	<u>2024</u>	<u>2023</u>
Cash and Bank checking accounts	15	96
Financial investments		
In Brazil	906,859	625,165
In Paraguay	90,576	56,897
	<u>997,435</u>	<u>682,062</u>
TOTAL	<u>997,450</u>	<u>682,158</u>

Financial investments are made exclusively in fixed-income assets, in low-risk exposure modalities, with the objective of maximizing returns on available funds over time and mitigating liquidity risks (in the case of private financial institutions), in accordance with internal rules and procedures.

Further information on the maturity and profitability of financial assets is available in Note 27.

6. TRADE RECEIVABLES

As defined in Article XIII of the Treaty, the High Contracting Parties undertake to purchase, jointly or separately, in the manner they agree upon, the total installed capacity.

According to Article II.4 of Attachment C, each entity has the right to use the energy that can be produced by the capacity it has contracted, up to the limit to be set by ITAIPU for each operating period. It is understood that each entity may use the contracted capacity at its convenience during each operating period, provided that the energy used in all such periods does not exceed the aforementioned limit.

ITAIPU issues its revenue invoices based on the terms established in agreements for contracting electricity services, known as the “Carta Compromisso” (for ENBPar) and the “Carta Convênio” (for ANDE).

Invoices are due respectively: on the 20th of the second month following supply, on the 30th of the second month following supply, and on the 10th of the third month following supply, except for invoices related to remuneration for the transfer of energy, which are due 45 days after supply.

They also include provisions for dollar adjustment on amounts receivable for royalties and reimbursement of administrative and supervisory charges, related to energy exceeding the linked amount associated with the contracted capacity and remuneration for the transfer of energy (see Attachment I - Notes to the Statement of the Operating Account), corresponding to the current fiscal year and part of the previous one, which are invoiced in 12 installments, due from March of the year following the generation.

Invoices are issued in United States dollars and collected in Brazilian reais or Paraguayan guaranis, according to the selling (closing) exchange rates published by the Central Banks of Brazil and Paraguay, respectively, on the day prior to collection.

The nominal value of the Unit Cost of the Electricity Service (Tariff) for ITAIPU for fiscal years 2024, 2025, and 2026, of USD 19.28/kW per month, was approved through Resolution of the Board of Directors - RCA 016/2024, dated May 9, 2024.

Balances of invoices pending payment at the end of the reporting period:

	2024	2023
Empresa Brasileira de Participações em Energia Nuclear e Binacional - ENBPar	582,507	675,840
Administración Nacional de Electricidad - ANDE	370,728	221,104
(-)Provision for credits	(18,460)	(18,460)
TOTAL	934,775	878,484

Composition of Accounts Receivable from Customers by due date:

	2024		2023	
	ENBPAR	ANDE	ENBPAR	ANDE
<u>Due</u>	564,047	167,875	657,380	135,309
<u>Past Due:</u>				
Up to 30 days	-	53,248	-	41,910
From 31 to 60 days	-	45,959	-	38,207
From 61 to 90 days	-	41,275	-	5,678
Over 90 days	18,460	62,371	18,460	-
(-) Provision for Credits (a)	(18,460)	-	(18,460)	-
	-	202,853	-	85,795
TOTAL	564,047	370,728	657,380	221,104

- (a) During the 2021 fiscal year, invoice CT-00081/2021 was issued in the amount of US\$ 18,460, corresponding to late payment charges from Eletrobras, with the information that "the payment method will be defined binationally." As stipulated in the contract, efforts were made to regularize the situation by charging the late payment fees owed by Eletrobras, resulting from a capital payment made after its due date. In this regard, there was a disagreement as Eletrobras did not agree with the application of late payment charges and contractual interest on this invoice. This obligation was transferred to ENBPar in accordance with official communications regarding the succession of Eletrobras by ENBPar. As stated above, as of December 31, 2024, the provision for estimated losses remains accounted for in the total amount of invoice CT-00081/2021, related to late payment charges, amounting to US\$ 18,460.

On the overdue amounts, late payment charges of 0.5% per month apply during the first fifteen days of delay, and 1% per month applies starting from the sixteenth day of delay.

7. BONDS RECEIVABLE

	2024	2023
Security deposits CT-80/92 (i)	-	234,193
Other	2,513	2,181
TOTAL	2,513	236,374
Current	59	234,256
Non-current	2,454	2,118

Include mainly receivables linked to obligations with third parties, such as:

(i) Security deposits CT-80/92

Cash collateral, linked to the loan agreement with the Brazilian National Treasury, contract CT-80/92 (Note 14), which constitutes the Entity's right, in an amount equivalent to the principal of the "Par-Bond" and "Discount-Bond" bonds, updated monetarily by the adjustment index provided for in the medium and long-term debt contract (DMLP), disclosed semi-annually, in June and December of each year, by the Brazilian National Treasury Secretariat (STN). For the remaining months, the update is made based on the last index disclosed. The collateral redemption occurred in April 2024.

8. ASSETS HELD FOR SALE

On June 30, 2023, the Board of Directors of ITAIPU, through the Board Resolution RCA-016/2023, approved the modification of the criteria for the decommissioning of assets related to residential properties located in the "A" and "B" Housing Complexes of ITAIPU, in Foz do Iguaçu, Paraná, Brazil. At that time, the sale of 905 (nine hundred and five) residential properties was determined. Until then, decommissioning of residential properties through sale had been determined in a limited manner, through periodic and individual decisions for specific units, via auction.

In this regard, in compliance with applicable accounting standards, ITAIPU reclassified the equivalent value of such assets from Property, Plant, and Equipment to the subgroup "Assets Held for Sale" and maintains control over these assets for accurate representation in the Financial Statements. The transfer of the amount from Property, Plant, and Equipment to Assets Held for Sale was made at historical cost, as this was lower than its fair value, net of selling expenses.

In accordance with accounting standards CPC 31/IFRS 5, properties that, as of September 30, 2024, no longer presented a high probability of being sold within 12 months or had not been subject to public auction announcements, were reclassified to the group of assets called "Investment Property" (Note 12).

Assets Held for Sale are presented at their historical cost, i.e., the cost incurred in their acquisition or the expenses directly related to making the assets available for use, as this presented a lower value compared to their fair value, according to the internal appraisal report (Note 13).

These values are controlled and monitored monthly, with write-offs occurring upon formal transfer of property of the assets.

	2023	Additions	Write-offs	Transfers	2024
Residential properties - Housing Complex A	44,285	-	(2,087)	(40,931)	1,267
Residential properties - Housing Complex B	163	-	-	(163)	-
TOTAL	44,448	-	(2,087)	(41,094)	1,267

9. OTHER ASSETS

	<u>2024</u>	<u>2023</u>
Advances to suppliers (i)	5,357	10,152
Advances to employees (ii)	333	540
Taxes recoverable	2,158	-
Inventory (iii)	6,831	6,219
Other assets	890	1,208
TOTAL	<u>15,569</u>	<u>18,119</u>

- (i) Refers to advances made to suppliers of consumable materials and service providers, which will be written off upon delivery of the goods or the effective provision of services.
- (ii) Advances of 13th salary, vacation pay, and others, in accordance with current legislation and the Collective Labor Agreement (ACT/CCCT).
- (iii) Comprises the amounts of consumable materials kept in stock to promptly meet business needs. These are stated at average acquisition cost. The movement of consumable materials occurs through acquisition, transfers between warehouses, and withdrawal for respective use.

10. JUDICIAL DEPOSITS

These refer to amounts related to court deposits, guarantee deposits, and certificates of bank deposit (CDB) in Brazil, as well as judicial embargoes in Paraguay, associated with labor, tax, civil, and commercial lawsuits in which ITAIPU is a party.

	<u>2024</u>	<u>2023</u>
Brazil	18,786	23,071
Paraguay	2,133	2,297
TOTAL	<u>20,919</u>	<u>25,368</u>

In Brazil, judicial deposits related to labor claims are updated based on the FGTS correction factor, while those related to tax, civil, and commercial matters are updated based on the National Consumer Price Index (INPC). Certificates of bank deposit (CDB) are excluded from this, as they are adjusted according to the terms agreed upon at the time of acquisition.

11. RESULTS

This includes ITAIPU's results extracted from the Income Statement for each fiscal year, accumulated up to December 31, 2024 and 2023, as shown below.

	<u>2024</u>	<u>2023</u>
Prior-year results	(15,418,645)	(15,284,971)
Result for the current year	(442,992)	(133,674)
TOTAL	<u>(15,861,637)</u>	<u>(15,418,645)</u>

Results should not be used for the purposes of determining the return on own capital, profit sharing, or formation of reserves (Note 2, items ii e vi).

The closing balance of Results approximates the total property, plant and equipment and intangible assets of the Entity, minus the amount of Capital and long-term provisions, since: a) as defined in Attachment "C", the amortization of borrowings and financing is an integral part of the Cost of Electricity Service; b) the depreciation of property, plant and equipment and amortization of intangible assets are not charged (Note 2, item i); and c) long-term obligations are estimated based on terms and amounts using assumptions, projections, statistical criteria and the judgment of qualified professionals. These are reassessed and/or updated, in accordance with the current benefit plan and respective accounting standards, at least annually. Although these provisions are charged to results for the year and, consequently, affect Accumulated Results, they are not part of the Cost of Electricity Service as there are uncertainties as to the amounts of disbursement required for their settlement and as the Cost of Electricity Service is comprised of annual installments.

12. INVESTMENT PROPERTY

In September 2024, residential and non-residential properties located in both Brazil and Paraguay, which are held by ITAIPU but not used for operational purposes and do not have a probable sale date, were reclassified to the “Investment Property” group (in accordance with CPC 28/IAS 40). These properties were previously classified as Assets Held for Sale (Note 8) and Property, Plant and Equipment (Note 13).

Assets classified as Investment Property were measured at historical cost. This method is adopted as ITAIPU does not have a policy of recording depreciation or applying procedures for the identification, measurement, and recognition of impairment losses for these assets.

	<u>2023</u>	<u>Additions</u>	<u>Write-offs</u>	<u>2024</u>
Residential Properties - BR	-	44,422	-	44,422
Residential Properties - PY	-	80,209	-	80,209
Non-residential Properties	-	98	-	98
TOTAL	<u>-</u>	<u>124,729</u>	<u>-</u>	<u>124,729</u>

As of December 31, 2024, investment properties total approximately 2,250 units, with a fair value of US\$ 181,480. For the fair value measurement of the properties, a valuation report prepared by independent appraisers was considered. In cases where properties were not directly appraised, comparative estimation techniques were applied based on properties of similar standards located in equivalent neighborhoods, weighted by the total land area.

13. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The items that make up property, plant and equipment mainly refer to the infrastructure required for power generation, auxiliary works, adjacent areas, administrative headquarters, and movable fixed assets. Intangible assets comprise expenditures related to the acquisition of intangible assets intended for the operation, maintenance, and administration of ITAIPU, primarily software and other usage rights. The balances and movements of these groups are presented below.

	2023	Acquisitions	Write-offs	Transfers	Others	2024
13. PROPERTY, PLANT AND EQUIPMENT						
13.1. Property, plant and equipment in service						
Assets and facilities for production	16,500,948	-	(9)	14,837	-	16,515,776
Other assets and facilities	725,417	45	(1,647)	(136,673)	44,342	631,484
Movable property	125,546	4,370	(3,096)	341	943	128,104
Total property, plant and equipment in service	17,351,911	4,415	(4,752)	(121,495)	45,285	17,275,364
13.2. Construction in progress						
Sundry property, plant and equipment	209,596	58,707	(8,295)	(4,605)	(1)	255,402
Finance charges	3,754	-	-	-	-	3,754
Technical reserve	54,752	2,230	(3,381)	-	-	53,601
Total construction in progress	268,102	60,937	(11,676)	(4,605)	(1)	312,757
TOTAL PROPERTY, PLANT AND EQUIPMENT	17,620,013	65,352	(16,428)	(126,100)	45,284	17,588,121
13.3. INTANGIBLE ASSETS						
Right of use of easements strip	71	-	-	-	-	71
Software	27,892	1,177	-	104	-	29,173
TOTAL INTANGIBLE ASSETS	27,963	1,177	-	104	-	29,244
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	17,647,976	66,529	(16,428)	(125,996)	45,284	17,617,365

Both property, plant, and equipment and intangible assets are presented at their historical cost, meaning the cost incurred in their acquisition or formed by the expenses directly related to making the assets available for use. This method is adopted because ITAIPU does not have a policy for recording depreciation of property, plant, and equipment, amortization of intangible assets, and the application of procedures for identifying, measuring, and recording impairment losses for these assets. This is because its revenue is calculated based on the liabilities' charges and also because these expenses are not part of the Cost of Electricity Service, as defined in Attachment "C" to the Itaipu Treaty (Notes 3.g and 11).

Property, plant, and equipment in use, which represents 98.2% of the total value of property, plant, and equipment as of December 31, 2024, and 98.5% as of December 31, 2023, represents the portion of assets that have already been completed and are ready for the intended use by management.

Property, plant, and equipment under construction refers to amounts already incurred for assets that are not yet ready for the intended use, and these will be transferred to property, plant, and equipment in use after the respective physical-accounting reconciliation process of each asset unit. Miscellaneous property, plant, and equipment, which represents 1.5% of the total property, plant, and equipment as of December 31, 2024, and 1.2% as of December 31, 2023, refers to investments in new facility works and equipment replacement. These investments are distributed across various assets, with no concentration of values within any single property, plant, and equipment item.

Within the miscellaneous property, plant, and equipment, there is the amount invested in the Technological Update of ITAIPU Binacional (PAT) (see Note 1).

The technical reserve comprises amounts related to the stock of replacement materials to be directly used in property, plant, and equipment.

The write-off of property, plant, and equipment mainly refers to donations of movable assets for public and social purposes and actual write-offs from the sale of properties in the housing complexes.

Transfers are accounting procedures that correspond to movements of balances/values, mainly from property, plant, and equipment under construction to property, plant, and equipment in use, and, in other cases, reclassifications of values between groups of property, plant, and equipment, intangible assets, assets held for sale (Note 8), and investment property (Note 12), with the latter being responsible for the most significant transfer of values from property, plant, and equipment in use.

Other movements refer to the net effect of the entries for provisional write-offs of ongoing asset disposals, exchange rate variations, other adjustments, and, until the second quarter of 2024, movements to the assets held for sale group (Note 8).

14. BORROWINGS AND FINANCING

Borrowings and financing in US dollars and other currencies, as shown in the table below, are duly adjusted and increased by interest and other finance charges, in accordance with the contractual conditions.

	Currency (3)	Rate interest Annual	Value Contract Total	Debt				Amortization period		
				12/31/2024		12/31/2023		Beginning	End	Installment
				Current	Non-current	Current	Non-current			
I - BRAZILIAN NATIONAL TREASURY / BNDES										
CT-80/92										
External Debt Restructuring (DMLP)	US\$	(1)(2)	918.235	-	-	246.609	-	1997	2024	Semiannual
				-	-	246.609	-			
TOTAL BORROWINGS AND FINANCING				-	-	246.609	-			

(1) Interest Rate
Six month Libor + Spread, 6,00

(2) In addition to the
interest rate, the contract
sets forth the payment of
commission rate.

(3) Abbreviations:
US\$ - US Dollars

As established in the Itaipu Treaty, the funds required for the studies, construction, and operation of the power plant and the auxiliary works and facilities were provided by the High Contracting Parties or obtained by ITAIPU through credit operations.

The High Contracting Parties, jointly or separately, directly or indirectly, in the manner they agreed upon, granted ITAIPU, upon its request, guarantees for the credit operations it carried out.

According to the debt repayment schedule arising from the construction of the plant and related commitments, the outstanding balance was amortized in February 2023, settling Contracts ECF - 1480/1997, ECF - 1627/1997, ECF - 1628/1997, CT 808/BNDES, and CT 7218/2003. The utilization of the guarantees contracted by ITAIPU in 1992, linked to the loan agreement with the National Treasury of Brazil (contract CT-80/92), was scheduled for April 2024. The redemption of the guarantee deposits (Note 7) took place in April 2024.

The following amounts related to interest and principal commitments falling due were settled as part of the debt service:

Financing entities	2024	2023
Eletrobras		
Principal	-	16,105
Charges	-	104
	-	16,209
Brazilian National Treasury Credit Assignment of Eletrobras		
Principal	-	212,464
Charges	-	1,816
	-	214,280
Brazilian National Treasury Foreign debt restructuring		
Principal - guarantee compensation	234,193	-
Principal - disbursement	9,176	-
Charges	8,227	14,827
	251,596	14,827
Total		
Principal	243,369	228,569
Charges	8,227	16,747
	251,596	245,316

There are no overdue debt installments, nor are there any covenants linked to the Entity's accounting results or that may establish new obligations with an impact on the amounts recognized under Liabilities.

15. REMUNERATION AND REIMBURSEMENTS

These comprise the commitments owed to the High Contracting Parties (the Federative Republic of Brazil and the Republic of Paraguay), as well as to the Parties (ENBPar and ANDE), as provided for in the Itaipu Treaty, its Attachments, and the corresponding Reversal Notes.

	2024			2023		
	Principal	US Dollar adjustment	Total	Principal	US Dollar adjustment	Total
Paraguayan Government						
Royalties (i)	17,384	177,894	195,278	21,272	206,445	227,717
Remuneration for electricity assignment (ii)	13,924	129,794	143,718	19,839	193,064	212,903
Subtotal	31,308	307,688	338,996	41,111	399,509	440,620
Brazilian Government						
Royalties (i)	17,384	177,894	195,278	21,272	206,445	227,717
Subtotal	17,384	177,894	195,278	21,272	206,445	227,717
Administración Nacional de Electricidad - ANDE						
Reimbursement of Management and Supervision Charges (iii)	1,337	13,684	15,021	1,636	15,880	17,516
Yields from Capital (iv)	6,000	25,362	31,362	6,000	24,977	30,977
Subtotal	7,337	39,046	46,383	7,636	40,857	48,493
Empresa Brasil. Partic. Energia Nuclear e Binacional S.A. -ENBPar						
Reimbursement of Management and Supervision Charges (iii)	1,337	13,684	15,021	1,636	15,880	17,516
Yields from Capital (iv)	6,000	25,362	31,362	6,000	24,977	30,977
Subtotal	7,337	39,046	46,383	7,636	40,857	48,493
TOTAL	63,366	563,674	627,040	77,655	687,668	765,323

- (i) Royalties: Owed to the High Contracting Parties for the use of the Paraná River hydraulic resource.
- (ii) Remuneration for electricity assignment: Amount owed to the Paraguayan Government related to assignment of rights to part of energy.
- (iii) Reimbursement of management and supervision charges: Amount owed to the Parties as reimbursement for management and supervision charges related to ITAIPU.
- (iv) Yields from capital: Remuneration paid to the Parties on invested capital.

Remuneration and reimbursements are calculated in accordance with Attachment “C” to the Treaty and respective Reverse Notes (See Attachment I - Notes to Statement of Operating Account).

No amounts were overdue at December 31, 2024 and 2023.

Overdue amounts are subject to late payment charges of 0.5% per month during the first fifteen days of delay and 1% per month starting from the sixteenth day of delay.

Adjustment for the US Dollar denomination of royalties, reimbursement of management and supervision charges and remuneration for energy assignment are paid in 12 installments from March of the following year. Adjustment for the US Dollar denomination of yields from capital in the year, for ENBPar and ANDE, are paid in a single installment on the last business day of the month following the month in which the final calculation is made. These amounts are mandatorily offset against debts that ENBPar and ANDE have with ITAIPU, which can be paid in cash if available.

16. SUPPLIERS

These comprise obligations arising from the acquisition of goods or the contracting of services necessary for the operation of the enterprise and the development of socio-environmental actions.

Outstanding invoice balances at the end of the reporting period:

	2024				2023			
	Brazil	Paraguay	Foreign	Total	Brazil	Paraguay	Foreign	Total
Due	100,235	13,987	7	114,229	104,164	30,768	3,036	137,968
Past Due	556	914	14	1,484	2,222	4,160	17	6,399
Total	100,791	14,901	21	115,713	106,386	34,928	3,053	144,367

17. SALARIES AND SOCIAL CHARGES

	2024	2023
Provision for vacation and social security charges	35,435	37,750
Provision for profit sharing	25,859	28,407
Supplementary pension foundations	4,201	7,249
Payroll charges payable	5,792	6,722
Other	4,734	5,429
TOTAL	76,021	85,557

18. LABOR INDEMNITIES

	2024	2023
Permanent voluntary termination program (i)	56,206	66,837
Indemnity for length of service (ii)	181,069	187,536
TOTAL	237,275	254,373
Current	38,377	34,387
Non-current	198,898	219,986

They comprise the amounts related to severance payments to be made to employees upon termination of their employment with the Entity, provisioned in accordance with the provisions set forth in the respective Collective Labor Agreements, based on the Protocol on Labor and Social Security Relations, entered into between the Federative Republic of Brazil and the Government of the Republic of Paraguay, which establishes the legal rules applicable to Labor and Social Security Law for employees hired by ITAIPU, regardless of their nationality.

Indemnities were negotiated with the trade unions seeking to achieve an equilibrium among employees contracted in Brazil and in Paraguay in relation to termination indemnity systems conforming to their length of service.

(i) Permanent voluntary termination program (PPDV)

This is a program through which employees hired in Brazil may terminate their employment with ITAIPU by mutual agreement, receiving severance compensation in accordance with the provisions established in its regulations, approved by Executive Board Resolution RDE-183/2007, and the respective clause in the Collective Labor Agreements.

Employees with an employment relationship with ITAIPU of nine years or more may participate in the program by adhering to it and resigning from the Entity by mutual agreement, subject to the specific conditions set forth in the program's regulations.

The payments under the program include the legally required amounts defined by Brazilian labor legislation, plus a supplementary amount calculated based on the number of years of employment with ITAIPU.

The legal severance payments are due to all employees hired in Brazil, regardless of their length of service with the Entity. However, only the amounts related to employees eligible to join the program are included in the corresponding accounting provisions.

(ii) Indemnity for length of service

Indemnity provided for in Collective Bargaining Agreements entered into by ITAIPU and the trade unions representing employees contracted in Paraguay, based on Protocol on Labor Relations and Social Security and on Article 97 of the Paraguayan Labor Code, which will be paid to an employee leaving the Entity, other than in cases of just cause for termination, in conformity with this rule:

- a) for an employee whose work contract is less than nine years, indemnity will be calculated based on the month with the highest remuneration received, per year of service or per annum, and fraction equal to or higher than six months;
- b) After nine years of service, the employee is entitled to double the severance amount described in the previous paragraph.

The provision covers the total estimated amounts for indemnities, as per items "a" and "b". Paraguayan labor legislation does not provide an equivalent to the Brazilian Government Severance Indemnity Fund for Employees (FGTS).

19. POST-EMPLOYMENT BENEFITS

ITAIPU, as a sponsor, offers employees a retirement and pension program, which is administered in Brazil, by Fundação ITAIPU BR de Previdência e Assistência Social - FIBRA and in Paraguay, by Caja Paraguaya de Jubilaciones y Pensiones del personal de la ITAIPU Binacional - CAJUBI .

Until December 31, 2023, both the FIBRA and CAJUBI pension plans had "Defined Benefit (DB)" characteristics, where contributions were made by both the sponsor and participants.

On January 1, 2024, the "Settled DB" plans and the new "Defined Contribution (DC)" plan came into effect in Paraguay, managed by CAJUBI , and on March 1, 2024, the "Settled DB" plans and the new "Defined Contribution (DC)" plan came into effect in Brazil, managed by FIBRA .

The administrative cost of the plans is the responsibility of the sponsor, ITAIPU, which pays a specific contribution to both Entities, according to the criteria defined in the regulations.

In addition to the retirement and pension program, ITAIPU offers a healthcare assistance program to its employees and dependents, extending it to retirees and pensioners, including dependents, from FIBRA and CAJUBI .

ITAIPU recognizes the liability related to post-employment benefits for the healthcare and retirement and pension programs. For this, it hires qualified actuaries who prepare reports based on accounting standard CPC 33/IAS 19 for both programs.

	2024			2023		
	Current	Non- current	Total	Current	Non-current	Total
19.1 Payment Flow Obligations	71,030	275,597	346,627	12,716	152,398	165,114
19.2 Estimated Obligations	-	2,200,242	2,200,242	30,269	2,148,410	2,178,679
TOTAL	71,030	2,475,839	2,546,869	42,985	2,300,808	2,343,793

19.1 PAYMENT FLOW OBLIGATIONS

The payment flow liabilities between ITAIPU and the pension foundations (FIBRA and CAJUBI) include contracts recognizing debts related to the difference in mathematical reserves due to updates in actuarial assumptions regarding participants' service time, and salary table adjustments above inflation, both in Brazil and Paraguay (CT-56/18 and CT-257/18). These also include contracts recognizing sponsor debts to settle the "Defined Benefit (DB)" plan of FIBRA and CAJUBI (contract JD-JE/0063-23 for FIBRA, settlement contract for DB plan CAJUBI), and deficit coverage contract for DB plan CAJUBI).

The table below shows the debt contracts according to their contractual conditions. No overdue debt installments were recorded during the periods presented.

	Currency	Annual Finance Charges	SPONSOR CONTRIBUTIONS			2023		
			Short-Term	Long-Term	Total	Short-Term	Long-Term	Total
FIBRA - Fundação ITAIPU BR de Previdência e Assistência Social								
Contract CT-56/18	R\$	5.76% + IPCA	5,173	57,761	62,934	6,256	80,496	86,752
Contract Settlement JD-JE/0063/23	R\$	IPCA	3,492	67,806	71,298	-	-	-
			<u>8,665</u>	<u>125,567</u>	<u>134,232</u>	<u>6,256</u>	<u>80,496</u>	<u>86,752</u>
CAJUBI - Caja Paraguaya de Jubilaciones y Pensiones del Personal de la ITAIPU Binacional								
Contract CT-257/18	Gs.	5.51% + IPC	6,329	60,441	66,770	6,460	71,902	78,362
Settlement Contract DB Plan	Gs.	IPC	4,536	89,589	94,125	-	-	-
Deficit Contract DB Plan	Gs.	(1)	51,500	-	51,500	-	-	-
			<u>62,365</u>	<u>150,030</u>	<u>212,395</u>	<u>6,460</u>	<u>71,902</u>	<u>78,362</u>
TOTAL			<u>71,030</u>	<u>275,597</u>	<u>346,627</u>	<u>12,716</u>	<u>152,398</u>	<u>165,114</u>

(1) Annual update based on the actuarial evaluation of each year, containing the monthly financial flow required to meet the obligations of the Settled Plan.

The following amounts related to interest and amortization commitments, concerning debt contracts due in each period, have been settled:

Financiadores	2024	2023
FIBRA		
Principal	7,412	6,419
Charges	14,285	9,009
	21,697	15,428
CAJUBI		
Principal	33,389	6,103
Charges	14,728	6,973
	48,117	13,076
Total		
Principal	40,801	12,522
Charges	29,013	15,982
	69,814	28,504

19.2 ESTIMATED OBLIGATIONS

The net liabilities recorded in ITAIPU's Financial Statements, related to post-employment benefits, are as follows:

	BRAZIL		PARAGUAY		TOTAL	
	2024	2023	2024	2023	2024	2023
Obligations recorded in the balance sheet						
BD pension plan benefits (a)	-	4,225	1,186,861	966,792	1,186,861	971,017
CD pension plan benefits - Risk Funds (a ¹)	2,893	-	-	-	2,893	-
Health plan benefits(b)	339,991	456,946	670,497	537,081	1,010,488	994,027
Cost for settlement of BD plan	-	97,208	-	116,427	-	213,635
TOTAL	342,884	558,379	1,857,538	1,620,300	2,200,242	2,178,679
Current	-	-	-	30,269	-	30,269
Non - Current	342,884	558,379	1,857,358	1,590,031	2,200,242	2,148,410

	BRAZIL		PARAGUAY		TOTAL	
	2024	2023	2024	2023	2024	2023
Provisions recognized in the statement of income for the years						
BD plan benefits	3,303	(4,225)	(365,027)	134,499	(361,724)	130,274
CD plan benefits	(2,893)	-	-	-	(2,893)	-
Health plan benefits	17,262	(43,287)	(171,747)	(25,866)	(154,485)	(69,153)
Cost for settlement of BD plan	3,378	(85,376)	11,916	(121,747)	15,294	(207,123)
TOTAL	21,050	(132,888)	(524,858)	(13,114)	(503,808)	(146,002)

a) Pension plans

The post-employment benefit liability related to the pension plans administered by FIBRA and CAJUBI is updated annually based on the respective actuarial reports.

In December 2024, pursuant to the debt acknowledgment agreement with CAJUBI, regarding the actuarial deficit of the BD plan, the payment schedule for the year 2025 was approved. Therefore, part of the amount presented in the actuarial report is included in the payment schedule detailed in item 19.1. For the following years, the accounting provision continues to be recognized.

For the Settled BD Plan, administered by FIBRA, the sponsors will assume responsibility for covering any current or future deficits related to the Participants, as determined by the Executive Board and the Board of Directors of ITAIPU Binacional, in accordance with Article 74 of the Regulations of the FIBRA Settled Benefit Plan, Annex to RCA-019/2023.

For the Settled BD Plan, administered by CAJUBI, the sponsor and affiliates will be responsible, whenever future imbalances occur, for restoring the economic, financial, and actuarial balance of the Plan, considering, for the purposes of deficit funding or plan review in the event of a surplus, the definitions of the Executive Board and Board of Directors of ITAIPU Binacional, in accordance with Article 52 of the Regulations of the CAJUBI Settled Benefit Plan, Annex to RCA 018-018/2023.

(a¹) For the CD plans administered by FIBRA and CAJUBI, the sponsor shall make supplementary contributions to two Funds: the Longevity Risk Benefit Fund, intended to finance longevity risk benefits, and the Disability and Death in Service Risk Benefit Fund, intended to finance disability and death-in-service risk benefits, as provided for in the plan regulations. Additionally, for CAJUBI, the sponsor will make supplementary contributions to the Funeral Assistance and Incarceration Assistance Fund, intended to cover benefits related to these risks.

**STATEMENT OF ACTUARIAL SURPLUS (DEFICIT) OF DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLANS
SPONSORED BY ITAIPU BINACIONAL**

DESCRIPTION	FIBRA		CAJUBI	
	2024	2023	2024	2023
DB PLAN				
Fair value of DB plan assets	784,137	1,131,958	221,904	233,663
Present value of DB plan obligations	(885,319)	(1,222,935)	(1,621,160)	(1,395,244)
Actuarial deficit	(101,182)	(90,977)	(1,399,256)	(1,161,581)
Loans and debt agreements (*)	62,934	86,752	66,770	78,362
Cost of settlement of DB plan (*)	71,299	-	94,125	116,427
Net actuarial surplus / (deficit)	33,051	(4,225)	(1,238,361)	(966,792)
DC PLAN				
Fair value of DC plan assets - Risk Funds	1,520	-	3,566	-
Present value of DC plan obligations - Risk Fund	(4,413)	-	(3,418)	-
Actuarial deficit / surplus	(2,893)	-	148	-

(*) The actuarial provisions are accounted for excluding the obligations already recognized by ITAIPU in its Financial Statements, as debt contracts and DB plan settlement costs with FIBRA and CAJUBI. Details of these contracts are available in Note 19.1.

b) Health plan

The actuarial liabilities related to the health care plan are fully recognized in ITAIPU liabilities as there are no assets segregated in the plan. At the end of each year, these amounts are adjusted based on actuarial opinions.

**STATEMENT OF THE ACTUARIAL VALUATION OF THE OBLIGATIONS
FOR THE HEALTH PLAN SPONSORED BY ITAIPU BINACIONAL**

DESCRIPTION	BRAZIL		PARAGUAY	
	2024	2023	2024	2023
Fair value of plan assets	-	-	-	-
Present value of the obligations				
Rights due	271,359	353,734	529,398	449,498
Rights falling due	68,632	103,212	141,099	87,583
	339,991	456,946	670,497	537,081
Unrecognized gains (losses)	-	-	-	-
Recorded actuarial liability	339,991	456,946	670,497	537,081

Assessments of post-employment benefits are made annually based on the following assumptions:

	BRAZIL				PARAGUAY			
	DB Plan		DC Plan		DB Plan		DC Plan	
	2024	2023	2024	2023	2024	2023	2024	2023
<u>GENERAL DATA</u>								
Active participants (*)	1,283	1,317	1,305	-	1,382	1,636	1,598	-
Retired participants	1,699	1,697	8	-	1,782	1,796	21	-
Pensioners	347	332	1	-	524	498	1	-

(*) The active participants are common to both plans.

	BRAZIL		PARAGUAY	
	2024	2023	2024	2023
<u>ECONOMIC ASSUMPTIONS</u>				
Common to both Plans				
Inflation	3.68%	3.68%	3.50%	4.00%
Benefits capacity factor	98.01%	98.01%	-	-
Health plan				
Real discount rate (p.a.)	7.30%	5.48%	4.38%	5.23%
Aging factor (p.a.)	2.00%	2.40%	-	-
Real cost growth rate (p.a.)	2.30%	2.00%	2.00%	2.00%
Db Plan				
Real discount rate (p.a.)	7.31%	5.48%	4.38%	5.23%
Real wage growth rate (p.a.)	-	3.12%	-	3.50%
DC Plan				
Real discount rate (p.a.) - Risk of Disability and Death	7.73%	-	4.38%	-
Real discount rate (p.a.) - Longevity Risk	5.33%	-	4.38%	-
Real discount rate (p.a.) - Funeral Assistance Risk and Incarceration Assistance	-	-	4.38%	-
Real wage growth rate (p.a.)	3.12%	-	3.50%	-
<u>ACTUARIAL ASSUMPTIONS</u>				
General mortality table	AT-2012 (75% Male 25% Female)	AT-2012 (75% Male 25% Female)	AT-2000 at 90%	AT-2000 at 90%
Mortality table of individuals with permanent disability	AT-1983 at 90%	AT-1983 at 90%	AT-1983 Male	AT-1983 Male
Table of new disability benefit vested	Light Weak at 80%	Light Weak at 80%	Light Weak	Light Weak
Turnover table	-	0.09%	-	0.50%

Hypothetical changes in actuarial assumptions, such as discount rates, with all other variables held constant, would affect the obligations for post-employment benefits as below:

	Liability amount 2024		Impact	
	Discount rate used		Projected scenarios	
			0.5% increase	0.5% decrease
BD Plan Brazil	7.31%	33,051	45,445	(50,092)
Health plan Brazil	7.30%	(339,991)	18,062	(20,625)
BD Plan Paraguay	4.38%	(1,238,361)	109,617	(123,580)
Health plan Paraguay	4.38%	(670,497)	46,955	(53,081)

20. PROVISION FOR LAWSUITS

ITAIPU is a party to lawsuits and administrative proceedings related to tax, civil, commercial, labor and environmental matters.

The cases in which ITAIPU is a party, whether as plaintiff or defendant, are classified based on the risk of loss, and have the following accounting treatment:

- i) When there is a probable risk of loss, a provision is recorded;
- ii) When there is a possible risk of loss, no provision is recorded, but disclosures are provided; and
- iii) When there is a remote risk of loss, no provision is recorded nor disclosures provided.

The accounting provisions related to legal or administrative proceedings are constituted by periodically updated amounts, as presented in the table below, to represent the best estimate of future disbursements, based on reports issued by the Entity's legal departments. However, it is important to note that it is not possible to specify the exact timing of payments related to legal or administrative proceedings as of the preparation date of the Financial Statements, as they are contingent on the execution of ongoing proceedings in various judicial or administrative spheres.

	2024			2023		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Current						
Tax	4,277	-	4,277	4,935	-	4,935
Civil	11	49	60	31	-	31
Commercial	-	16	16	(3)	70	67
Labor	4,472	2,746	7,218	6,026	5,127	11,153
	8,760	2,811	11,571	10,989	5,197	16,186
Non-current						
Tax	3,230	-	3,230	3,727	-	3,727
Civil	106	-	106	93	-	93
Commercial	120,959	-	120,959	140,353	135	140,488
Labor	2,129	4,471	6,600	3,430	4,814	8,244
Environmental	88	-	88	-	-	-
	126,512	4,471	130,983	147,603	4,949	152,552
Total	135,272	7,282	142,554	158,592	10,146	168,738

In the table below, a summary of the movement of accounting balances related to legal proceedings is shown:

	Tax	Civil	Commercial	Labor	Enviromental	Total
Balance at 12/31/2023	8,662	124	140,555	19,397	-	168,738
Brazil						
(+) Additions	823	37	12,597	623	108	14,188
(-) Write-offs/reversals	-	(17)	(4)	(1,434)	-	(1,455)
Exchange rate change	(1,978)	(29)	(31,984)	(2,044)	(20)	(36,055)
Paraguay						
(+) Additions	-	51	3,603	788	-	4,442
(-) Write-offs/reversals	-	-	(3,660)	(2,798)	-	(6,458)
Exchange rate change	-	-	(132)	(714)	-	(846)
Balance at 12/31/2024	7,507	166	120,975	13,818	88	142,554

Lawsuits in Brazil and Paraguay classified as a possible risk of loss, for which no provision has been made, are as below:

	2024			2023		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Tax	1,948	-	1,948	2,259	-	2,259
Civil	14	354	368	44	381	425
Commercial	30,460	4,512	34,972	47,744	4,849	52,593
Labor	594	7,868	8,462	99	8,579	8,678
Environmental	-	117	117	80	126	206
Total	33,016	12,851	45,867	50,226	13,935	64,161

Regarding the nature of the legal proceedings in progress in Brazil and Paraguay, ITAIPU reports the following:

i) Tax lawsuits

In Brazil, out of the 15 (fifteen) tax-related actions, most of which originate from legal proceedings where ITAIPU is a party, either as plaintiff or defendant, the main cases involve fines due to the failure to collect social security contributions, directly related to payroll items or retention due to ancillary obligations in service contracts - labor outsourcing or contracting. In 2024, the changes in the provisioned amounts were due to the update of values and the write-off/reversal of amounts due to the closure of cases.

In Paraguay, there are no tax-related actions in progress.

ii) Civil lawsuits

In Brazil, out of the 164 (one hundred and sixty-four) civil actions (including administrative processes) where ITAIPU is a party (plaintiff or defendant), the main cases involve discussions on: benefits of ITAIPU's self-managed health plan, selection processes, FIBRA, fines imposed by the National Health Agency (ANS) regarding the management of PAMHO, indemnification/collection actions, and property and possession-related actions. In the 2024 fiscal year, the changes in the provisioned amounts were due to the update of values, reassessment of risks, and the write-off/reversal of amounts due to settlement or case closures. It is also worth noting the reduction in the number of claims, most of which are administrative processes, due to the exhaustion of discussions in the administrative sphere, although they remain active in the judicial sphere.

The 29 (twenty-nine) civil actions in progress in Paraguay correspond to claims for the recovery and reinstatement of properties owned by ITAIPU. It is worth mentioning that, in Paraguay, property damage and loss cases may be dealt with in both civil and commercial law.

iii) Commercial lawsuits

Out of the 76 (seventy-six) commercial actions in progress in Brazil where ITAIPU is a party (plaintiff or defendant), 9 (nine) are lawsuits filed by companies that had contractual relationships with ITAIPU during the construction of the plant, with an indemnification nature. The remaining actions involve claims arising from bidding processes, requests for economic-financial balance in contracts, actions due to contractual non-compliance (such as claims for late and compensatory fines), or claims for indemnification related to ITAIPU's image and its directors. In 2024, the changes in the provisioned amounts were due to the update of values, reassessment of risks, and the write-off/reversal of amounts.

Out of the 19 (nineteen) commercial actions in progress in Paraguay, most correspond to disputes between companies and contractors concerning claims for damages and losses due to contract breaches.

iv) Labor lawsuits

In Brazil, there are 356 (three hundred and fifty-six) labor-related actions where ITAIPU is a party (plaintiff or defendant). Most of these are filed by employees of contracted companies or those with some form of relationship with ITAIPU, typically requesting ITAIPU's subsidiary liability for the payment of salaries owed by the actual employer. There is also a significant number of labor claims filed by former employees of ITAIPU, with common requests for: salary reclassification, salary equality, intraday breaks, overtime pay, recognition of employment relationships for work performed through outsourcing companies, and impacts on permanent voluntary dismissal plans (PPDV) and annual bonuses. Out of the total, 6 (six) are collective actions filed by unions representing ITAIPU's employees. In 2024, the changes in the provisioned amounts were due to the update of values, reassessment of risks, and the write-off/reversal of amounts related to settlement or case closures. It is also worth noting the reduction in the number of claims, mostly due to the closure of judicial discussions and fulfillment of obligations.

Out of the 262 (two hundred and sixty-two) labor-related actions in progress in Paraguay, most involve claims for various salary-related issues, actions to annul dismissals, and reemployment claims filed by former employees of ITAIPU and, in some specific cases, retirees.

v) Environmental lawsuits

Out of the 82 (eighty-two) environmental actions in progress in Brazil where ITAIPU is a party (plaintiff or defendant), the main cases involve lawsuits against ITAIPU seeking indemnification and/or the imposition of obligations due to alleged damages caused by the

formation of ITAIPU's reservoir and its operation. There are also collective actions filed by fishermen's colonies claiming damages due to the lowering of the reservoir level during dry periods. Notably, there is a case filed by indigenous people seeking royalty payments and compensation for moral damages due to the impact of the reservoir formation on their community. In 2024, the changes in the provisioned amounts were due to the update of values.

Out of the 4 (four) environmental actions in progress in Paraguay, most refer to complaints and actions for alleged violations of national environmental laws, aimed at safeguarding ITAIPU's environmental assets, including the recovery of preservation areas that may be affected by third-party actions.

21. CAPITAL

Pursuant to the Treaty and Attachment "A" - Bylaws, the capital of ITAIPU is equivalent to US\$ 100,000, unchanged since August 13, 1973, the date of execution of the Instrument of Ratification of the Treaty, currently distributed equally between Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A - ENBPar and Administración Nacional de Electricidad - ANDE.

The transfer of capital from Eletrobras to ENBPar is supported by article II, subitem "d", of the Treaty of Itaipu, which establishes that the role originally attributed to Eletrobras can be fulfilled by a "legal entity that succeeds it".

22. OPERATING REVENUES

These comprise revenues arising from the provision of electricity services, which include: (i) the contracted power; (ii) royalties and reimbursement of management and supervision charges related to the energy other than that linked to the contracted power; and (iii) remuneration for electricity assignment.

- (i) Contracted power: this refers to the power that ITAIPU will make permanently available to the purchasing entity, during the time periods and under the conditions set forth in the respective electricity service purchase and sale agreements.

This power is billed based on the tariff, defined by ITAIPU as the unit cost of the electricity service, calculated in accordance with Attachment "C" to the Treaty, whose main premise is that the annual revenue from the provision of electricity services must equal, each year, the cost of the service established in this Attachment (see Attachment I - Notes to the Statement of the Operating Account).

The Unit Cost of the Electricity Service for the year 2024 was defined by the competent authorities on May 9, 2024, and for the year 2023 on April 17, 2023. Nevertheless, ITAIPU permanently made the contracted power available to the purchasing entities.

The associated energy linked to the contracted power refers to the monthly energy corresponding to the power contracted by each Purchasing Entity, as established by ITAIPU for each operation and billing period under the applicable contractual instruments.

- (ii) Royalties and reimbursement related to energy additional to the one tied to the contracted power: correspond to the costs related to the royalties and reimbursement of management and supervision charges (see Attachment I - Notes to the Statement of Operating Account) related to the energy other than that linked to the contracted power and to the energy generated by the power surplus to that contracted, billed to each purchasing entity, according to their respective consumption.
- (iii) Remuneration for electricity assignment: the energy produced by ITAIPU is divided into equal parts between the two countries, each having a right to acquire the energy not used by the other for own consumption.

The Party that consumes the energy assigned by the other Party will pay ITAIPU remuneration for electricity assignment (see Attachment I - Notes to the Statement of Operating Account), being fully transferred by ITAIPU to the Contracting State that assigned the energy.

Revenue from the billing of contracted power totaled US\$ 2,807,554 in 2024, corresponding to 145,620 MW of power, at a tariff of US\$ 19.28 per kW of monthly contracted power. In 2023, it totaled US\$ 2,433,310, corresponding to 145,620 MW of power, at a tariff of US\$ 16.71 per kW of monthly contracted power.

The energy delivered to the Purchasing Entities, as associated energy linked to the contracted power, amounted to 60.5 million MWh in fiscal year 2024, and 75.1 million MWh in fiscal year 2023.

The total energy supplied to the Purchasing Entities in the year 2024 was 66.7 million MWh, and 83.4 million MWh in 2023.

	2024			2023		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Contracted power	2,258,432	549,122	2,807,554	1,998,865	434,445	2,433,310
Remuneration for electricity assignment	161,024	-	161,024	273,336	-	273,336
Royalties and reimbursement for energy additional to the one tied to the contracted power	4,355	42,954	47,309	15,784	46,527	62,311
Total	2,423,811	592,076	3,015,887	2,287,985	480,972	2,768,957
Billed power - MW	117,139	28,481	145,620	119,621	25,999	145,620
Bound energy delivered - MWh	45,754,755	14,708,760	60,463,515	61,811,515	13,323,005	75,134,520
Energy supplied - MWh	46,329,470	20,383,091	66,712,561	63,920,431	19,514,671	83,435,102

23. OPERATING EXPENSES - REMUNERATION AND REIMBURSEMENTS

These include the remuneration and reimbursement as provided for in Attachment "C" to the Treaty and the Reverse Notes (see Note 15 and Attachment I - Notes to Statement of Operating Account), the amounts below were generated in 2023 and 2022, due to the High Contracting Parties: royalties and remuneration for energy assignment, as well as to the Parties (Eletrobras/ENBPar and ANDE): yields from capital and reimbursement of management and supervision charges.

	2024			2023		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Yields from capital						
Principal	(6,000)	(6,000)	(12,000)	(6,000)	(6,000)	(12,000)
US Dollar adjustment	(25,378)	(25,378)	(50,756)	(25,122)	(25,122)	(50,244)
Subtotal	(31,378)	(31,378)	(62,756)	(31,122)	(31,122)	(62,244)
Royalties						
Principal	(86,726)	(86,726)	(173,452)	(108,466)	(108,466)	(216,932)
US Dollar adjustment	(147,756)	(147,756)	(295,512)	(182,493)	(182,493)	(364,986)
Subtotal	(234,482)	(234,482)	(468,964)	(290,959)	(290,959)	(581,918)
Reimbursement of management and supervision charges						
Principal	(6,671)	(6,671)	(13,342)	(8,344)	(8,344)	(16,688)
US Dollar adjustment	(11,366)	(11,366)	(22,732)	(14,038)	(14,038)	(28,076)
Subtotal	(18,037)	(18,037)	(36,074)	(22,382)	(22,382)	(44,764)
Remuneration for electricity assignment						
Principal	-	(59,547)	(59,547)	-	(101,911)	(101,911)
US Dollar adjustment	-	(101,477)	(101,477)	-	(171,425)	(171,425)
Subtotal	-	(161,024)	(161,024)	-	(273,336)	(273,336)
Total	(283,897)	(444,921)	(728,818)	(344,463)	(617,799)	(962,262)

24. OPERATING EXPENSES - GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses comprise all costs attributable to the operational activities of the enterprise. They include all expenses related to operation, maintenance, and administration, as well as all expenditures on social and environmental programs.

Administrative Expenses

	2024	2023
Personnel		
Remuneration	(224,630)	(221,832)
Benefits	(149,922)	(157,766)
Provision / Reversal of Settlement Cost of Pension Plans (Note 19)	15,294	(207,123)
Social charges	(32,490)	(34,179)
Indemnities (Note 18)	(28,096)	(41,272)
(Formation) and reversal of provisions	18,378	(6,380)
	<u>(401,466)</u>	<u>(668,552)</u>
Materials		
Consumption materials	(18,504)	(29,980)
	<u>(18,504)</u>	<u>(29,980)</u>
Third-party services		
Maintenance services	(16,674)	(18,578)
Consultancy and audit	(2,890)	(3,682)
Insurance	(3,210)	(3,896)
Other third-party services	(51,606)	(58,413)
	<u>(74,380)</u>	<u>(84,569)</u>
Provisions - (Formation) / Reversals		
Related to pension and health plans (Note 19)	(519,103)	61,121
Related to lawsuits (Note 20)	(10,713)	(16,126)
	<u>(529,816)</u>	<u>44,995</u>
Other expenses		
Agreements - R&D+I / Plant Maintenance ^(a)	(100,595)	(8,088)
Other expenses	(27,241)	(20,126)
	<u>(127,836)</u>	<u>(28,214)</u>
TOTAL	<u><u>(1.152.002)</u></u>	<u><u>(766,320)</u></u>

^(a) These refer mainly to an agreement with Furnas Centrais Eléctricas S.A. for the joint development of the project entitled "Revitalization of the Furnas HVDC System Associated with the ITAIPU Hydroelectric Power Plant"; agreements with the Itaipu Technological Park Foundation - Brazil, aimed at developing applied research projects, technological solutions, and innovations in areas such as the Internet of Things (IoT), prevention and repression of cross-border crimes, and dam monitoring and inspection; and agreements with the Itaipu Technological Park Foundation - Paraguay, for the development of a digital substation technology laboratory, serving as a technical/scientific space for knowledge management and innovation.

Social and Environmental Expenses

In 2003, ITAIPU revised the company's mission, permanently incorporating social and environmental responsibility among its strategic objectives, in addition to the generation of electricity.

In alignment with its mission, ITAIPU may enter into agreements and partnerships with public entities and civil society organizations with the goal of amplifying the impact of its actions and contributing to sustainable development in both Brazil and Paraguay. These programs are aligned with the guidelines set forth in the reversal notes agreed upon between Brazil and Paraguay (the High Contracting Parties), which ITAIPU has adopted in accordance with mutually agreed government directives.

ITAIPU's social and environmental initiatives focus on environmental conservation, infrastructure improvements, public health, income generation, education, and the protection and respect for human rights.

	2024	2023
Support to ANDE ^(a)	117,761	248,055
Support to the Brazilian Electric System ^(b)	301,046	157,256
Support to Government Agencies - BR ^(c)	99,029	2,086
Border Health Program ^(d)	64,224	19,033
Social and Regional Sustainability	53,336	141,534
Support to Government Agencies - PY	39,278	7,548
Support for the Implementation of UNILA	35,504	6,800
Support to Education	25,622	19,780
Biodiversity: Our Heritage	23,687	29,194
Itaipu Technological Park - BR	23,081	2,472
Regional Pathways for All Seasons	20,942	3,097
Support for Infrastructure and Regional Devel	17,795	33,398
Other Expenses	50,641	251,507
TOTAL	871,946	921,760

^(a) In accordance with the resolutions of the Board of Directors RCA 018/2024, dated May 9, 2024, and RCA-004/2023, dated April 17, 2023, ITAIPU authorized the transfer of financial resources to ANDE, as assistance to the said entity, with the aim of mitigating the impacts on the Paraguayan Electric Sector.

^(b) Following the approval of ITAIPU's Electricity Service Unit Cost (Tariff) of US\$ 19.28/kW (nineteen United States dollars and twenty-eight cents per kilowatt) of monthly contracted power, the Board of Directors' Resolution - RCA-018/2024, dated May 9, 2024, authorized the transfer of funds to ENBPar, as assistance for the commercialization account of ITAIPU's electricity, with the aim of mitigating the impacts on the Brazilian Electric Sector. In 2023, similar transfers were made, authorized by the Board of Directors' Resolution - RCA-004/2023, dated April 17, 2023.

(^c) This program includes institutional support actions by the Entity to government bodies, with the most significant transfers during the period comprising agreements with the Government of Pará and the Municipality of Belém-PA, to support the activities of the Brazilian Government during its presidency of the G20, in support of the COP30 event. Among the agreed projects, we highlight the implementation of infrastructure works, solid waste management, environmental education, and innovation in Biotechnology.

(^d) This program includes actions to support basic public health, focused on providing care to the vulnerable and low-income population in the region of the Power Plant, in Brazil, and in the departments of Alto Paraná, Canindeyú, and Caaguazú, in Paraguay.

25. FINANCE RESULT

	2024	2023
Financial revenues		
Income from interest on bank deposits (Notes 5 e 27)	98,982	71,851
Monetary restatement of judicial deposits (Note 10)	2,933	1,268
Late payment charges on billings (Note 6)	10,748	9,241
Inflation adjustments (Note 25.1)	91,954	-
Other financial revenues	11	26
	204,628	82,386
Financial expenses		
Finance charges on borrowings and financing (Note 14)	(4,987)	(27,337)
Monetary restatement of judicial deposits (Note 10)	(78)	(2,902)
Inflation adjustments (Note 25.1)	-	(39,962)
Financial Charges on Actuarial Liabilities	(29,013)	-
	(34,078)	(70,201)
	170,550	12,185

25.1 FINANCE RESULT - INFLATION ADJUSTMENTS

The reference currency used to calculate the operations and presentation of ITAIPU's financial statements is the US Dollar (Note 3.a); thus, the economic and financial operations, carried out in other currencies, are translated into US Dollars based on the market closing rates.

The monetary variations resulting from exchange rate fluctuations on actuarial liabilities are accounted for in asset and liability accounts, according to the main transaction account, and in specific income statement accounts, as shown in the table below:

	<u>2024</u>	<u>2023</u>
Actuarial Liabilities		
CAJUBI	120,710	(3,219)
FIBRA	132,892	(10,572)
	<u>253,602</u>	<u>(13,791)</u>
Other exchange rate changes		
Current assets	(209,774)	37,645
Non-current assets	(6,027)	2,134
Current liabilities	7,486	(2,390)
Non-current liabilities	46,667	(63,560)
	<u>(161,648)</u>	<u>(26,171)</u>
	<u>91,954</u>	<u>(39,962)</u>

26. INSURANCE

Insurance for the main property, plant and equipment items in service is provided, as approved by ITAIPU's Board of Directors in 1992, which aims to guarantee the following coverages:

- a) Insurance for all goods installed in the Hydroelectric Power Plant, with the coverage type "All Risks" at an insured amount of US\$ 2,499,663.
- b) Operating civil liability insurance for the Hydroelectric Power Plant, at an insured amount of US\$ 20,000.

In addition to the coverages mentioned above, ITAIPU maintains the necessary insurance for covering other risks not directly linked to the operation of the Hydroelectric Power Plant. These are contracted according to the location of the risk and the market conditions of the country in which they are situated, such as: i) fire insurance for its administrative facilities; ii) civil liability and hull insurance for vehicles; iii) personal accident insurance for tourists visiting ITAIPU; iv) civil liability insurance for administrators; v) hull, civil liability, crew, and passenger insurance for aircraft; vi) group life insurance for its employees; and vii) civil liability insurance for the use of electric vehicle charging stations in ITAIPU Paraguay, as shown in the table below:

Description	Cover
i) Fire	US\$ 284,165
ii) Vehicles	Civil and hull liability - US\$ 194,582
iii) Personal Tourists Accident	Death, disability, medical and hospital expenses
iv) Management civil liability - D&O	US\$ 10,000
v) Aircraft	US\$ 5,705
vi) Group life	To the employee: 30 basic salaries, limited to 15 salaries at the highest level of the ITAIPU's salary scale. For the spouse: 50% of coverage, limited to 5 salaries at the highest level of the ITAIPU's salary scale.
vii) Civil liability for electric vehicle charging stations ITAIPU PY	Injuries and/or death and material damage to third-party property.

27. FINANCIAL RISK MANAGEMENT

1. Financial risk factors

The activities of ITAIPU Binacional expose it to some financial risks, which are managed by the financial area according to internally approved policies that comply with the Entity's founding Treaty and its respective Attachments.

a) Market Risk

Market risk is understood as the potential loss that can be caused by differences in market prices or movements of so-called risk factors, such as exchange rate risk and interest rate risk.

(i) Exchange Rate Risk

Exchange rate risk is defined as the potential loss arising from fluctuations in the exchange rate of a specific currency, taking into account the exposure in each currency.

ITAIPU has payment commitments for royalties, capital earnings, reimbursement of administration and supervision fees, as well as electricity service billing, all in U.S. dollars. On the other hand, receipts and disbursements are made in the currency of each country, guaranis for Paraguay and reais for Brazil, referenced in equivalent U.S. dollars (Note 3.a).

The management of this exchange rate risk is provided for in Attachment "C" to the Itaipu Treaty, which establishes that the annual revenue for the provision of electricity services should consider the cost of the service set forth in the same document. This cost is composed, among others, of the items mentioned in the previous paragraph, allowing the foreign currency exposure to be entirely offset by operational revenues, calculated based on an annual tariff per kW of contracted power in U.S. dollars.

(ii) Interest Rate Risk

The risk associated with the interest rate is the loss related to variations in the profitability of financial decisions made as a consequence of fluctuations in market interest rates.

taipu has some obligations, such as instruments recognizing pension liabilities adjusted by IPCA in Brazil and IPC in Paraguay, added to the actuarial discount rates of the benefit plans.

Financial investments are made only in fixed-income assets, in low-risk modalities, aiming to maximize, over time, the return on available funds and mitigate liquidity risks (when dealing with private financial institutions), according to internal standards and procedures.

b) Credit Risk

Credit risk can be understood as the uncertainty about future net inflows derived from the default of one party regarding its obligations. Credit exposure to clients ENBPar and ANDE is considered low risk due to the Itaipu Treaty. Both as of December 31, 2024, and December 31, 2023, there were outstanding financial obligations, as detailed in Note 6.

The financial institutions in which ITAIPU's funds are held are, preferably, the official institutions of both countries. Private financial institutions may be subject to approval by the Executive Board, upon a well-founded justification from the respective Financial Director, including, among other factors, credit risk analysis certified by a recognized rating agency, analysis of equity (compared to other financial institutions in the country), solvency, liquidity, as well as the range of products and services offered.

c) Liquidity risk

Liquidity risk is the likelihood that payment commitments cannot be fulfilled, or that, to meet them, resources must be obtained under unfavorable conditions.

The financial area is responsible for preparing and continuously monitoring cash flow forecasts to meet liquidity requirements and ensure that ITAIPU has sufficient cash to meet operational needs.

The cash surplus obtained during the period is allocated to short-term investments, prioritizing instruments with appropriate maturities and/or sufficient liquidity to meet financial commitments.

The undiscounted financial liabilities with remaining contractual maturities in the years 2024 and 2023 are detailed in the table below:

	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>Over 5 years</u>
At December 31, 2024				
Borrowings and financing	-	-	-	-
Actuarial Liabilities	97,931	97,131	273,885	908,084
Remuneration and reimbursements	627,040	-	-	-
Suppliers	115,713	-	-	-
At December 31, 2023				
Borrowings and financing	251,095	-	-	-
Actuarial Liabilities	-	-	-	-
Remuneration and reimbursements	765,323	-	-	-
Suppliers	144,367	-	-	-

2. Financial instruments

Financial assets held:

They include bank deposits and other short-term, highly liquid investments, which are quickly converted into a known amount of cash. These investments are held until maturity and represent non-derivative financial assets with fixed or determined payments and a fixed maturity date, for which the Entity has the positive intention and capacity to hold until maturity (Notes 3.c and 5).

- Trade receivables are non-derivative financial assets with fixed payments, but not quoted on any active market. First-time measurement is calculated at value of electricity services provision (Notes 3.d and 6).

Financial liabilities held:

- They include loans and borrowings, suppliers, and other accounts payable, which are measured at amortized cost using the effective interest rate method. Interest, gains, and losses from foreign exchange are recognized in the income statement (Notes 14, 15, and 16).

The effective interest rate method is used to calculate the amortized cost of a financial asset or financial liability, as well as to allocate and recognize interest income or expense in the income statement during the corresponding period.

ITAIPU's financial instruments are measured at amortized cost, in accordance with CPC 48/IFRS 9.

The management of financial instruments is carried out through operational strategies aimed at ensuring safety, liquidity, and profitability. The control policy consists of continuous monitoring of the contracted rates, comparing them with the current market rates. ITAIPU does not engage in speculative investments, derivatives, or any other high-risk assets.

In Brazil, financial investments are made in reais, achieving a weighted average effective return of 10.82% per annum in 2024 and 13.05% per annum in 2023. All investments are on-demand, with capitalization, liquidity, and daily return accrual.

In Paraguay, financial investments are made in guaranis and US dollars. The weighted average effective return on investments in guaranis for 2024 was 5.67% per annum and 4.36% per annum in 2023. Investments in US dollars generated a return of 4.07% per annum in 2024 and 2.78% per annum in 2023. The financial instruments used to achieve these returns, both in guaranis and US dollars, were on-demand savings accounts with monthly and quarterly yields.

28. RELATED PARTIES

The most relevant transactions with related parties carried out by the Entity include the provision of electricity services, loans obtained, obligations provided in Attachment "C" to the Itaipu Treaty, and obligations related to pension funds, as detailed below:

		2024				
Note	ENBPAR	ANDE	FIBRA	CAJUBI	TOTAL	
BALANCE SHEET						
ASSETS						
Trade receivables	6	564,047	370,728	-	-	934,775
Total		564,047	370,728	-	-	934,775
LIABILITIES						
Remuneration and reimbursements	15	(46,383)	(46,383)	-	-	(92,766)
Pension contributions	17	-	-	-	(4,201)	(4,201)
Actuarial liabilities	19	-	-	(137,125)	(1,399,256)	(1,536,381)
Agreements and others		(41,590)	-	-	-	(41,590)
Total		(87,973)	(46,383)	(137,125)	(1,403,457)	(1,674,938)
		2024				
Note	ENBPAR	ANDE	FIBRA	CAJUBI	TOTAL	
RESULT						
REVENUES						
Revenue from rendering of services	22	2,423,811	592,076	-	-	3,015,887
Financial revenues		73	10,675	-	-	10,748
Total		2,423,884	602,751	-	-	3,026,635
EXPENSES						
Financial expenses		-	-	(14,285)	(14,728)	(29,013)
Remuneration and reimbursements	23	(49,415)	(49,415)	-	-	(98,830)
Pension contributions		-	-	(14,732)	(27,373)	(42,105)
Actuarial expenses	19	-	-	3,787	(353,112)	(349,325)
Agreements and others		(301,046)	(117,761)	-	-	(418,807)
Total		(350,461)	(167,176)	(25,230)	(395,213)	(938,080)
		2023				

	Note	ENBP	ANDE	FIBRA	CAJUBI	TOTAL
BALANCE SHEET						
ASSETS						
Trade receivables	6	657,380	221,104	-	-	878,484
Total		657,380	221,104	-	-	878,484
LIABILITIES						
Remuneration and reimbursements	15	(48,493)	(48,493)	-	-	(96,986)
Pension contributions	17	-	-	(2,595)	(4,654)	(7,249)
Actuarial liabilities	19	-	-	(188,185)	(1,161,581)	(1,349,766)
Agreements and others		-	-	-	-	-
Total		(48,493)	(48,493)	(190,780)	(1,166,235)	(1,454,001)

2023						
	Note	ENBP	ANDE	FIBRA	CAJUBI	TOTAL
RESULT						
REVENUES						
Revenue from rendering of services	22	2,287,985	480,972	-	-	2,768,957
Financial revenues		-	9,242	-	-	9,242
Total		2,287,985	490,214	-	-	2,778,199
EXPENSES						
Financial expenses		-	-	(9,009)	(6,973)	(15,982)
Remuneration and reimbursements	23	(53,504)	(53,504)	-	-	(107,008)
Pension contributions		-	-	(17,846)	(38,207)	(56,053)
Actuarial expenses	19	-	-	(89,601)	12,752	(76,849)
Agreements and others		(157,256)	(248,055)	-	-	(405,311)
Total		(210,760)	(301,559)	(116,456)	(32,428)	(661,203)

In addition to the transactions mentioned above, ITAIPU has as related parties the Itaipu Health Foundation, the Tesai Health Foundation, the Itaipu Brazil Technological Park Foundation, and the Itaipu Paraguay Technological Park Foundation, due to its significant influence in the management of these entities. This also stems from financial transactions, such as the transfer of resources for administrative costs and investments of these foundations.

Itaipu Health Foundation and Tesai Health Foundation

The Itamed Hospital in Brazil and the ITAIPU Right Bank Hospital in Paraguay were originally built by ITAIPU Binacional to serve only the workers hired for the construction and operation of the Hydroelectric Power Plant.

To optimize the use of these hospitals and in accordance with its regional insertion policy, ITAIPU decided to offer hospital services to the communities in the region. This was initiated in November 1994, through the Board of Directors' Resolution RCA 019/94, the Itaipu Health Foundation, a private non-profit organization, which is responsible for managing and operating the Itamed Hospital, in Brazil. Subsequently, in March 1997, through the Board of Directors' Resolution RCA 004/97, the Tesai Health Foundation was established, a private non-profit organization, which is responsible for managing and operating the ITAIPU Right Margin Hospital, in Paraguay.

ITAIPU Technological Park Foundations - FPTI BR and FPTI PY

Founded in 2005 in Brazil through the Board of Directors' Resolution RCA-010/05, and in 2008 in Paraguay through the Board of Directors' Resolution RCA-035/08, the Itaipu Technological Park Foundations in both countries aim to understand and transform the reality of the trinational Iguazu region. They focus on promoting actions aimed at economic, scientific, and technological development, with respect for humanity and a focus on solutions related to water, energy, and tourism.

The objective of these Foundations is to maintain and operate the Itaipu Technological Parks, contributing to regional development in a sustainable manner. This is achieved through activities that promote institutional, scientific, technological, and innovation development, knowledge dissemination, professional training, and the generation of businesses. To this end, the Foundations interact with public and private entities, academic institutions, research organizations, and production and funding bodies.

The financial transactions between ITAIPU and these Foundations, in the years 2024 and 2023, are shown below:

	Assets/(Liabilities)		Revenue/(Expenses)	
	2024	2023	2024	2023
1. Contracted services				
a) Itaipu Health Foundation	-	7,229	(8,313)	(7,396)
a) Tesai Health Foundation	(2,178)	(2,254)	(30,329)	(28,978)
b) Itaipu Technological Park Foundation BR	(277)	(1,006)	(2,198)	(2,506)
b) Itaipu Technological Park Foundation PY	-	(4)	(92)	(7)
2. Agreements and financial contributions				
a) Itaipu Health Foundation	-	(11,339)	1,110	(15,948)
a) Tesai Health Foundation	17	(4,858)	(54,821)	(13,404)
b) Itaipu Technological Park Foundation BR	(1,027)	(10,110)	(44,564)	(30,740)
b) Itaipu Technological Park Foundation PY	(255)	(2,934)	(91,577)	(36,922)
Total				
a) Itaipu Health Foundation	-	(4,110)	(7,203)	(23,344)
a) Tesai Health Foundation	(2,161)	(7,112)	(85,150)	(42,382)
b) Itaipu Technological Park Foundation BR	(1,304)	(11,116)	(46,762)	(33,246)
b) Itaipu Technological Park Foundation PY	(255)	(2,938)	(91,669)	(36,929)
Total	(3,720)	(25,276)	(230,784)	(135,901)

The values presented in the Assets refer to advances made by ITAIPU to the Foundations, which are written off when the contracted services are provided. The values presented in the Liabilities correspond to accounts payable arising from the agreements made.

The disbursements made by ITAIPU are recorded as expense according to the expenditure's nature: expenses with health care plan, operating agreements, or social and environmental expenditures.

1. Services engaged

a) Health Foundations

Refer to the contracting of medical and hospital services, such as: medical and hospital expenses of employees and their dependents, provision of 24-hour emergency services, pre-employment and termination medical examinations, consulting in nutrition, among other services of similar nature.

b) Technology Park Foundations

Refer to technical and financial cooperation agreements for performance of specialized services developed from research, development and innovation projects to ITAIPU.

2. Agreements and financial contributions

a) Health Foundations

ITAIPU allocates financial funds to support social initiatives developed by Health Foundations, such as: services to underprivileged communities in Paraguay, and service to Single Healthcare System (SUS) users of the nine municipalities of the 9th Regional Health Department of the State of Paraná, in Brazil.

The main services provided by Health Foundations to the community are: outpatient consultations, Emergency and First Aid services, internments, surgeries, childbirth and medical and hospital care programs.

b) Technology Park Foundations

Financial contributions are made by ITAIPU with the aim of covering the costs of infrastructure support and assistance to the operational processes of the Foundations.

In addition, agreements signed between ITAIPU and the Technological Parks Foundations enable the Foundations to carry out actions that result in products, services, and/or knowledge. Currently, the Technological Parks have supported ITAIPU's organizational units in the development of projects and research in the areas of electric mobility, renewable energies, plant testing and automation, environmental management, and socio-economic development.

Remuneration of key management personnel

The remunerations, charges and benefits related to Key Management Personnel were as follows:

	<u>2024</u>	<u>2023</u>
Remuneration of board members and officers	(5,962)	(7,338)
Social charges	(657)	(521)
Benefits	(1,020)	(1,153)
	<u>(7,639)</u>	<u>(9,012)</u>

29. SUBSEQUENT EVENTS

a) RECEIPT OF OVERDUE INVOICES

After the annual closure on December 31, 2024, and up to the date of the issuance of the Financial Statements, we received the totality of the overdue invoices from ANDE, as listed in Note 6.

b) NEGOTIATIONS OF ATTACHMENT C OF THE ITAIPU TREATY

In a meeting held on February 21, 2025, the High Contracting Parties agreed that by May 30, 2025, the new Attachment C of the Itaipu Treaty would be signed, in accordance with the "Understanding between Brazil and Paraguay on Guidelines Related to ITAIPU Binational Energy," dated April 16, 2024. However, on April 1, 2025, the Government of Paraguay announced the temporary suspension of negotiations regarding Attachment C.

c) INDÍGENAS JUDICIAL AGREEMENT FOR LAND PURCHASE FOR INDIGENOUS COMMUNITIES

On February 27, 2025, through RCA-026/2025, the Board of Directors approved the judicial agreement for the acquisition of 3,000 hectares (three thousand hectares) of land for indigenous communities in the Western region of Paraná, Brazil. For the year 2025, the value of the transaction is limited to the amount of R\$ 240,000 (two hundred and forty million reais), equivalent to US\$ 41,553 (forty-one million five hundred and fifty-three thousand US dollars). Any supplementation of the value, for the purpose of completing the land acquisition, will be made in 2026, upon approval by the competent authorities of ITAIPU, in accordance with its legal framework.

STATEMENT OF OPERATING ACCOUNT
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(All amounts in thousands of US Dollars)

(A free translation of the original in Portuguese and Spanish)

	<u>12/31/2024</u>	<u>12/31/2023</u>
REVENUES		
Revenues from rendering of electric power services:		
Contracted power		
Brazilian purchasing entity	2,258,432	1,998,865
Paraguayan purchasing entity	549,122	434,445
Remuneration for electricity assignment	161,024	273,336
Royalties and reimbursement for energy additional to the one tied to the contracted power	47,309	62,311
Total revenues	<u>3,015,887</u>	<u>2,768,957</u>
LESS:		
REMUNERATION FOR ELECTRICITY ASSIGNMENT	<u>(161,024)</u>	<u>(273,336)</u>
COST OF ELECTRICITY SERVICE		
Remuneration and compensation to the High Contracting Parties and the Parties that constitute ITAIPU:		
Yields from capital	(62,756)	(62,244)
Electricity related to contracted power		
Royalties	(425,034)	(524,058)
Reimbursement of management and supervision charges	(32,695)	(40,313)
	<u>(457,729)</u>	<u>(564,371)</u>
Energy additional to the one tied to the contracted power		
Royalties	(43,930)	(57,860)
Reimbursement of management and supervision charges	(3,379)	(4,451)
	<u>(47,309)</u>	<u>(62,311)</u>
	<u>(567,794)</u>	<u>(688,926)</u>
Amortization of borrowings and financing	<u>(15,221)</u>	<u>(241,091)</u>
Finance charges on borrowings	<u>(17,462)</u>	<u>(32,729)</u>
Beneficios Pós-emprego	<u>(54,534)</u>	<u>-</u>
Exploration expenses		
Personnel	(420,060)	(458,778)
Materials and equipment	(66,383)	(64,435)
Third-party services	(107,142)	(126,846)
Other exploration expenses	(966,827)	(893,720)
	<u>(1,560,412)</u>	<u>(1,543,779)</u>
Total cost of electricity service	<u>(2,215,423)</u>	<u>(2,506,525)</u>
OPERATING ACCOUNT RESULTS FOR THE PERIOD	<u>639,440</u>	<u>(10,904)</u>
Prior-year balance	40,907	51,811
RETAINED EARNINGS FROM OPERATING ACCOUNT	<u><u>680,347</u></u>	<u><u>40,907</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE STATEMENT OF OPERATING ACCOUNT**AT DECEMBER 31, 2024 AND 2023**

Attachment "C" to the Treaty of Itaipu, which contains financial bases and provision of electricity services, states that the Operating Account is an annual balance sheet between revenue and service cost.

a) Revenue

According to article IV of Attachment "C" to the Treaty, ITAIPU's annual revenue, from electricity service contracts, shall be equal, in each year, to the cost of the service established in the Attachment.

The revenue derived from electricity services includes the billing of the contracted power, the royalties, and reimbursement of management and supervision charges related to the energy additional to the one tied to the contracted power, and the remuneration for electricity assignment.

The contracted power is billed based on the tariff, established by ITAIPU as unit cost of electricity service. The Board of Directors of ITAIPU sets annually the unit cost of the electricity service as per the conditions set out in ITAIPU's Treaty, Attachments and other Official Acts.

The royalties and the reimbursement of management and supervision charges related to the energy additional to the one tied to the contracted power, as well as the remuneration for electricity assignment are billed according to cost, therefore, for ITAIPU, they respectively show the same amount in revenue and cost.

b) Cost of Electricity Service

According to item III of Attachment "C" to the Treaty, ITAIPU's Cost of Electricity Service comprises the following annual installments:

- 1) The amount required for payment, to the High Contracting Parties (Federative Republic of Brazil and Republic of Paraguay) and to the Parties comprising ITAIPU (ENBPar and ANDE), of the following remunerations and reimbursements:
 - i) Yields from Capital: yield of 12% per annum on the participation of Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A. - ENBPar and Administración Nacional de Electricidad - ANDE of the ITAIPU's paid capital.
 - ii) Royalties: calculated at the equivalent of US\$ 650 per gigawatt hours generated and measured in Hydroelectric Power Plant. On an annual basis, this amount may not be less than US\$ 18 million, at the rate of half to each High Contracting Party.

- iii) Reimbursement of Management and Supervision Charges: calculated at the equivalent of US\$ 50 per gigawatt hours generated and measured in Hydroelectric Power Plant, in equal parts to Empresa Brasileira de Participações em Energia Nuclear e Binacional S.A. - ENBPar and Administración Nacional de Electricidad - ANDE.
- iv) Remuneration for electricity assignment: remuneration payable to one of the High Contracting Parties, equivalent to US\$ 300 per gigawatt hours granted to the other High Contracting Party, to be exclusively paid by the High Party that consumes the electricity granted.

As of January 2001, the yields from capital were updated based on the formula established in Reverse Note 10, exchanged between the Brazilian and Paraguayan Ministries of Foreign Affairs on November 13, 2000, according to the following adjustment factors:

Year	Adjustment factor*
2023	5.16284
2024	5.22695

(*) Base: annual average inflation rate observed in the United States, using the indexes: "Industrial Goods" and "Consumer Prices" published in the journal of "International Financial Statistics", updated since 1975.

The royalties, the Reimbursement of Management and Supervision Charges and remuneration for electricity assignment, were multiplied, from the financial year 1992, as per Reversal Note 3, exchanged between Brazilian and Paraguayan Ministries of Foreign Affairs, on January 28, 1986, by a factor of 4.00 (four integers).

From 2006, according to the agreement by Diplomatic Notes exchanged between the Government of the Federative Republic of Brazil and the Government of the Republic of Paraguay on December 8, 2005, the Remuneration for Electricity Assignment started to be multiplied by the factor 5.10 (five integers and one-tenth).

From May 14, 2011, as agreed by the Reverse Notes signed, on September 1, 2009, between the Government of the Federative Republic of Brazil, promulgated by Decree 7,506 of June 27, 2011, and the Government of the Republic of Paraguay, approved by Law Number 3,923, of November 18, 2009, the multiplying factor of Remuneration for electricity assignment increased from 5.10 (five integers and one-tenth) to 15.30 (fifteen integers and three-tenths).

The amounts of Royalties, Reimbursement of Management and Supervision Charges, and Remuneration for Electricity Assignment started to be adjusted according to the formula established in Reversal Note 3 and following Reversal Notes, mentioned in the above paragraphs, as below:

Royalties and Reimbursement of Management and Supervision Charges

Year	Original factor (A)	Adjustment factor (B) *	Adjusted factor (A x B)
2023	4.00	2.67214	10.68856
2024	4.00	2.70245	10.80980

Remuneration for electricity assignment

Year	Original factor (A)	Adjustment factor (B) *	Adjusted factor (A x B)
2023	15.30	2.67214	40.88374
2024	15.30	2.70245	41.34749

(*) Base: annual average inflation rate observed in the United States, using the indexes: "Industrial Goods" and "Consumer Prices" published in the journal of "International Financial Statistics", updated since 1986.

- 2) Amount required to settle finance charges of contracted borrowings, as per Attachment, being all interest, fees, and commissions pertinent to the contracted borrowings..

- 3) Amount required to settle amortization of the contracted borrowings.

- 4) The amount required to cover the operating expenses—understood, as defined in the referred Attachment, as all costs attributable to the provision of electricity services, including direct operation and maintenance expenses, including replacements due to normal wear and tear, administrative and general expenses, environmental, regional integration and social responsibility expenditures, in accordance with the company's mission (Notes 1 and 24), as well as insurance coverage against risks to ITAIPU's assets and facilities.

Long-term provisions are not considered as part of the operating expenses, as they refer to obligations with estimated amounts and maturities, and therefore depend on future events to confirm their enforceability, value, and method of settlement.

- 5) The balance, plus or minus the balance of Operating Account for the previous year.

AUTHORIZATION FOR ISSUE
FINANCIAL STATEMENTS AND ATTACHMENT I
AT DECEMBER 31, 2024 AND 2023

Enio José Verri
Brazilian General Director

Justo Aricio Zacarías Irún
Paraguayan General Director

Renato Soares Sacramento
Executive Technical Director

Hugo Osvaldo Zarate Chavez
Technical Director

Luiz Fernando Ferreira Delazari
Legal Director

Iris Magnolia Mendoza Balmaceda
Executive Legal Director

Iggor Gomes Rocha
Administrative Director

Justino Oscar Abrahan Caballero
Executive Administrative Director

André Pepitone da Nóbrega
Executive Financial Director

Rafael Lara Valenzuela
Financial Director

Carlos Carboni
Coordination Director

Julio Rodrigo Paredes Duarte
Executive Coordination Director

Marcos Paulo Bonamigo
Assistant Superintendent of Budget and
Accounting

Liliana Matilde González Llano
Superintendent of Budget and Accounting

Emerson Cardoso Teotonio
Accounting Analysis Division Manager
Accountant - CRC PR-064802/O-4

Arturo Fernando Abegg Ovelar
Accounting Department Manager
Enrollment No. 776 Council of Public
Accountants of Paraguay



INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the
Members of the Board and Management of
ITAIPU Binacional
Brasília - Brazil
Asunción - Paraguay

Opinion

We have audited the financial statements of ITAIPU Binacional ("Entity" or "ITAIPU") which comprise the balance sheet as of December 31, 2024 and the statements of income and of changes in financial position for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, its financial performance and its changes in financial position for the year then ended, in accordance with the specific provisions contained in the Entity's incorporation treaty and its Attachments, dated April 26, 1973, described in note 2 and established in the chart of accounts and standards for preparing accounting records, approved by the Entity's Board of Directors.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs), and with the audit standards effective in Paraguay issued by the Council of Public Accountants of Paraguay (hereinafter referred to as "Paraguayan standards"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Entity in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC) and by the Council of Public Accountants of Paraguay, and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

Accounting policies adopted in the financial statements

We draw attention to Note 2 to the financial statements, which describes the basis of preparation. The financial statements were prepared to comply with the financial reporting provisions required in the Treaty of Itaipu, its attachments and other official acts. Consequently, the financial statements might not be suitable for other purposes. Our opinion is not modified in respect of this matter.

Socio-environmental responsibility programs

As mentioned in notes 1, 24 and 29 b), the Entity has invested funds in programs classified as socio-environmental responsibility, supported by means of reversal notes 1 and 228, entered into between Brazil and Paraguay (High Contracting Parties), which indicate that initiatives in the field of social and environmental responsibility must be included as a permanent component of the energy generation activity. These expenditures were included as expenses attributable to the rendering of electricity services and were ratified by the aforementioned Reversal Notes, both signed in March 2005.

As provided for in the Itaipu Treaty, Attachment C, which deals with the energy generation activity component, may be reviewed by the High Contracting Parties after fifty years from its signature. According to the memorandum of understanding signed on April 16, 2024, which establishes guidelines

related to Itaipu Binational Energy, the High Contracting Parties expressed their intention to complete the review of Attachment C by December 31, 2024. However, this deadline was later postponed to May 30, 2025, as per the meeting held by the Ministries of Foreign Affairs of Brazil and Paraguay on February 21, 2025. Our opinion is not modified in respect of this matter.

Other matters

Statements of cash flows, value added and operating account

The financial statements referred to above include the statements of cash flows, value added and operating account for the year ended December 31, 2024, prepared under the responsibility of the Entity's Management and presented as supplementary information to the preparation basis described in note 2, to the financial statements. These statements were submitted to the same audit procedures followed for the audit of the Entity's financial statements. In order to form an opinion, we have checked whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and contents meet the criteria established in Note 2 to the financial statements. In our opinion, these statements were properly prepared, in all material respects, in accordance with the criteria established in Note 2 and are consistent with the financial statements taken as a whole.

Previous year's amounts

The financial statements for the year ended December 31, 2023, presented for comparison purposes, were audited by other independent auditors, whose report thereon, dated April 26, 2024, was unqualified, but including the same emphases above, in addition to the treatment of long-term provisions in Cost of Electricity Service and Settlements of retirement and pension plans, the uncertainties of which did not become relevant in 2024.

Responsibilities of Management and those charged with governance for the financial statements

The Entity's Management is responsible for the fair presentation and preparation of the financial statements in accordance with the specific provisions contained in the Entity's incorporation treaty and its attachments dated April 26, 1973, and for such internal control as Management determines to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian, Paraguayan and International Standards on Auditing will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit performed according to the Brazilian, Paraguayan and International audit standards, we exercise professional judgment, and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude about the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether they represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil and Paraguay.

Brasília, April 10, 2025.

Asunción, April 10, 2025.



BDO RCS Auditores Independentes SS Ltda.
CRC 2 DF 002567/F



BDO Auditores Consultores
Registro de firmas profesionales n°F-4
Colegio de Contadores del Paraguay

Fernando Eduardo Ramos dos Santos
Accountant CRC 1 GO 014553/O-0 - S - DF

Oscar Guillén
Enrollment No. C-17
Colegio de Contadores del Paraguay