ITAIPU BINACIONAL

Financial Statements and Independent Auditor's Report

At December 31, 2025

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

SUMMARY

ITAIPU BINACIONAL

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

A S S E T S

	Note	12/31/2025	12/31/2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1.671.869	997.450
Trade receivables	6	763.035	934.775
Assets held for sale	7	6.643	1.267
Other Assets	8	47.439	15.628
TOTAL CURRENT ASSETS		2.488.986	1.949.120
NON-CURRENT ASSETS			
Other Assets	8	2.145	2.454
Judicial deposits	9	26.635	20.919
		28.780	23.373
RESULTS	10		
From prior years		(15.861.637)	(15.418.645)
Current financial year		(134.015)	(442.992)
		(15.995.652)	(15.861.637)
INVESTMENT PROPERTIES	11	111.292	124.729
PROPERTY, PLANT AND EQUIPMENT	12	17.638.340	17.588.121
INTANGIBLE ASSETS	12	30.709	29.244
TOTAL NON-CURRENT ASSETS		1.813.469	1.903.830
TOTAL ASSETS		4.302.455	3.852.950

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

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

L I A B I L I T I E S A N D E Q U I T Y

	Note	12/31/2025	12/31/2024
LIABILITIES			
CURRENT LIABILITIES			
Remuneration and reimbursements	13	622.117	627.040
Suppliers	14	170.611	115.713
Salaries and social charges	15	94.145	76.021
Labor indemnities	16	44.977	38.377
Post-employment benefits	17	64.948	71.030
Provision for lawsuits	18	50.736	11.571
Other payables		4.582	5.180
TOTAL CURRENT LIABILITIES		1.052.116	944.932
NON-CURRENT LIABILITIES			
Labor indemnities	16	255.526	198.898
Post-employment benefits	17	2.729.895	2.475.839
Provision for lawsuits	18	162.288	130.983
Other payables		2.630	2.298
TOTAL NON-CURRENT LIABILITIES		3.150.339	2.808.018
TOTAL LIABILITIES		4.202.455	3.752.950
EQUITY			
Capital	19		
Emp.Bras.Particip.En.Nuclear e Binacional S.A.- ENBPar		50.000	50.000
Administración Nacional de Electricidad		50.000	50.000
TOTAL EQUITY		100.000	100.000
TOTAL LIABILITIES AND EQUITY		4.302.455	3.852.950

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

ITAIPU BINACIONAL

STATEMENT OF PROFIT OR LOSS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

	Note	12/31/2025	12/31/2024
OPERATING REVENUES	20		
Contracted power		2.807.554	2.807.554
Remuneration for electricity assignment		132.073	161.024
Royalties and reimbursement for energy additional to the one tied to the contracted power		77.175	47.309
Total operating revenues		3.016.802	3.015.887
OPERATING EXPENSES			
REMUNERATION AND REIMBURSEMENTS	21		
Yields from capital		(63.880)	(62.756)
Remuneration for electricity assignment		(132.073)	(161.024)
Electricity related to contracted power			
Royalties		(446.492)	(425.034)
Reimbursement of management and supervision charges		(34.345)	(32.695)
		(480.837)	(457.729)
Energy additional to the one tied to the contracted power			
Royalties		(71.662)	(43.930)
Reimbursement of management and supervision charges		(5.513)	(3.379)
		(77.175)	(47.309)
		(753.965)	(728.818)
GENERAL AND ADMINISTRATIVE EXPENSES	22		
Operation, maintenance, and management		(761.985)	(1.152.002)
Social and environmental responsibility programs		(1.213.919)	(871.946)
		(1.975.904)	(2.023.948)
Total operating expenses		(2.729.869)	(2.752.766)
SERVICE INCOME		286.933	263.121
OTHER INCOME (EXPENSES)		3.643	9.321
Finance income		191.189	204.628
Finance costs		(347.750)	(34.078)
FINANCE RESULT	23	(156.561)	170.550
PROFIT FOR THE YEAR		134.015	442.992

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

ITAIPU BINACIONAL

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

	12/31/2025	12/31/2024
SOURCES OF FUNDS		
Operations		
Profit for the year	134.015	442.992
Expense items not affecting net working capital		
Transfers to assets held for sale	6.616	-
Long-term monetary restatements - estimated obligations	456.263	(330.924)
Provisions and other adjustments to PP&E and intangible assets	(1.726)	(44.017)
Write-offs of property, plant and equipment and intangible assets	32.532	16.428
	627.700	84.479
Third parties		
Increase in non-current liabilities	117.749	687.169
Transfer from current liabilities to non-current liabilities	47.417	159.286
Decrease in non-current assets	2.454	7.116
	167.620	853.571
TOTAL SOURCES	795.320	938.050
INVESTMENTS OF FUNDS		
Investments in PPI, property, plant and equipment, and intangible assets	75.669	66.529
Increase in non-current assets	7.861	3.004
Decrease in non-current liabilities	219.076	202.474
Transfer from non-current to current - estimated obligations	60.032	180.328
TOTAL INVESTMENTS	362.638	452.335
INCREASE IN NET WORKING CAPITAL	432.682	485.715
STATEMENT OF CHANGES IN NET WORKING CAPITAL		
Closing net working capital		
Final current assets	2.488.986	1.949.120
Final current liabilities	(1.052.116)	(944.932)
	1.436.870	1.004.188
Opening net working capital	1.004.188	518.473
Increase in net working capital	432.682	485.715

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

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

	12/31/2025	12/31/2024
FROM OPERATING ACTIVITIES		
Profit for the year	134.015	442.992
Profit (loss) adjustments		
Write-offs of property, plant and equipment and intangible assets	32.532	16.428
Provisions and other adjustments to PP&E and intangible assets	(1.726)	(837)
Monetary restatement of judicial deposits	(386)	(849)
Monetary restatements - estimated obligations	12.107	(39.250)
Monetary restatements – post-employment benefits	446.501	(253.487)
Liability provisions		
Finance charges - borrowings	-	4.987
Finance charges - post-employment benefits	29.331	29.013
Provisions for personnel	83.702	(18.378)
Actuarial provisions	(123.149)	-
Pension plan settlement cost	-	(15.294)
Provision for lawsuits	52.368	10.713
Adjusted profit	665.295	176.038
Changes in assets and liabilities		
Changes in trade receivables	171.740	(56.291)
Changes in other receivables	(35.592)	7.517
Changes in remunerations and reimbursements	(4.923)	(138.283)
Changes in trade and other payables	54.632	(26.698)
Changes in salaries and social charges	3.645	(5.903)
Changes in post-employment benefits	(104.709)	442.844
	84.793	223.186
Net cash from operating activities	750.088	399.224
FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment and intangible assets	(75.669)	(66.529)
Net cash used in investing activities	(75.669)	(66.529)
FROM FINANCING ACTIVITIES		
Amortization of borrowings and financing	-	(9.176)
Payment of interest on borrowings and financing	-	(8.227)
Net cash used in financing activities	-	(17.403)
TOTAL EFFECTS IN CASH AND CASH EQUIVALENTS	674.419	315.292
Opening balance of cash and cash equivalents	997.450	682.158
Closing balance of cash and cash equivalents	1.671.869	997.450
Change in cash and cash equivalents	674.419	315.292

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

ITAIPU BINACIONAL

STATEMENT OF VALUE ADDED

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

	12/31/2025	12/31/2024
GENERATION OF VALUE ADDED		
Revenues		
Contracted power	2.807.554	2.807.554
Remuneration for electricity assignment	132.073	161.024
Royalties and reimbursement for energy additional to the one tied to the contracted power	77.175	47.309
Other incomes (expenses)	3.643	9.321
	3.020.445	3.025.208
(-) Inputs acquired from third parties		
Materials	19.512	18.505
Third-party services	106.329	74.382
Other operating expenses	225.865	138.547
	351.706	231.434
GROSS VALUE ADDED	2.668.739	2.793.774
(+) Value added received through transfer		
Finance income	191.189	204.628
	191.189	204.628
VALUE ADDED TO DISTRIBUTE	2.859.928	2.998.402
DISTRIBUTION OF VALUE ADDED		
Compensation:		
Personnel		
Direct compensation	249.155	220.997
Benefits	152.380	134.628
Actuarial provisions	(123.149)	519.103
Labor indemnities	95.619	13.351
Government Severance Indemnity Fund for Employees (FGTS)	5.335	4.930
	379.340	893.009
Government		
Government pension (INSS e IPS)	30.939	27.559
Royalties	518.154	468.964
Remuneration for electricity assignment	132.073	161.024
Social and environmental responsibility programs	1.213.919	871.946
	1.895.085	1.529.493
Third-party capital		
Debt charges	-	4.987
Other finance costs	318.419	29.091
Finance charges of post-employment benefits	29.331	-
	347.750	34.078
Own capital		
Yields from capital	63.880	62.756
Reimbursement of management and supervision charges	39.858	36.074
	103.738	98.830
Profit for the year	134.015	442.992
VALUE ADDED DISTRIBUTED	2.859.928	2.998.402

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

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

NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2025 AND 2024

(All amounts in thousands of United States dollars unless otherwise stated)

1. OPERATING CONTEXT

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, its capital being equally held by 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 headquarters located 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 use of the hydroelectric potential 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 Iguaçu 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 2025, ITAIPU supplied 72.4 million MWh (compared to 66.7 million MWh in the same period of 2024).

Information on the Itaipu Treaty

ITAIPU is governed by the terms stipulated in the Treaty and its Annexes, 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.

Annex “A” - Itaipu Bylaws.

Annex “B” - General Description of Facilities for the Production of Electricity and Auxiliary Works.

Annex “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 Annex “C”, specifically, as set forth in Article VI of the said Annex, shall 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 construction of the hydroelectric project and the relationship between the power contracted by the purchasing entities in both countries (see Note 20). Annex “C” addresses the conditions for electricity supply, the composition of the cost of electricity service, and revenues (see Notes to the Statement of Operating Account).

In a meeting held on February 21, 2025, the High Contracting Parties agreed that the new Annex “C” to the Itaipu Treaty would be signed by May 30, 2025, pursuant to the terms of the “Understanding between Brazil and Paraguay on Guidelines Related to Energy from Itaipu Binacional”, dated April 16, 2024.

Subsequently, the High Contracting Parties continued discussions regarding the review of Annex “C”. In this context, on November 17, 2025, the Ministers of Foreign Affairs of Brazil and Paraguay agreed to resume negotiations regarding the aforementioned review.

As of the date of issuance of these Financial Statements, the negotiation process between the two countries regarding the review of Annex “C” to the Itaipu Treaty remains ongoing.

Amendment to ITAIPU’s Mission

In 2003, Itaipu Binacional's Board of Directors approved the amendment to its mission, permanently incorporating social and environmental responsibility into its strategic objectives, in addition to electricity generation. Subsequently, this amendment was ratified through the exchange of Reverse Notes No. 228/05 from the Embassy of Brazil in Asunción and No. 1/05 from the Ministry of Foreign Affairs of Paraguay, both dated March 31, 2005.

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.”

Technological Update Plan of Itaipu Binacional(PAT)

The Technological Update Plan of Itaipu Binacional (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 new technologies. The project is expected to be implemented over a 14-year period starting in 2022.

By the end of 2025, the total amount invested reached USD 110.5 million, recorded under Property, Plant and Equipment. Of this amount, USD 36.5 million was allocated in 2025.

2. PRESENTATION OF 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 establishing Itaipu, its Annexes, and other official acts, as well as the accounting practices adopted in Brazil and Paraguay.

The financial statements comprise the Statement of Financial Position, the Statement of Profit or Loss, the Statement of Changes in Financial Position and the Notes to the Financial Statements.

In addition, the Statement of Cash Flows and the Value Added Statement 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 VAS 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 materials 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 VAS 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 Profit or Loss for the same period.

c) Statement of the Operating Account

The Statement of the Operating Account is prepared strictly in accordance with Annex “C” of the Itaipu Treaty and its regulations. Annex "C" sets out the financial bases and the conditions for the provision of electricity services and 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 net 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 notrecognized, and the assets in these groups are not subject to impairment testing (Notes 3.g and 12);

(ii) The Entity's results are not recorded under Equity, but rather under the line “Results”, classified in Non-Current Assets (Note 10);

(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 17);

(iv) The remuneration on equity paid to the Parties is not dependent on profit realization and is recorded as an operating expense in the results (Notes 13 and 21);

(v) Itaipu does not prepare the Statement of Changes in Equity or the Statement of Comprehensive Income, as its Equity does notchange; and

(vi) The Statement of Changes in Financial Position forms part of the Entity's Financial Statements and the Statement of Cash Flows and the Statementof Value Added are presented as supplementary information.

The Financial Statements were authorized for issuance by the Executive Board on March 12, 2026.

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 Annex "A" to the Treaty.

Economic and financial transactions carried out in various currencies are converted into United States 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.

- 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 United States dollars and the corresponding invoice amounts are received in Brazilian reais or Paraguayan guaranis, applying the exchange rates in effect on the day prior to receipt.

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 United States dollars and paid in Reais or Guaranis, at the rates in effect on the day preceding settlement.

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

Thus, asset and liability balances in United States 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 the recognition of expected credit losses, the probability-weighted estimate over the estimated lifetime of the financial instrument is used. Since expected credit losses consider the amount and timing of payments, they may occur even if the entity expects the amounts to be paid in full, 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 IAS 40, and their fair value is disclosed in a specific note (Note 11).

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 Annex"C" of the Itaipu Treaty.

h) 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 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.

Exceptionally, due to the understanding reached between Brazil and Paraguay on the guidelines related to Itaipu's energy, dated April 16, 2024, the nominal value of the Unit Cost of Electricity Service (Tariff), set at US$ 19.28/kW per month, was approved for a three-year period, comprising the fiscal years of 2024, 2025, and 2026, pursuant to Board of Directors Resolution - RCA 016/2024, dated May 9, 2024.

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 Annex "C" of the Treaty.

i) 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 Annex "C" to the Treaty. Since 2003, following the change in Itaipu's mission, these also include expenses related to socio and 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 incurred within the limits of the budget approved by the Board of Directors and require individual approval when formalized, according to applicable regulations.

j) Financial Income

These comprise revenues resulting from returns on investments in banking institutions, late payment penalties on electricity service invoices, discounts obtained, and net positive monetary variations, which include monetary correction and exchange differences on contractually established operations, mainly in reais and guaranis, converted into the functional currency (United States dollar) as described in item "a" of this Note, and other financial income.

k) Financial Expenses

Include interests on actuarial liabilities (Note 17), net negative monetary variations – including monetary correction and exchange rate variations on contractually established operations, mainly in reais and guaranis, converted to the functional currency (United States dollar), as described in item "a" – as well as late payment charges on remuneration and reimbursements, and other financial expenses.

l) 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;

(All amounts in thousands of United States dollars unless otherwise stated).

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 17).

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 17).

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.

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				
	Brazil		Paraguay	
Closing rate	Rate in Reais (R$)	Change in the year - %	Rate in Guaranis (Gs)	Change in the year - %
12/2024	6.1923	27.9	7,843.41	7.7
12/2025	5.5024	(11.1)	6,585.55	(16.0)

(a) Source: Central Bank of Brazil – Selling PTAX rate, closing rate

(b) Source: Central Bank of Paraguay – Accumulated Selling closing rate as of 12/30/2025, from the Floating Market with Non-Financial Customers

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

(All amounts in thousands of United States dollars unless otherwise stated).

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.

	2025	2024
Cash and Bank checking accounts		
In Brazil	10	3
In Paraguay	102	12
	112	15
Financial investments		
In Brazil	1,134,643	906,859
In Paraguay	537,114	90,576
	1,671,757	997,435
TOTAL	1,671,869	997,450

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 25.

(All amounts in thousands of United States dollars unless otherwise stated).

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 Annex "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 United States 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:

	2025	2024
Empresa Brasileira de Participações em Energia Nuclear e Binacional - ENBPar	533,459	582,507
Administración Nacional de Electricidad – ANDE	248,036	370,728
(-) Expected credit losses	(18,460)	(18,460)
TOTAL	763,035	934,775

(All amounts in thousands of United States dollars unless otherwise stated).

Composition of Accounts Receivable from Customers by due date:

	2025		2024	
	ENBPAR	ANDE	ENBPAR	ANDE
Due	514,999	201,989	564,047	167,875
Past Due:				
Up to 30 days	-	46,047	-	53,248
From 31 to 60 days	-	-	-	45,959
From 61 to 90 days	-	-	-	41,275
Over 90 days	18,460	-	18,460	62,371
(-) Expected credit losses (a)	(18,460)	-	(18,460)	-
TOTAL	514,999	248,036	564,047	370,728

(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, 2025, the expected credit 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.

(All amounts in thousands of United States dollars unless otherwise stated).

7. 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.

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.

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 and in compliance with applicable accounting standards.

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

	2024	Additions	Disposals	Transfers	2025
Residential properties - Housing Complex A	1,267	6,616	(1,240)	-	6,643
TOTAL	1,267	6,616	(1,240)	-	6,643

Additions refer to properties whose sale was approved by the Board of Directors which, meeting the other criteria for classification as assets held for sale in accordance with IFRS 5, were reclassified from other asset groups.

Disposals correspond to derecognitions resulting from the completion of the sale processes and property transfers.

(All amounts in thousands of United States dollars unless otherwise stated).

8. OTHER ASSETS

	2025	2024
Advances to suppliers (i)	35,762	5,357
Advances to employees (ii)	889	333
Taxes recoverable	-	2,158
Inventory (iii)	7,960	6,831
Other assets	4,973	3,403
Total	49,584	18,082
Current	47,439	15,628
Non-current	2,145	2,454

(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.

(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.

9. 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 claims in which ITAIPU is a party.

	2025	2024
Brazil	24,095	18,786
Paraguay	2,540	2,133
TOTAL	26,635	20,919

In Brazil, judicial deposits related to labor claims are updated based on the Government Severance Indemnity Fund for Employees (FGTS) correction factor, while those related to tax, civil, and commercial matters are updated based on the National Consumer Price

(All amounts in thousands of United States dollars unless otherwise stated).

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.

10. RESULTS

This includes ITAIPU's results extracted from the Income Statement for each fiscal year, accumulated up to December 31, 2025 and 2024, as shown below.

	2025	2024
Prior-year results	(15,861,637)	(15,418,645)
Result for the current year	(134,015)	(442,992)
TOTAL	(15,995,652)	(15,861,637)

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 Annex "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.

(All amounts in thousands of United States dollars unless otherwise stated).

11. INVESTMENT PROPERTY

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.

	2024	Additions	Disposals	Transfers	2025
Residential Properties – BR	44,422	216	(6,676)	(6,881)	31,081
Residential Properties – PY	80,209	194	-	(514)	79,889
Non-residential Properties	98	224	-	-	322
TOTAL	124,729	634	(6,676)	(7,395)	111,292

Additions correspond to properties that met the requirements for classification as investment property, arising from reclassifications from Property, Plant, and Equipment.

Disposals correspond to derecognitions resulting from the completion of sale processes and property transfers.

Transfers are accounting procedures that correspond, primarily, to movements between asset accounts, mainly Assets Held for Sale (Note 7) and Property, Plant, and Equipment (Note 12)

As of December 31, 2025, investment properties total approximately 1,902 units, with a fair value of US$ 347,793. 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.

(All amounts in thousands of United States dollars unless otherwise stated).

12. 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.

	2024	Acquisitions	Disposals	Transfers	Others	2025
13. PROPERTY, PLANT AND EQUIPMENT						
13.1. Property, plant and equipment in service						
Assets and facilities for production	16,515,776	-	(1)	565	-	16,516,340
Other assets and facilities	631,484	-	(1,476)	7,582	1,684	639,274
Movable property	128,104	14,602	(3,888)	185	40	139,043
Total property, plant and equipment in service	17,275,364	14,602	(5,365)	8,332	1,724	17,294,657
13.2. Construction in progress						
Sundry property, plant and equipment	255,402	57,178	(17,735)	(8,187)	2	286,660
Finance charges	3,754	-	-	-	-	3,754
Technical reserve	53,601	2,424	(2,756)	-	-	53,269
Total construction in progress	312,757	59,602	(20,491)	(8,187)	2	343,683
TOTAL PROPERTY, PLANT AND EQUIPMENT	17,588,121	74,204	(25,856)	145	1,726	17,638,640
13.3. INTANGIBLE ASSETS						
Right of use of easements strip	71	-	-	-	-	71
Software	29,173	1,465	-	-	-	30,638
TOTAL INTANGIBLE ASSETS	29,244	1,465	-	-	-	30,709
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	17,617,365	75,669	(25,856)	145	1,726	17,669,049

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 Annex "C" to the Itaipu Treaty (Notes 3.g and 10).

Property, plant, and equipment in use, which represents 98.05% of the total value of property, plant, and equipment as of December 31, 2025, and 98.22% as of December 31, 2024, 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 1.6% of the total property, plant, and equipment as of December 31, 2025, and 1.5% as of December 31, 2024, 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 disposals of property, plant, and equipment mainly refers to donations of movable assets for public and social purposes and actual disposals 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 7), and investment property (Note 11).

Other movements refer to the net effect of provisions for ongoing asset disposals, exchange rate variations, other adjustments.

(All amounts in thousands of United States dollars unless otherwise stated).

13. 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 Annexes, and the corresponding Reversal Notes.

	2025			2024		
	Principal	US Dollar adjustment	Total	Principal	US Dollar adjustment	Total
Paraguayan Government						
Royalties (i)	18,637	189,212	207,849	17,384	177,894	195,278
Remuneration for electricity assignment (ii)	9,879	100,780	110,659	13,924	129,794	143,718
Subtotal	28,516	289,992	318,508	31,308	307,688	338,996
Brazilian Government						
Royalties (i)	18,637	189,212	207,849	17,384	177,894	195,278
Subtotal	18,637	189,212	207,849	17,384	177,894	195,278
Administración Nacional de Electricidad – ANDE						
Reimbursement of Management and Supervision Charges (iii)	1,434	14,555	15,989	1,337	13,684	15,021
Yields from Capital (iv)	6,000	25,891	31,891	6,000	25,362	31,362
Subtotal	7,434	40,446	47,880	7,337	39,046	46,383
Empresa Brasil. Partic. Energia Nuclear e Binacional S.A.-ENBPar						
Reimbursement of Management and Supervision Charges (iii)	1,434	14,555	15,989	1,337	13,684	15,021
Yields from Capital (iv)	6,000	25,891	31,891	6,000	25,362	31,362
Subtotal	7,434	40,446	47,880	7,337	39,046	46,383
TOTAL	62,021	560,096	622,117	63,366	563,674	627,040
Current	62,021	560,096	622,117	63,366	563,674	627,040
Non-current	-	-	-	-	-	-

(All amounts in thousands of United States dollars unless otherwise stated).

(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 Annex “C” to the Treaty and respective Reverse Notes (See Attachment I – Notes to Statement of Operating Account).

No amounts were overdue at December 31, 2025 and 2024.

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 United States 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 United States 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.

14. TRADE PAYABLES

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:

	2025				2024			
	Brazil	Paraguay	Foreign	Total	Brazil	Paraguay	Foreign	Total
Due	82,401	79,292	3,044	164,737	100,235	13,987	7	114,229
Past Due	4,718	1,130	26	5,874	556	914	14	1,484
Total	87,119	80,422	3,070	170,611	100,791	14,901	21	115,713

(All amounts in thousands of United States dollars unless otherwise stated).

15. SALARIES AND SOCIAL CHARGES

	2025	2024
Provision for vacation and social security charges	43,130	35,435
Provision for profit sharing (i)	31,791	25,859
Supplementary pension foundations	4,832	4,201
Payroll charges payable	7,050	5,792
Other	7,342	4,734
TOTAL	94,145	76,021

(i) Payment and deadlines are subject to the provisions of the Collective Labor Agreement of both Banks, subject to the contractual provisions.

16. LABOR INDEMNITIES

	2025	2024
Permanent voluntary termination program (i)	73,752	56,206
Indemnity for length of service (ii)	226,751	181,069
TOTAL	300,503	237,275
Current	44,977	38,377
Non-current	255,526	198,898

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).

17. 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.

The plans are classified into the Settled Defined Benefit (Settled DB) and Defined Contribution (CD) modalities.

The "Settled DB" plan, managed by Fibra, has been closed to new members since March 1, 2024. Similarly, the "Settled DB" plan managed by Cajubi has been closed to new members since January 1, 2024.

However, the "Settled DB" plans from both Fibra and Cajubi continue to receive contributions from beneficiary participants, who contribute a rate of 10% on the benefits received.

Currently, only the Defined Contribution (CD) plans managed by Fibra and Cajubi receive contributions from active participants and the sponsor.

Participants may be concurrently linked to both plans, qualifying them to receive the proportional settled benefit in accordance with the criteria established in the respective regulations.

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 IAS 19 for both programs.

(All amounts in thousands of United States dollars unless otherwise stated).

	2025			2024		
	Current	Non- current	Total	Current	Non-current	Total
17.1 Payment Flow Obligations	64,948	296,048	360,996	71,030	275,597	346,627
17.2 Estimated Obligations	-	2,433,847	2,433,847	-	2,200,242	2,200,242
TOTAL	64,948	2,729,895	2,794,843	71,030	2,475,839	2,546,869

17.1 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.

	SPONSOR CONTRIBUTIONS							
	Currency	Annual Finance Charges	2025			2024		
			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	6,157	58,846	65,003	5,173	57,761	62,934
Contract Settlement JD-JE/0063/23	R$	IPCA	4,155	72,153	76,308	3,492	67,806	71,298
			10,312	130,999	141,311	8,665	125,567	134,232
CAJUBI - Caja Paraguaya de Jubilaciones y Pensiones del Personal de la ITAIPU Binacional								
Contract CT-257/18	Gs.	5,51% - IPC	7,953	64,032	71,985	6,329	60,441	66,770
Settlement Contract DB Plan	Gs.	IPC	5,685	101,017	106,702	4,536	89,589	94,125
Deficit Contract DB Plan	Gs.	(1)	40,998	-	40,998	51,500	-	51,500
			54,636	165,049	219,685	62,365	150,030	212,395
TOTAL			64,948	296,048	360,996	71,030	275,597	346,627

(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.

(All amounts in thousands of United States dollars unless otherwise stated).

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

Financiers	2025	2024
FIBRA		
Principal	9,638	7,412
Charges	14,409	14,285
	24,047	21,697
CAJUBI		
Principal	65,740	33,389
Charges	14,922	14,728
	80,662	48,117
Total		
Principal	75,378	40,801
Charges	29,331	29,013
TOTAL	104,709	69,814

17.2 ESTIMATED OBLIGATIONS

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

	BRAZIL		PARAGUAY		TOTAL	
	2025	2024	2025	2024	2025	2024
Obligations recorded in the balance sheet						
BD pension plan benefits (a)	-	-	1,303,857	1,186,861	1,303,857	1,186,861
CD pension plan benefits – Risk Funds (a[1])	990	2,893	1,420	-	2,410	2,893
Health plan benefits(b)	392,022	339,991	735,558	670,497	1,127,580	1,010,488
TOTAL	393,012	342,884	2,040,835	1,857,358	2,433,847	2,200,242
Current	-	-	-	-	-	-
Non - Current	393,012	342,884	2,040,835	1,857,358	2,433,847	2,200,242

(All amounts in thousands of United States dollars unless otherwise stated).

	BRAZIL		PARAGUAY		TOTAL	
	2025	2024	2025	2024	2025	2024
Provisions recognized in the statement of income for the years						
BD plan benefits	-	3,303	68,700	(365,027)	68,700	(361,724)
CD plan benefits	2,266	(2,893)	(1,420)	-	846	(2,893)
Health plan benefits	(9,402)	17,262	63,005	(171,747)	53,603	(154,485)
Cost for settlement of BD plan	-	3,378	-	11,916	-	15,294
TOTAL	(7,136)	21,050	130,285	(524,858)	123,149	(503,808)

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 2025, pursuant to the debt acknowledgment agreement with Cajubi, regarding the actuarial deficit of the BD plan, the payment schedule for the year 2026 was approved. Therefore, part of the amount presented in the actuarial report is included in the payment schedule detailed in item 17.1. 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, attachment 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, attachment to RCA 018-018/2023.

(a^1) 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.

(All amounts in thousands of United States dollars unless otherwise stated).

STATEMENT OF ACTUARIAL SURPLUS (DEFICIT) OF DEFINED BENEFIT AND DEFINED CONTRIBUTION PENSION PLANS SPONSORED BY ITAIPU BINACIONAL	FIBRA		CAJUBI	
	2025	2024	2025	2024
DB PLAN				
Fair value of DB plan assets	959,686	784,137	282,537	221,904
Present value of DB plan obligations	(1,052,435)	(885,319)	(1,806,079)	(1,621,160)
Actuarial deficit	(92,749)	(101,182)	(1,523,542)	(1,399,256)
Loans and debt agreements (*)	141,311	134,232	219,685	212,395
Net actuarial surplus / (deficit)	48,562	33,050	(1,303,857)	(1,186,861)
DC PLAN				
Fair value of DC plan assets – Risk Funds	4,261	1,520	7,880	3,566
Present value of DC plan obligations – Risk Fund	(5,251)	(4,413)	(9,300)	(3,418)
Actuarial deficit / surplus	(990)	(2,893)	(1,420)	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 17.1.

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	BRAZIL		PARAGUAY	
	2025	2024	2025	2024
Fair value of plan assets	-	-	-	-
Present value of the obligations				
Rights due	291,729	271,359	590,272	529,398
Rights falling due	100,293	68,632	145,286	141,099
	392,022	339,991	735,558	670,497
Unrecognized gains (losses)	-	-	-	-
Recorded actuarial liability	392,022	339,991	735,558	670,497

(All amounts in thousands of United States dollars unless otherwise stated).

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

	BRAZIL				PARAGUAY			
	DB Plan		DC Plan		DB Plan		DC Plan	
	2025	2024	2025	2024	2025	2024	2025	2024
Active participants (*)	1,262	1,283	1,342	1,305	1,331	1,382	1,549	1,598
Retired participants	1,676	1,699	14	8	1,807	1,782	69	21
Pensioners	361	347	1	1	556	524	3	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%	3.50%
Benefits capacity factor	98.01%	98.01%	-	-
Health plan				
Real discount rate (p.a.)	7.16%	7.30%	5.10%	4.38%
Aging factor (p.a.)	2.00%	2.00%	-	-
Real cost growth rate (p.a.)	2.00%	2.30%	2.00%	2.00%
DB Plan				
Real discount rate (p.a.)	7.14%	7.31%	5.10%	4.38%
Real wage growth rate (p.a.)	-	-	-	-
DC Plan				
Real discount rate (p.a.) - Risk of Disability and Death	7.66%	7.73%	5.10%	4.38%
Real discount rate (p.a.) - Longevity Risk	5.53%	5.33%	5.10%	4.38%
Real discount rate (p.a.) – Funeral Assistance Risk and Incarceration Assistance	-	-	5.10%	4.38%
Real wage growth rate (p.a.)	3.12%	3.12%	5.10%	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	-	-	-	-

(All amounts in thousands of United States dollars unless otherwise stated).

Reasonable changes in the actuarial assumptions applied, such as discount rates, assuming all other assumptions remain constant, could affect post-employment benefit obligations as demonstrated in the table below:

	Liability amount 2025		Impact	
	Discount rate used		Projected scenarios	
			0.5% increase	0.5% decrease
BD Plan Brazil	7.14%	48,562	54,126	(59,650)
Health plan Brazil	7.16%	(392,022)	21,342	(23,614)
BD Plan Paraguay	5.10%	(1,303,857)	112,368	(125,985)
Health plan Paraguay	5.10%	(735,558)	48,425	(54,483)

18. PROVISIONS FOR LEGAL CLAIMS

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

The legal claims 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.

(All amounts in thousands of United States dollars unless otherwise stated).

	2025			2024		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Current						
Tax	8,981	-	8,981	4,277	-	4,277
Civil	86	58	144	11	49	60
Commercial	57	19	76	-	16	16
Labor	4,430	2,753	7,183	4,472	2,746	7,218
Environmental	34,352	-	34,352	-	-	-
	47,906	2,830	50,736	8,760	2,811	11,571
Non-current						
Tax	-	-	-	3,230	-	3,230
Civil	49	-	49	106	-	106
Commercial	154,165	-	154,165	120,959	-	120,959
Labor	2,749	5,325	8,074	2,129	4,471	6,600
Environmental	-	-	-	88	-	88
	156,963	5,325	162,288	126,512	4,471	130,983
Total	204,869	8,155	213,024	135.272	7,282	142,554

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 12/31/2024	7,507	166	120,975	13,818	88	142,554
Brazil						
(+) Additions	4,315	86	18,128	516	44,334	67,379
(-) Disposals/reversals	(3,788)	(80)	-	(799)	(9,813)	(14,480)
Exchange rate change	947	21	15,135	860	(257)	16,706
Paraguay						
(+) Additions	-	-	-	127	-	127
(-) Disposals/reversals	-	-	-	(658)	-	(658)
Exchange rate change	-	-	3	1,393	-	1,396
Balance at 12/31/2025	8,981	193	154,241	15,257	34,352	213,024

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

(All amounts in thousands of United States dollars unless otherwise stated).

	2025			2024		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Tax	2,008	-	2,008	1,948	-	1,948
Civil	18	421	439	14	354	368
Commercial	37,930	3,943	41,873	30,460	4,512	34,972
Labor	445	7,588	8,033	594	7,868	8,462
Environmental	-	140	140	-	117	117
Total	40,401	12,092	52,493	33,016	12,851	45,867

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

i) Tax claims

In Brazil, out of the 18 (eighteen) tax-related claims, 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 2025, the changes in the provisioned amounts were due to the update of values.

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

ii) Civil claims

In Brazil, out of the 173 (one hundred and seventy-three) civil claims (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 claims, and property and possession-related claims. In the 2025 fiscal year, the changes in the provisioned amounts were due to the update of values and the reassessment of risks.

The 31 (thirty-one) civil claims 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 claims

Out of the 71 (seventy-one) commercial claims in progress in Brazil where Itaipu is a party (plaintiff or defendant), 9 (nine) are claims filed by companies that had contractual relationships with Itaipu during the construction of the plant, with an indemnification nature. The remaining claims involve claims arising from bidding processes, requests for economic-financial balance in contracts, claims 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 2025, the changes in the provisioned amounts were due to the update of values and the reassessment of risks.

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

iv) Labor claims

In Brazil, there are 502 (five hundred and two) labor-related claims 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 longevity pay, in addition to final enforcements of class actions that disputed hazardous duty pay and the professional floor wage. Out of the total, 3 (three) are collective claims filed by unions representing Itaipu's employees, related to intraday breaks.
In 2025, the changes in the provisioned amounts were due to the update of values and the reassessment of risks.

Out of the 257 (two hundred and fifty-seven) labor-related claims in progress in Paraguay, most involve claims for various salary-related issues, claims to annul dismissals, and reemployment claims filed by former employees of Itaipu and, in some specific cases, retirees.

v) Environmental claims

Out of the 78 (seventy-eight) environmental claims in progress in Brazil where Itaipu is a party (plaintiff or defendant), the main cases involve claims 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. In addition, there is a notable claim filed by the Federal Public Prosecutor's Office on behalf of the Avá-Guarani indigenous communities of Western Paraná, who are seeking compensation for alleged human rights violations associated with the construction of the plant. In this action, a partial settlement was approved by the court, which provides, among other obligations, for Itaipu to make available an amount of up to R$ 240,000 (two hundred and forty million reais) for the year 2025, earmarked for the emergency acquisition of 3,000 hectares of land for these communities.

In the 2025 fiscal year, the amount of R$ 56,520 (fifty-six million, five hundred and twenty thousand reais) was executed, corresponding to the partial fulfillment of the settlement.

In 2025, the change in provisioned amounts resulted from the updating of values and the reassessment of risks.

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.

19. CAPITAL

Pursuant to the Treaty and Annex "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”.

20. 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 Annex “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 Annex (see Attachment I – Notes to the Statement of the Operating Account).

The Unit Cost of the Electricity Service for the year 2025 was defined by the competent authorities on May 9, 2024.

(All amounts in thousands of United States dollars unless otherwise stated).

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 billed contracted power totaled US$ 2,807,554 in both 2025 and 2024 fiscal years, corresponding to 145,620 MW of power, at a tariff of US$ 19.28 per kW of monthly contracted power.

The energy delivered to the Purchasing Entities, as associated energy linked to the contracted power, amounted to 62.4 million MWh in fiscal year 2025, and 60.5 million MWh in fiscal year 2024.

The total energy supplied to the Purchasing Entities in the year 2025 was 72.4 million MWh, and 66.7 million MWh in 2024.

	2025			2024		
	Brazil	Paraguay	Total	Brazil	Paraguay	Total
Contracted power	2,196,073	611,481	2,807,554	2,258,432	549,122	2,807,554
Remuneration for electricity assignment	132,073	-	132,073	161,024	-	161,024
Royalties and reimbursement for energy additional to the one tied to the contracted power	2,919	74,256	77,175	4,355	42,954	47,309
Total	2,331,065	685,737	3,016,802	2,423,811	592,076	3,015,887
Billed power - MW	113,904	31,716	145,620	117,139	28,481	145,620
Bound energy delivered – MWh	46,299,912	16,122,843	62,422,755	45,754,755	14,708,760	60,463,515
Energy supplied - MWh	46,678,528	25,768,176	72,446,704	46,329,470	20,383,091	66,712,561

(All amounts in thousands of United States dollars unless otherwise stated).

21. OPERATING EXPENSES - REMUNERATION AND REIMBURSEMENTS

These include the remuneration and reimbursement as provided for in Annex "C" to the Treaty and the Reverse Notes (see Note 13 and Attachment I - Notes to Statement of Operating Account), the amounts below were generated in 2025 and 2024, 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.

	2025			2024		
	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	(25,940)	(25,940)	(51,880)	(25,378)	(25,378)	(50,756)
Subtotal	(31,940)	(31,940)	(63,880)	(31,378)	(31,378)	(62,756)
Royalties						
Principal	(94,181)	(94,181)	(188,362)	(86,726)	(86,726)	(173,452)
US Dollar adjustment	(164,896)	(164,896)	(329,792)	(147,756)	(147,756)	(295,512)
Subtotal	(259,077)	(259,077)	(518,154)	(234,482)	(234,482)	(468,964)
Reimbursement of management and supervision charges						
Principal	(7,245)	(7,245)	(14,490)	(6,671)	(6,671)	(13,342)
US Dollar adjustment	(12,684)	(12,684)	(25,368)	(11,366)	(11,366)	(22,732)
Subtotal	(19,929)	(19,929)	(39,858)	(18,037)	(18,037)	(36,074)
Remuneration for electricity assignment						
Principal	-	(47,989)	(47,989)	-	(59,547)	(59,547)
US Dollar adjustment	-	(84,084)	(84,084)	-	(101,477)	(101,477)
Subtotal	-	(132,073)	(132,073)	-	(161,024)	(161,024)
Total	(310,946)	(443,019)	(753,965)	(283,897)	(444,921)	(728,818)

22. 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.

(All amounts in thousands of United States dollars unless otherwise stated).

22.1 ADMINISTRATIVE EXPENSES

	2025	2024
Personnel		
Remuneration	(234,675)	(224,630)
Benefits	(152,380)	(149,922)
Settlement Cost of Pension Plans (Note 17)	-	15,294
Social charges	(36,274)	(32,490)
Indemnities (Note 16)	(26,397)	(28,096)
(Formation) and reversal of provisions	(83,702)	18,378
	(533,428)	(401,466)
Materials		
Consumption materials	(19,512)	(18,504)
	(19,512)	(18,504)
Third-party services		
Maintenance services	(35,696)	(16,674)
Operational support services	(33,287)	(26,866)
Consultancy and audit	(3,176)	(2,890)
IT services	(18,531)	(11,903)
Insurance	(3,516)	(3,210)
Other third-party services	(12,123)	(12,837)
	(106,329)	(74,380)
Provisions - (Formation) / Reversals		
Related to pension and health plans (Note 17)	123,149	(519,103)
Related to legal claims (Note 18)	(52,368)	(10,713)
	70,781	(529,816)
Other expenses		
Agreements [(a)]	(142,075)	(100,595)
Other expenses	(31,422)	(27,241)
	(173,497)	(127,836)
TOTAL	(761,985)	(1.152.002)

([a]) These refer mainly to an agreement 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.

22.2 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.

(All amounts in thousands of United States dollars unless otherwise stated).

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.

	2025	2024
Support to the Brazilian Electric System [(a)]	(306,549)	(301,046)
Support to Government Agencies – BR [(b)]	(141,429)	(99,029)
Support to ANDE [(c)]	(123,234)	(117,761)
Social and Regional Sustainability [(d)]	(120,926)	(53,336)
Support to Education	(72,662)	(25,622)
Support to Government Agencies – PY	(64,696)	(39,278)
Sustainability of vulnerable segments	(64,120)	(172)
Regional Pathways for All Seasons	(50,954)	(20,942)
Strengthening of PY road infrastructure	(47,560)	-
Biodiversity: Our Heritage	(40,785)	(23,687)
Support for the Implementation of UNILA	(39,678)	(35,504)
Support for Infrastructure and Regional Development	(37,714)	(17,795)
ITAIPU, more than Energy	(32,554)	(334)
Border Health Program	(27,638)	(64,224)
Sustainability Education	(10,038)	(7,205)
Other Expenses	(33,382)	(66,011)
TOTAL	(1,213,919)	(871,946)

([a]) 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) in May 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.

([b]) 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 Biotechnomy.

([c]) 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.

([d]) This program includes the Entity's institutional support actions dedicated to promoting socioeconomic development in underprivileged communities within Itaipu's area of influence. The most significant disbursements during the period include: financial cooperation agreements with the Itaiguapy Foundation to subsidize medical care for Unified Health System (SUS) patients in the Triple Frontier region; funding allocations for the international highway bridge over the Paraguay River, connecting the cities of Carmelo Peralta (Paraguay) and Porto Murtinho (Brazil); and the deployment of the 'Mais IDEB nos Municípios Lindeiros' project, designed to strengthen the educational system across the 16 municipalities bordering the Itaipu Lake.

(All amounts in thousands of United States dollars unless otherwise stated).

23. FINANCE RESULT

	2025	2024
Financial revenues		
Income from interest on bank deposits (Notes 5 e 25)	183,959	98,982
Monetary restatement of judicial deposits (Note 9)	980	2,933
Late payment charges on billings (Note 6)	6,249	10,748
Inflation adjustments (Note 23.1)	-	91,954
Other financial revenues	1	11
	191,189	204,628
Financial expenses		
Finance charges on borrowings and financing	-	(4,987)
Monetary restatement of judicial deposits (Note 9)	(510)	(78)
Inflation adjustments (Note 23.1)	(317,909)	-
Financial charges on actuarial liabilities	(29,331)	(29,013)
	(347,750)	(34,078)
Total	(156,561)	170,550

23.1 FINANCE RESULT – EXCHANGE RATE VARIATIONS

The reference currency used to calculate the operations and presentation of Itaipu's financial statements is the United States dollar (Note 3.a); thus, the economic and financial operations, carried out in other currencies, are translated into United States 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:

(All amounts in thousands of United States dollars unless otherwise stated).

	2025	2024
Actuarial Liabilities		
Cajubi	(258,726)	82,049
Pamho PY	(128,067)	38,661
Fibra	(17,080)	39,972
Pamho BR	(42,628)	92,920
	(446,501)	253,602
Other exchange rate changes		
Current assets	146,123	(209,774)
Non-current assets	3,025	(6,027)
Current liabilities	(3,027)	7,486
Non-current liabilities	(17,529)	46,667
	128,592	(161,648)
Total	(317,909)	91,954

24. INSURANCE

Insurance for the main property, plant and equipment items in service is provided, as approved by Itaipus 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$ 345,057
ii) Vehicles	Civil and hull liability - US$ 263,232
iii) Personal Tourists Accident	Death, disability, medical and hospital expenses
iv) Management civil liability - D&O	US$ 10,000
v) Aircraft	US$ 6,031
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.

25. 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 Annexes.

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 United States 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 United States dollars (Note 3.a).

The management of this exchange rate risk is provided for in Annex "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 United States 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.

Itaipu 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, 2025, and December 31, 2024, 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.

(All amounts in thousands of United States dollars unless otherwise stated).

The undiscounted financial liabilities with remaining contractual maturities in the years 2025 and 2024 are detailed in the table below:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At December 31, 2025				
Actuarial Liabilities	94,550	93,521	251,964	1,508,586
Remuneration and reimbursements	622,117	-	-	-
Suppliers	170,611	-	-	-
At December 31, 2024				
Actuarial Liabilities	97,931	97,931	273,885	908,084
Remuneration and reimbursements	627,040	-	-	-
Suppliers	115,713	-	-	-

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 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 and 15).

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 IFRS 9.

(All amounts in thousands of United States dollars unless otherwise stated).

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 14.40% per annum in 2025 and 10.82% per annum in 2024. All investments are on-demand, with capitalization, liquidity, and daily return accrual.

In Paraguay, financial investments are made in Guaranis and United States dollars. The weighted average effective return on investments in Guaranis for 2025 was 5.68% per annum and 5.67% per annum in 2024. Investments in United States dollars generated a return of 4.15% per annum in 2025 and 4.07% per annum in 2024. The financial instruments used to achieve these returns, both in Guaranis and United States dollars, were on-demand savings accounts with monthly and quarterly yields.

26. RELATED PARTIES

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

	2025					
	Note	ENBPar	ANDE	Fibra	Cajubi	Total
BALANCE SHEET						
ASSETS						
Trade receivables	6	514,999	248,036	-	-	763,035
Total		514,999	248,036	-	-	763,035
LIABILITIES						
Remuneration and reimbursements	13	(47,880)	(47,880)	-	-	(95,760)
Pension contributions	15	-	-	(157)	(4,675)	(4,832)
Actuarial liabilities	17	-	-	(142,301)	(1,524,962)	(1,667,263)
Agreements and others		(53,576)	-	-	-	(53,576)
Total		(101,456)	(47,880)	(142,458)	(1,529,637)	(1,821,431)

(All amounts in thousands of United States dollars unless otherwise stated).

	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	13	(46,383)	(46,383)	-	-	(92,766)
Pension contributions	15	-	-	-	(4,201)	(4,201)
Actuarial liabilities	17	-	-	(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)

	2025					
	Note	ENBPar	ANDE	Fibra	Cajubi	Total
RESULT						
REVENUES						
Revenue from rendering of services	20	2,331,065	685,737	-	-	3,016,802
Financial revenues		-	6,249	-	-	6,249
Total		2,331,065	691,986	-	-	3,023,051
EXPENSES						
Financial expenses		-	-	(14,409)	(14,922)	(29,331)
Remuneration and reimbursements	21	(51,869)	(51,869)	-	-	(103,738)
Pension contributions		-	-	(15,009)	(27,023)	(42,032)
Actuarial expenses	17	-	-	2,266	67,280	69,546
Agreements and others		(306,549)	(123,234)	-	-	(429,783)
Total		(358,418)	(175,103)	(27,152)	25,335	(535,338)

(All amounts in thousands of United States dollars unless otherwise stated).

	2024					
	Note	ENBPar	ANDE	Fibra	Cajubi	Total
RESULT						
REVENUES						
Revenue from rendering of services	20	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	21	(49,415)	(49,415)	-	-	(98,830)
Pension contributions		-	-	(14,732)	(27,373)	(42,105)
Actuarial expenses	17	-	-	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)

In addition to the transactions mentioned above, Itaipu has as related parties the Itaiguapy 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.

Itaiguapy Health Foundation and Tesai Health Foundation

The Itamed Hospital in Brazil and the Itaipu Right Bank Hospital in Paraguay were originally built by Itaipu Binational 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 Itaiguapy 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.

(All amounts in thousands of United States dollars unless otherwise stated).

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 Iguaçu 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 2025 and 2024, are shown below:

	Assets/(Liabilities)		Revenue/(Expenses)	
	2025	2024	2025	2024
1. Contracted services				
a) Itaiguapy Health Foundation	(12,885)	-	(8,202)	(8,313)
a) Tesai Health Foundation	(3,479)	(2,178)	(30,722)	(30,329)
b) Itaipu Technological Park Foundation BR	(645)	(277)	(1,575)	(2,198)
b) Itaipu Technological Park Foundation PY	-	-	(238)	(92)
2. Agreements and financial contributions				
a) Itaiguapy Health Foundation	(2)	-	(24,561)	1,110
a) Tesai Health Foundation	(1,635)	17	(13,459)	(54,821)
b) Itaipu Technological Park Foundation BR	(2,209)	(1,027)	(19,916)	(44,564)
b) Itaipu Technological Park Foundation PY	(45,954)	(255)	(160,407)	(91,577)
Total				
a) Itaiguapy Health Foundation	(12,887)	-	(32,763)	(7,203)
a) Tesai Health Foundation	(5,114)	(2,161)	(44,181)	(85,150)
b) Itaipu Technological Park Foundation BR	(2,854)	(1,304)	(21,491)	(46,762)
b) Itaipu Technological Park Foundation PY	(45,954)	(255)	(160,645)	(91,669)
Total	(66,809)	(3,720)	(259,080)	(230,784)

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.

(All amounts in thousands of United States dollars unless otherwise stated).

Remuneration of key management personnel

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

	2025	2024
Remuneration of board members and officers	(6,202)	(5,962)
Social charges	(615)	(657)
Benefits	(1,100)	(1,020)
	(7,917)	(7,639)

27. SUBSEQUENT EVENTS

a) RECEIPT OF OVERDUE INVOICES

After the annual closure on December 31, 2025, 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) EXECUTIVE BOARD AND BOARD OF DIRECTORS CHANGES

On February 28, 2026, the Brazilian Official Gazette published the appointment of Djalma Vando Berger as the new Administrative Director of Itaipu Binacional, succeeding Iggor Gomes Rocha. Concurrently, Iggor Gomes Rocha was appointed as a new member of the Board of Directors of Itaipu Binacional, succeeding Michele Caputo Neto.

c) EXECUTION OF AGREEMENTS AND AMENDMENTS

On February 26, 2026, the Board of Directors approved the following agreement and amendment:

- RCA-010/2026 – Agreement with the Itaipu Technological Park Foundation – Paraguay (FPTI-PY) and Ferrocarriles del Paraguay S.A. (FEPASA), aimed at implementing the Project "Cooperation for the Structuring of Management and Financing of the Tren de Cercanías Project" in the Republic of Paraguay, in the amount of USD 50,001 (fifty million and one thousand United States dollars);

- RCA-015/2026 – Amendment to Contract No. 4500071764, dated August 1, 2023, with Caixa Econômica Federal, for the provision of operational management services for Disbursement Instruments executed for Itaipu's Socioenvironmental Projects, as a voluntary transfer (Itaipu More Than Energy Program), with a supplementary financial contribution in the amount of USD 77,166 (setty-seven million one hundred and sixty-six thousand United States dollars) and permission to utilize the estimated balance of future earnings from the financial investment of the funds contributed by Itaipu, in the amount of USD 15,433 (fifteen million four hundred and thirty-three thousand United States dollars).

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ITAIPU BINACIONAL

Attachment I

STATEMENT OF OPERATING ACCOUNT

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(All amounts in thousands of US Dollars) (A free translation of the original in Portuguese and Spanish)

	12/31/2025	12/31/2024
REVENUES		
Revenues from rendering of electric power services:		
Contracted power		
Brazilian purchasing entity	2.196.073	2.258.432
Paraguayan purchasing entity	611.481	549.122
Remuneration for electricity assignment	132.073	161.024
Royalties and reimbursement for energy additional to the one tied to the contracted power	77.175	47.309
Total revenues	3.016.802	3.015.887
LESS:		
REMUNERATION FOR ELECTRICITY ASSIGNMENT	(132.073)	(161.024)
COST OF ELECTRICITY SERVICE		
Remuneration and compensation to the High Contracting Parties and the Parties that constitute ITAIPU:		
Yields from capital	(63.880)	(62.756)
Electricity related to contracted power		
Royalties	(446.492)	(425.034)
Reimbursement of management and supervision charges	(34.345)	(32.695)
	(480.837)	(457.729)
Energy additional to the one tied to the contracted power		
Royalties	(71.662)	(43.930)
Reimbursement of management and supervision charges	(5.513)	(3.379)
	(77.175)	(47.309)
	(621.892)	(567.794)
Amortization of borrowings and financing	-	(15.221)
Finance charges on borrowings	-	(17.462)
Post-employment Benefits	(104.709)	(54.534)
Exploration expenses		
Personnel	(469.777)	(420.060)
Materials and equipment	(64.522)	(64.561)
Third-party services	(143.873)	(92.014)
Other exploration expenses	(211.209)	(125.671)
Social and environmental responsibility programs	(1.215.778)	(858.106)
	(2.105.159)	(1.560.412)
Total cost of electricity service	(2.831.760)	(2.215.423)
OPERATING ACCOUNT RESULTS FOR THE PERIOD	52.969	639.440
Prior-year balance	680.347	40.907
RETAINED EARNINGS FROM OPERATING ACCOUNT	733.316	680.347

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

NOTES TO THE STATEMENT OF OPERATING ACCOUNT

AT DECEMBER 31, 2025 AND 2024

Annex "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 Annex "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 Annex.

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 Treaty, Annexes 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 Annex "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*
2024	5.22695
2025	5.31522

(*) 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)
2024	4.00	2.70245	10.80980
2025	4.00	2.74713	10.98852

Remuneration for electricity assignment			
Year	Original factor (A)	Adjustment factor (B) *	Adjusted factor (A x B)
2024	15.30	2.70245	41.34749
2025	15.30	2.74713	42.03109

(*) 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 Annex, 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 Annex, 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, 2025 AND 2024

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
Djalma Vando Berger 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

ITAIPU BINACIONAL

Independent auditor's report

Financial statements
As at December 31, 2025

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 statement of financial position as at December 31, 2025, and the respective statements of profit or loss and 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, 2025, 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, and 22, 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 financial bases and provision of electricity services, may be reviewed by the High Contracting Parties fifty years after 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 revision of Attachment C by December 31, 2024. However, this deadline was not met. Subsequently, on November 17, 2025, the Ministers of Foreign Affairs of Paraguay and Brazil agreed to resume negotiations on the revision of Item C of the Itaipu Treaty, as described in Note 1. As at the date of issue of this report, this revision had not yet been completed. 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, 2025, 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.

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 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. The audit report and financial statements for the year ended December 31, 2025, were issued on 18 March, 2026, and this translation is a free translation of the original in Portuguese and Spanish versions. The date of digital signature of the responsible partners is different, however, the date of the original in Portuguese and Spanish version, issued on 18 March, 2026, should be considered.

Brasília, March 18, 2026.

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

FERNANDO EDUARDO RAMOS DOS SANTOS:87578590197

Assinado digitalmente por FERNANDO EDUARDO RAMOS DOS SANTOS:87578590197
DN: cn=FERNANDO EDUARDO RAMOS DOS SANTOS:87578590197, c=BR, o=ICP-Brasil, ou=Secretaria da Receita Federal do Brasil - RFB
Data: 2026.08.11 15:59:33 -03'00'

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

Asunción, March 18, 2026.

BDO Auditores Consultores
Registro de firmas profisionales nºF-4
Colegio de Contadores del Paraguay

Digitally signed by OSCAR BERNARDO GUILLEN CACERES
Date: 2026.08.11 18:06:15 -03'00'

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