ENGIE Brasil Energia S.A.
Results Presentation
4Q18 and 2018

February 19, 2019

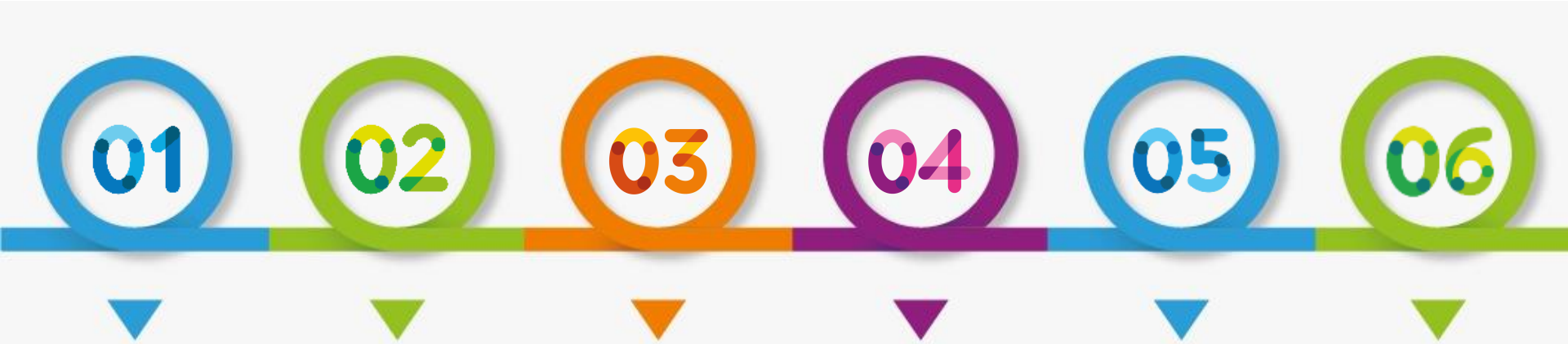
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01

Highlights, Shareholding Structure, Assets, Market Share and Sales

HIGHLIGHTS

Main financial and operational indexes:

(in R$ million)	4Q18	4Q17	Chg.	12M18	12M17	Chg.
Net Operating Revenue (NOR)	2,302.3	2,067.4	11.4%	8,794.8	7,010.0	25.5%
Results from Operations (EBIT)	903.1	880.5	2.6%	3,667.1	2,850.2	28.7%
Ebitda [1]	1,083.3	1,067.6	1.5%	4,367.6	3,519.5	24.1%
Ebitda / NOR - (%) [1]	47.1	51.6	-4.5 p.p.	49.7	50.2	-0.5 p.p.
Net Income	761.6	704.7	8.1%	2,315.4	2,004.6	15.5%
Return On Equity (ROE) [2]	36.6	29.3	7.3 p.p.	36.6	29.3	7.3 p.p.
Return On Invested Capital (ROIC) [3]	23.1	22.5	0.6 p.p.	23.0	22.8	0.3 p.p.
Net Debt [4]	6,856.3	4,582.6	49.6%	6,856.3	4,582.6	49.6%
Power Production (avg MW) [5]	5,474	4,187	30.8%	4,491	4,148	8.3%
Energy Sold (avg MW) [6]	4,178	4,227	-1.2%	4,099	4,082	0.4%
Average Net Sales Price (R$/MWh) [7]	184.35	182.17	1.2%	180.60	180.39	0.1%
Number of Employees - Total	1,370	1,131	21.1%	1,370	1,131	21.1%
EBE Employees [8]	1,322	1,083	22.1%	1,322	1,083	22.1%
Employees on Under Construction Plants	48	48	0.0%	48	48	0.0%

Notes:
[1] Ebitda represents: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] ROE: net income for the past 4 quarters/shareholders' equity.
[3] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).
[4] Adjusted amount, net of gains from hedge operations.
[5] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[6] Disregarding sales for quotas regime (Jaguara and Miranda HPPs).
[7] Net of taxes, exports and trading operations.
[8] With the full acquisition of ENGIE Geração Solar Distribuída, from 2018, EBE absorbed the company's total payroll (103 employees).

HIGHLIGHTS
(cont'd)



Campo Largo Wind Complex – Phase I – reached 100% of its commercial capacity.



Approval given for the start on the installation of **Phase II of the Campo Largo Wind Complex**, made viable by agreements signed under the scope of the Free Contracting Environment (ACL).



Approval was given to the **increase in capital stock with a share bonus**, distributed in the proportion of 1 new share for every 4 common shares.



Wind Farms of the Umburanas Wind Complex – Phase I - go into commercial operations.

HIGHLIGHTS
(cont'd)



On January 11, 2019, a **new generation record was broken**, the Company reporting an output of 8,277.8 MWh.



For the 14th consecutive year, EBE was included in the **Corporate Sustainability Index (ISE).** The Company has been a component of the ISE since its inception in 2005.

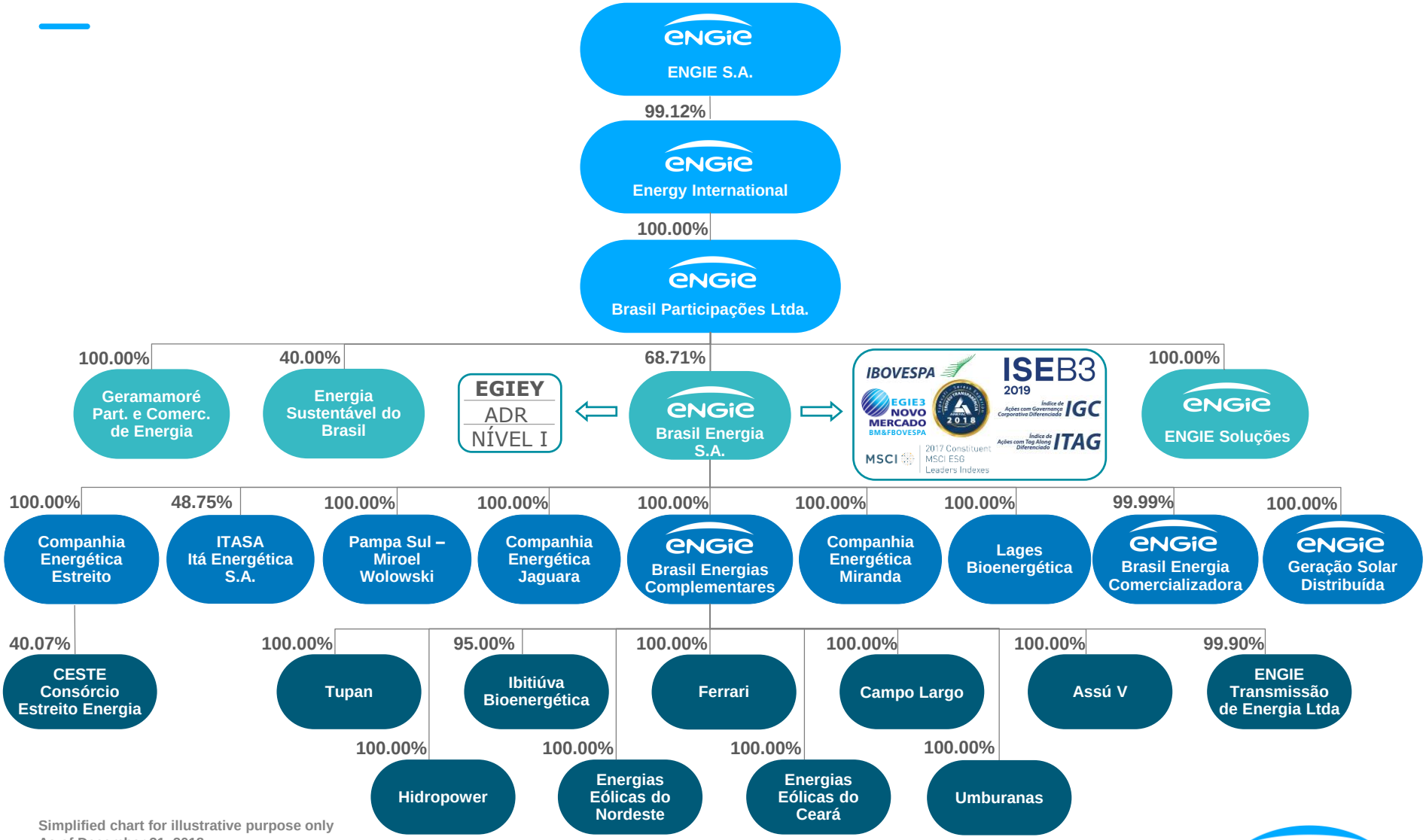


For the 2nd consecutive year, EBE is one among four Brazilian companies to feature in the **Global 100 Most Sustainable Companies** ranking, published by Corporate Knights.



Proposed **distribution of complementary dividends**, in the amount of R$ 76.7 million (R$ 0.0940/share), reaching for the third consecutive year, payout equivalent to 100%. In 2018, dividend yield reached 9.2% with R$ 2.7851/share.

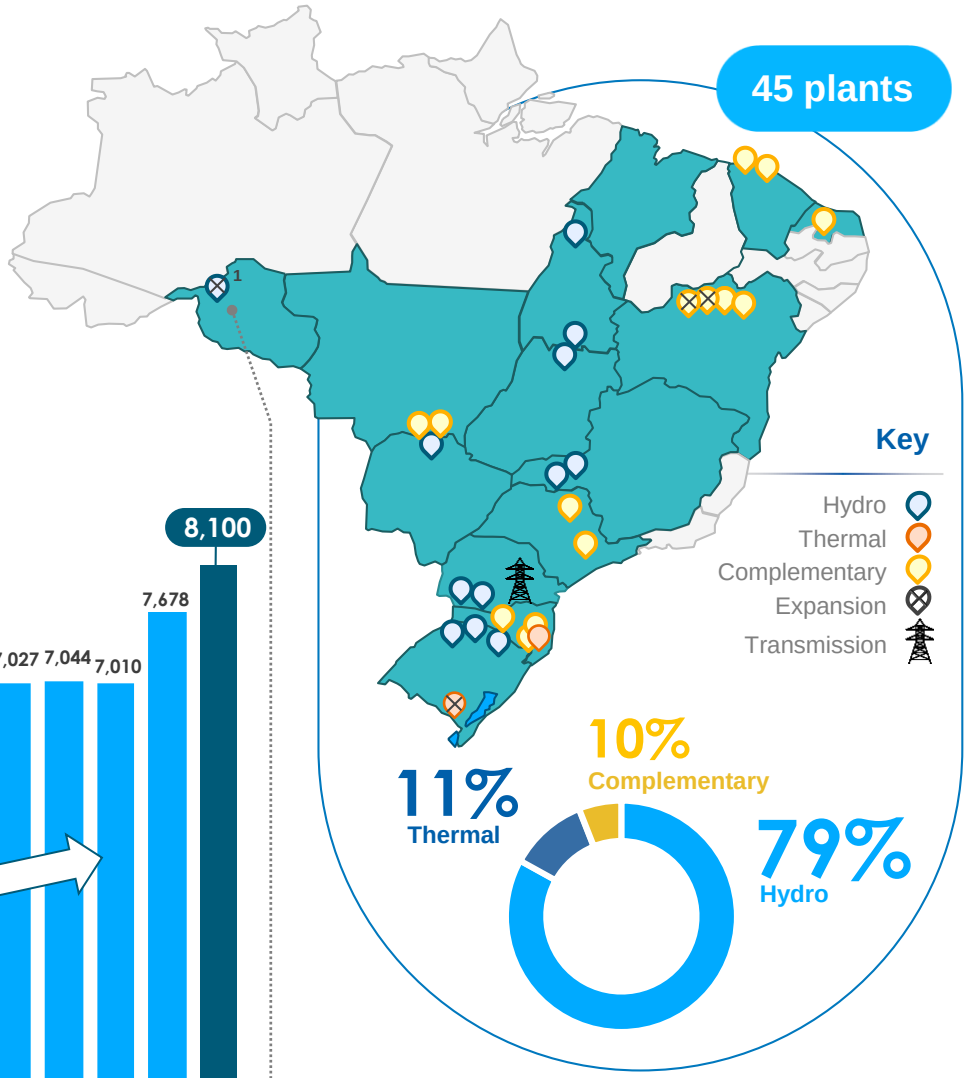
SHAREHOLDING STRUCTURE



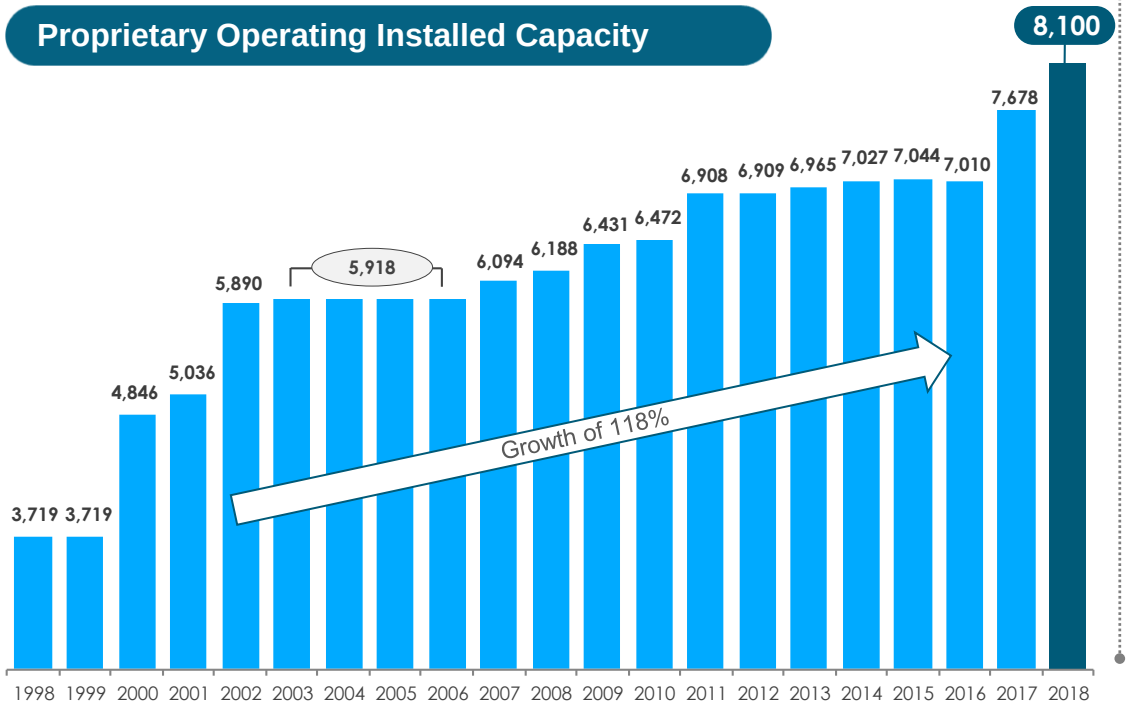
Simplified chart for illustrative purpose only
As of December 31, 2018

CONSISTENT EXPANSION
in a diversified portfolio of assets

Own installed capacity of
8,100 MW
from **45** plants
operated by the Company



Proprietary Operating Installed Capacity

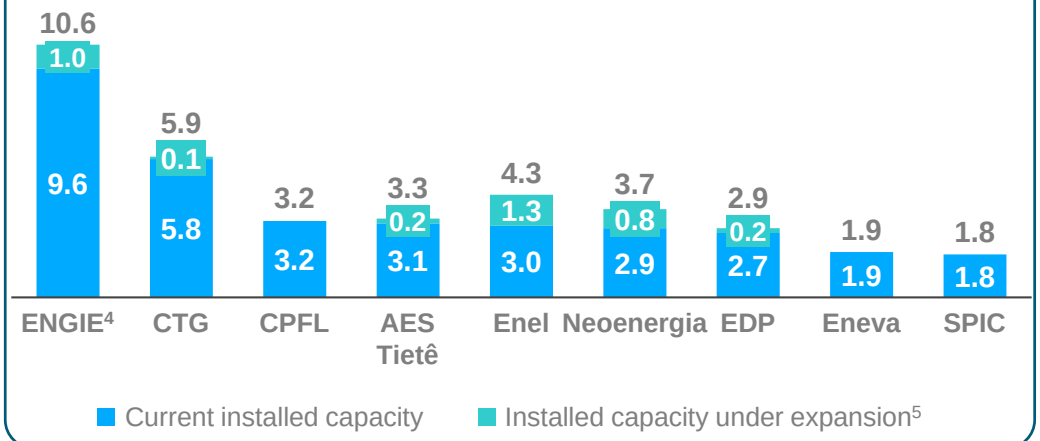


Note:
[1] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to EBE should be examined timely.

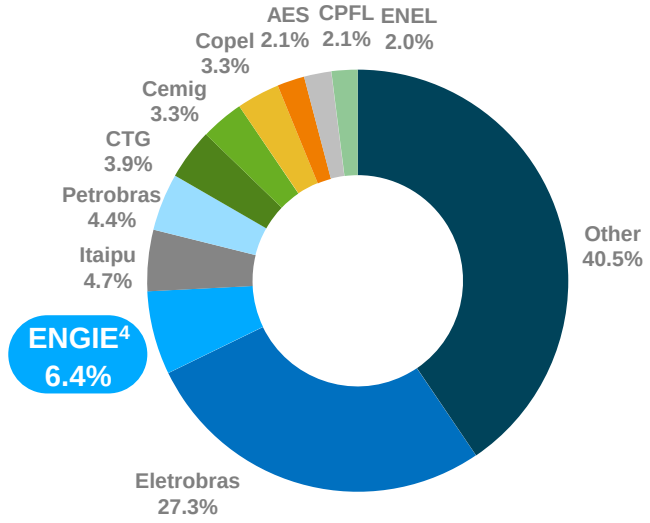
RELEVANT POSITION
among the private power producers

ENGIE Brasil Energia is part of the largest independent power producer group in the country and is positioned to capture business opportunities.

Private Sector – Own Installed Capacity[1] (GW)



Brazil – Existing Installed Capacity[2,3]



Source: Aneel, Companies' websites and in-house studies.
Notes:
1 Apparent sum-related errors are a result from rounding of addends.
2 Amount corresponding to National Interlinked System (SIN), considering the Operation Monthly Program (PMO) as of January, 2018.
3 Includes only the Brazilian part of Itaipu.
4 Considering the consolidated installed capacity of the group, of the 9.6GW in operation from ENGIE Group in Brazil, EBE accounts for 8.1GW.
5 Based on information from Aneel, ONS and internal study.

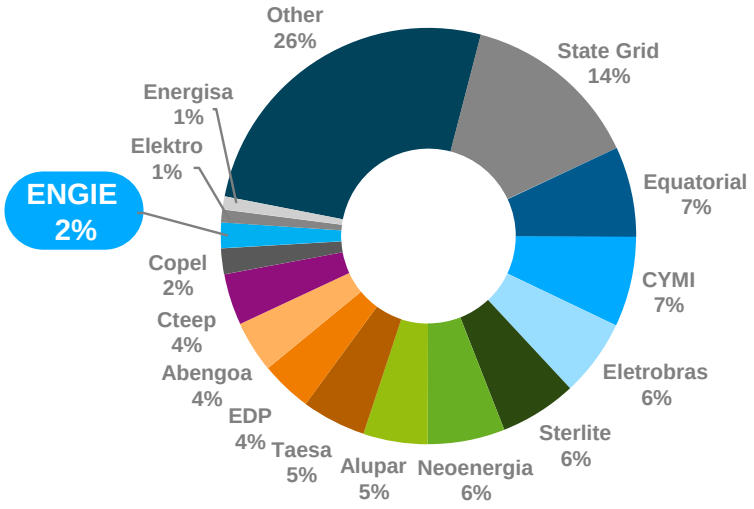
TRANSMISSION
expanding its participation in the electric power industry

EBE's debut into the energy transmission segment in Brazil, representing a new business line.

Transmission Segment – Main numbers

- Basic network extension (> 230 kV): 141,388 km[1].
- Total Maximum Annual Allowed Revenue (RAP) of transmission companies: R$ 23.8 billion[2].
- Eletrobras Group accounts for approximately 50% of the transmission market.
- Since 2013, there was a significant increase in the participation of private agents.
- Considering all the auctions from 2013 to 2018, over than 45 thousand km of lines (R$ 10.5 billion RAP) were auctioned.

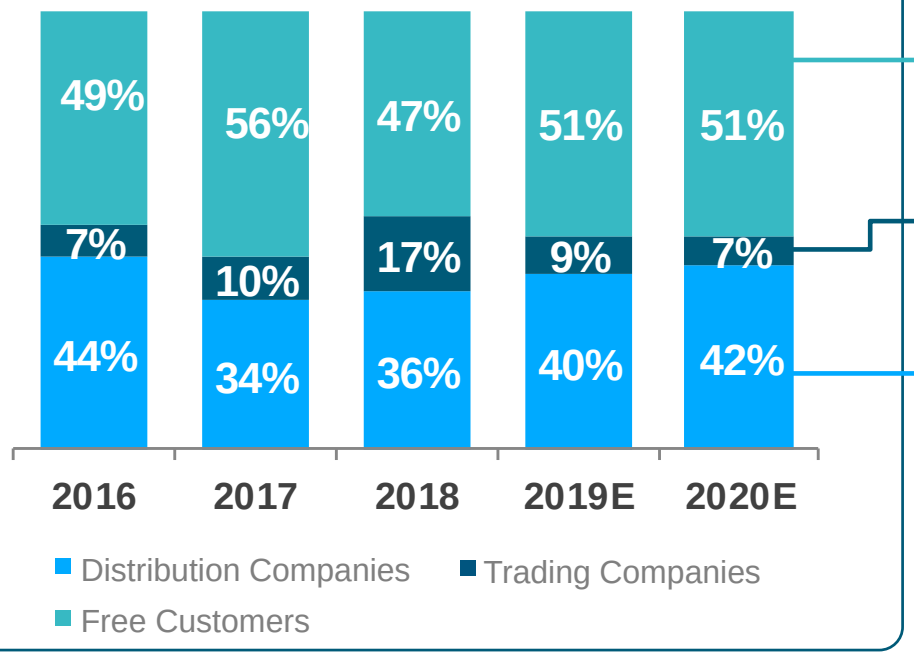
Brazil Auction 2013-2018 – Market Share (%RAP)[3]



Notes:
[1] Data 2017 – Relevant Operation Data / 2023 - PAR.
[2] Total RAP of transmission companies in the 2017-2018 cycle was approved in REH 2,258/2017.
[3] Considering the winners in the auctions, without taking into account eventual change in control that have occurred since then.

DIVERSIFIED PORTFOLIO
among distribution, free customers and trading companies

Client Breakdown (based on contracted energy)



First to consistently serve the free market…

- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Opportunistic contracts (purchase/sale) → Product assembly
- Largest consumer market
- Regulated and unregulated contracts (signed until 2004) → Long-term cash flow predictability

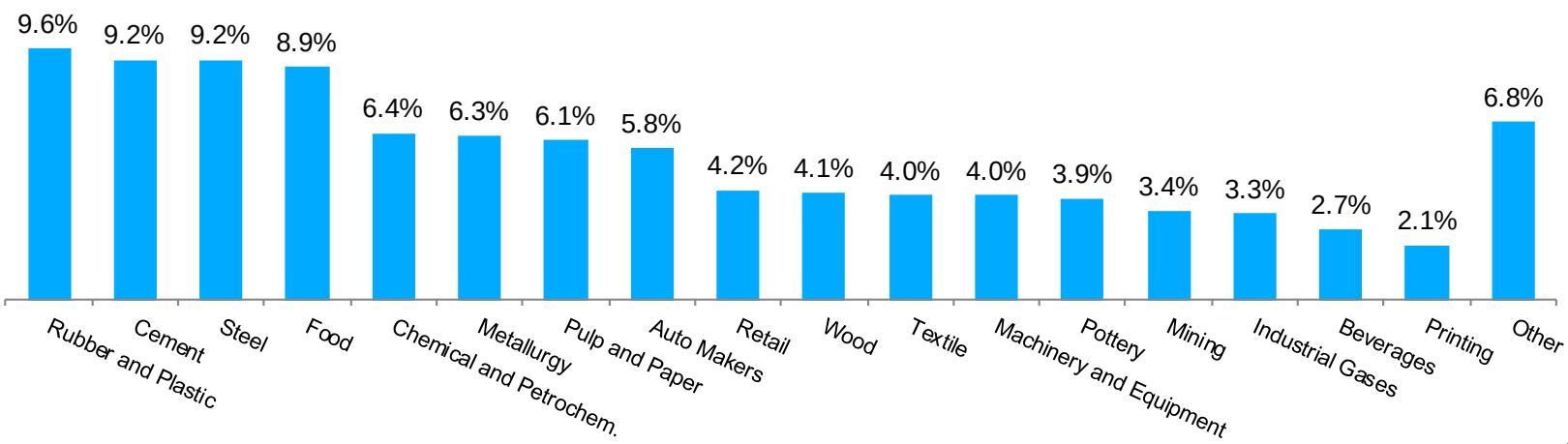
…to minimize risks and to maximize portfolio's efficiency.

The portfolio of free customers rose from 280 in 2017 to 515 in 2018, an increase of 84%.

DIVERSIFICATION
also within the free customers portfolio

Free customer industry diversification and a strict credit assessment policy allow for a zero default reality in the Free Contracting Environment (ACL).

Free customers total sales volume for 2019: 2,603 average MW



Source: Internal study based on IBGE's classification.



02

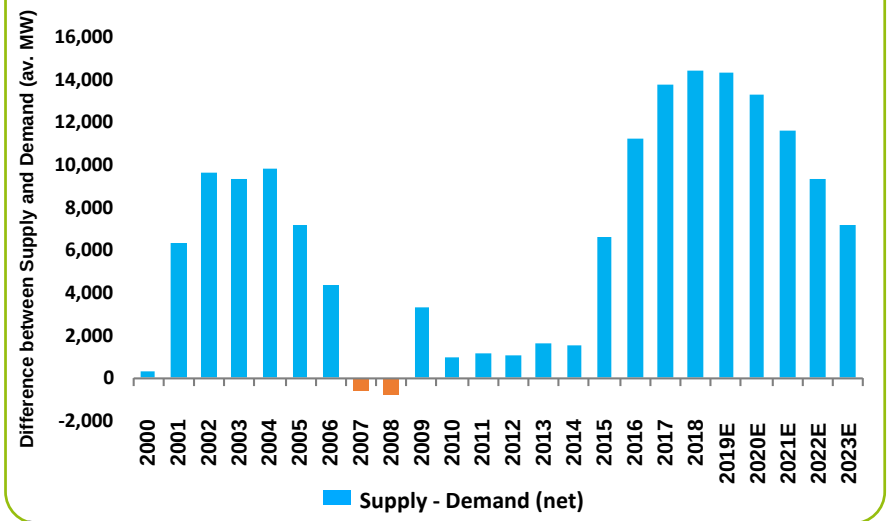
Energy Market in Brazil

ENERGY MARKET

- **Supply:** in the past, supplied by hydroelectric plants with reservoirs. Currently, a greater presence of thermoelectric and hydroelectric run-of-river plants. Continuous expansion of supply from intermittent sources and water shortages recurrence
- **Demand:** the recovery in consumption accelerates the over-supply reduction.

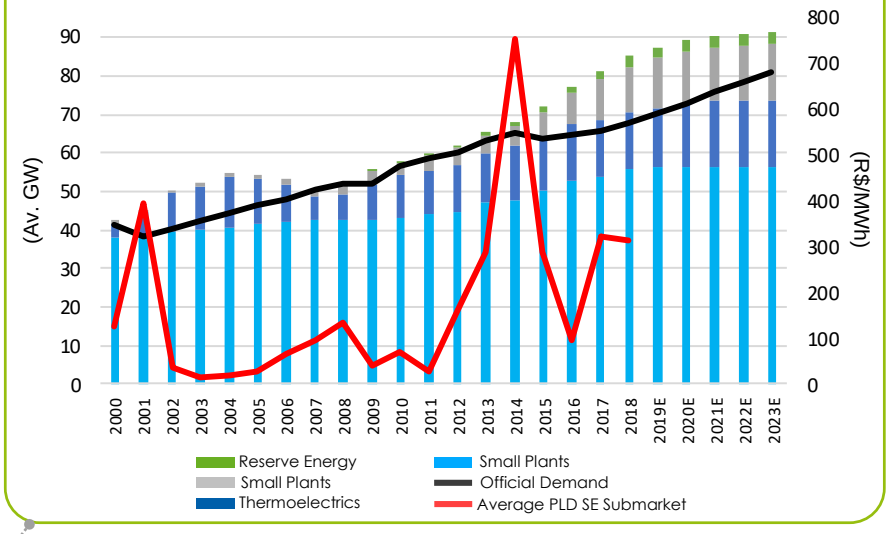
- **Surplus of capacity in the short-medium term, with a scarcity of energy and storage**
- **Greater volatility of spot prices at a high level**

Theoretical Supply x Demand (ignores GSF impact)



Source: ENGIE Brasil Energia internal study based on official sector documents.

Distribution of Supply by Source



Source: Internal study based on Aneel and ONS data.



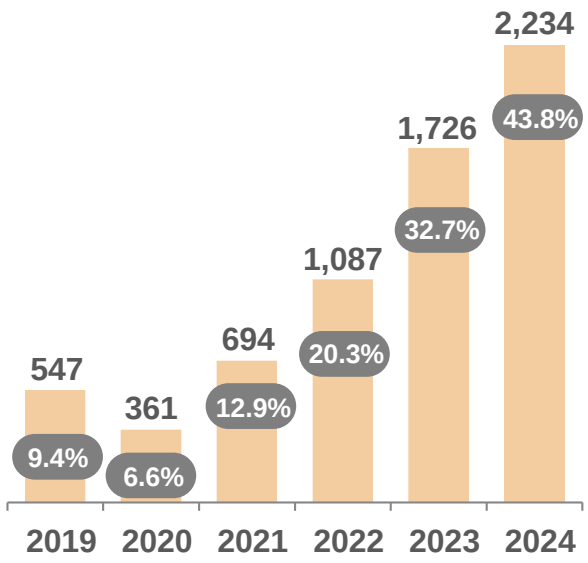
03

Sales Strategy

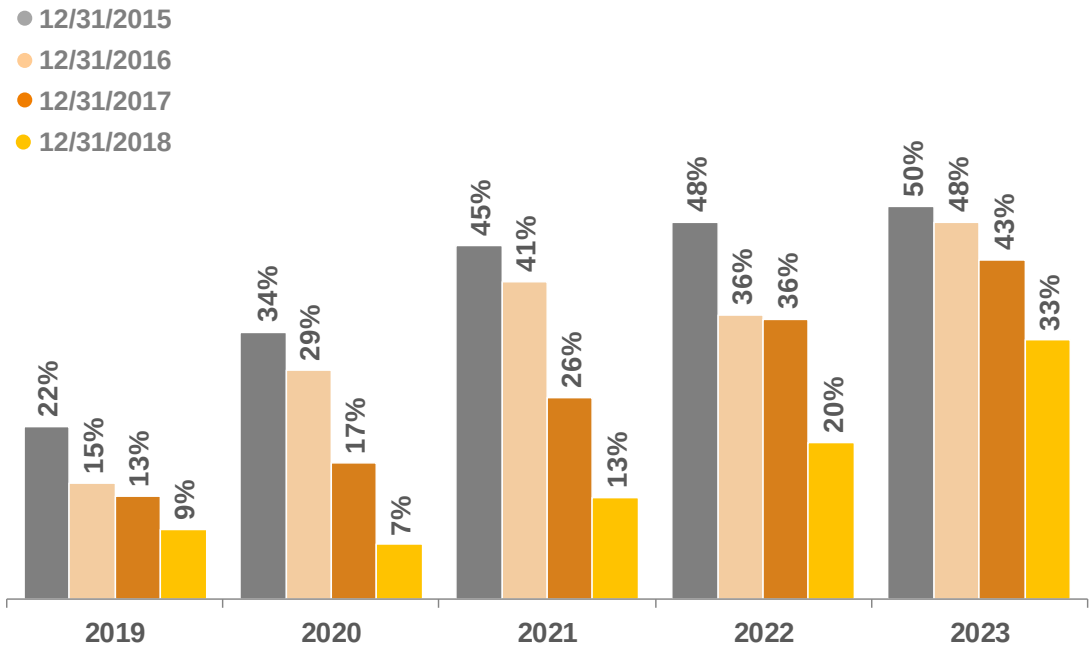
COMMERCIAL STRATEGY
considers the gradual sale of future availability

Uncontracted energy[1] (average MW)

as of December 31, 2018



Uncontracted energy compared to the availability of a given year



Note:
[1] Percentage of total resources.

ENERGY BALANCE AS OF DECEMBER 31, 2018

(in average MW)	2019	2020	2021	2022	2023	2024	Auction **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,530	4,706	4,880	4,930	4,928	4,929				
+ Purchases for Resale	1,302	777	483	426	353	174				
= Total Resources (A)	**5,832**	**5,483**	**5,363**	**5,356**	**5,281**	**5,103**				
Government Auction Sales[1]	1,992	2,013	2,013	2,013	2,013	2,008				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	227.4	204.3
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	249.9	224.5
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	260.5	234.0
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	234.6	210.8
2014-EE-2014-06	98	-	-	-	-	-	270.7	May-14	342.2	307.5
Proinfa	19	19	19	19	19	19	147.8	Jun-04	266.3	256.6
1st Reserve Energy Auction	14	14	14	14	14	14	158.1	Aug-08	274.0	264.0
Auction Mix (New Energy / Reserve / DG)	17	14	14	14	14	9	-	-	257.7	248.3
2014-NE-2019-25	173	295	295	295	295	295	183.5	Mar-14	242.3	217.7
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	262.4	252.8
2014-NE-2019-20	83	83	83	83	83	83	139.3	Nov-14	177.3	160.9
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	215.9	195.9
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	347.5	315.3
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	172.7	156.8
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	130.4	124.4
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	148.9	142.1
+ Bilateral Sales	3,293	3,109	2,656	2,256	1,542	861				
= Total Sales (B)	**5,285**	**5,122**	**4,669**	**4,269**	**3,555**	**2,869**				
Balance (A - B)	**547**	**361**	**694**	**1,087**	**1,726**	**2,234**				
Sales Average Price (R$/MWh) **(Net)**[2,3]:	187.3	183.4	183.9							
Purchases Average Price (R$/MWh) **(Net)**[4]:	183.6	167.7	171.8							

[1] XXXX-YY-WWWW-ZZ, where:
XXXX -> year of auction
YY -> EE = existing energy or NE = new energy
WWWW -> year of delivery start
ZZ -> supply contract duration (in years)

[2] Sales price, including trading operations, net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not being considered.
[3] Disregarding sales for quotas regime (Jaguara and Miranda HPPs).
[4] Purchase net price, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not being considered.

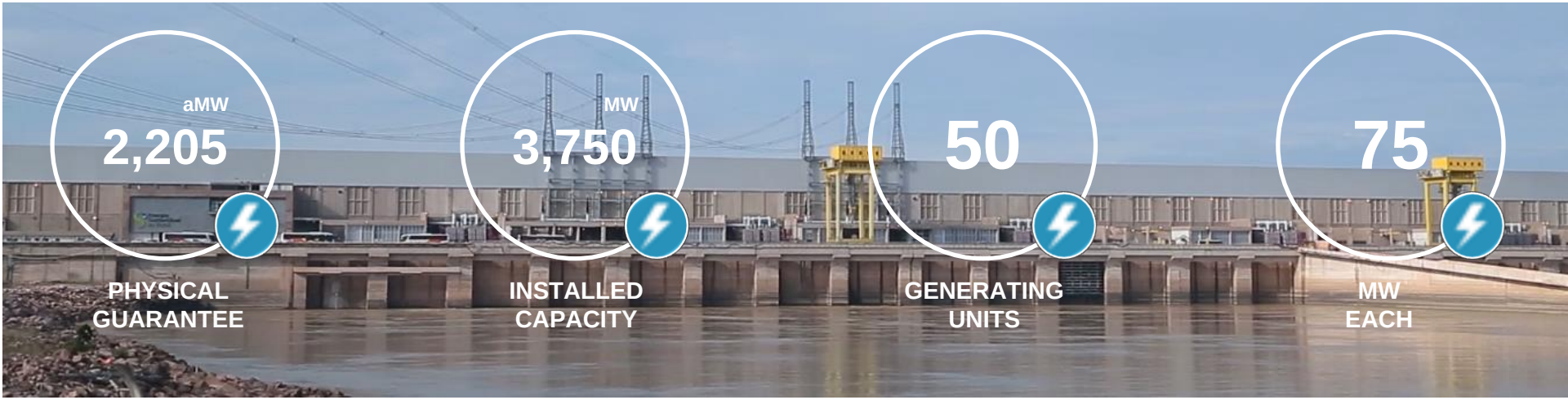
Notes:
- The balance refers to the settlement point (net of losses and internal consumption of the plants).
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.



04

Expansion

EXPANSION:
Jirau | update



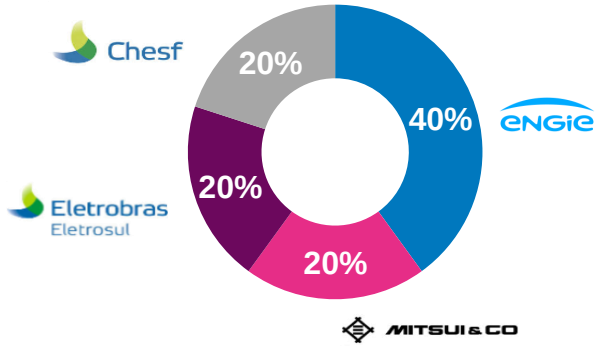
CAPEX: approximately R$ 20 billion

Financing conditions

- R$ 9.5 billion (initial R$ 7.2 billion + R$ 2.3 billion) with amortization in 20 years: 100% financed by BNDES
- interested rate: TJLP + spread from 2.25% to 2.65%

Majeure lawsuit - recognition of 535 days in the First Instance. Analysis processing in the Second Instance

ESBR shareholders

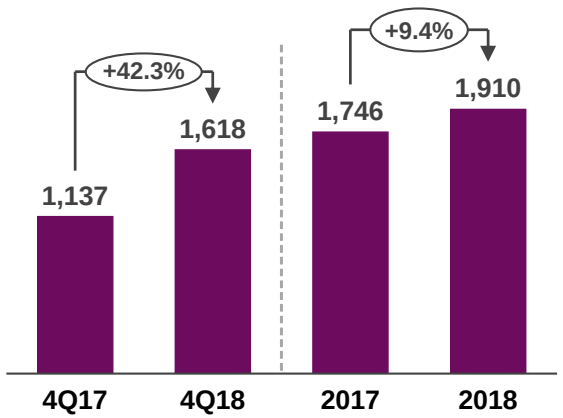


EXPANSION:
Jirau | update

Options to create additional value

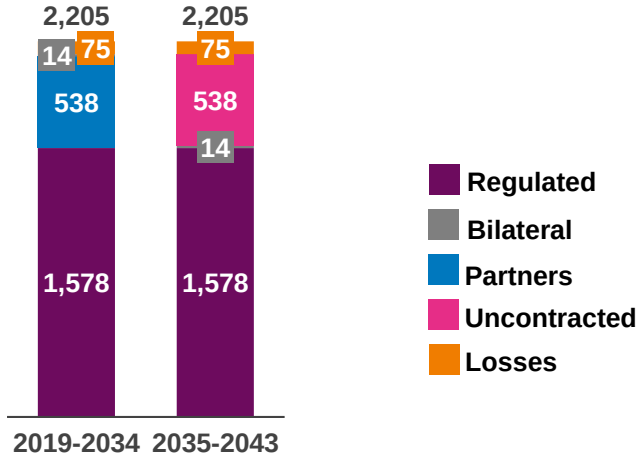
- Constant reservoir level
- Recalculation of transmission tariff
- Sale of carbon credits
- Additional long-term tax breaks
- Recalculation of GFOM/Renegotiation of GSF
- Rebalancing of the agreement

Production (MW average)[1]



Uptime operating factor in 4Q18/2018: 99.4%[1]

ESBR PPA's portfolio (MW average)



Note:
[1] Subject to final CCEE booking.

THERMAL PROJECT UNDER CONSTRUCTION:
Pampa Sul TPP

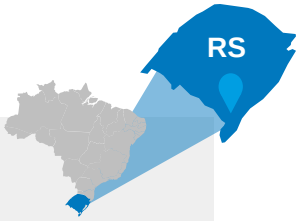
Work on the site 96% complete

In an A-5 Auction, occurred in November 2014, were sold 294.5 aMW.

In 4Q18, the activities worth highlighting are the chemical cleaning of the boiler and completion of internal piping to the smokestack. Auxiliary work was also completed.

Pampa Sul TPP – site overview





Pampa Sul TPP
Candiota (RS)

Fuel: coal	
Installed Capacity: **345.0 MW**	Commercial Capacity: **323.5 aMW**
Contracted Price[1]: **R$ 242.3/MWh**	
Contract Term: **25 years** (as from Jan/2019)	
Start of construction: **2015**	Start of operation: **2Q19**
Investment (R$mm)[2]: 1,800	
Annual Fixed Revenue (R$mm)[1]: 625.0	

Notes:
[1] Value as of December 2018.
[2] Value as of November 2014.

WIND PROJECT UNDER CONSTRUCTION:
Umburanas Wind Complex (Phase I)

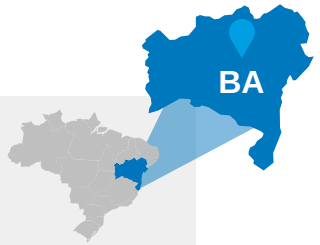
Umburanas 8, 16, 17 and 21 Wind Farms go into commercial operation

- 257.5 MW will be allocated to the free market with high contracting level in the medium and long terms and
- 102.5 MW was sold at the A-5/2014 Auction.

In 4Q18, the overall project is 87% complete. Services of concreting the wind turbine foundations and assembling of the Transmission Line were concluded.

Umburanas Wind Complex





Umburanas WC
Umburanas (BA)

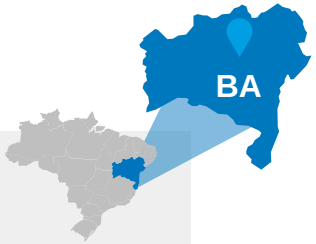
Installed Capacity: 360.0 MW	**Commercial Capacity: 215.1[1] aMW**
Contracted Price[2,3]: R$ 172.7 /MWh	
Term[2]: 20 years (as from 2019)	
Investment (R$mm)[4]: 1,800	
Start of construction : November 2017	**Start of operation : as from January 2019**

Notes:
[1] Value subject to MME approval.
[2] With respect to the portion allocated to the Regulated Contracting Environment (ACR).
[3] Value as of December 2018.
[4] Value as of September 2017.

WIND PROJECT UNDER CONSTRUCTION:
Campo Largo Wind Complex (Phase II)

Sales contracted in the free market have made the installation of the project a viable proposition

The development will capture synergies with the Company's other wind power complexes in the region.



Campo Largo WC
Sento Sé and Umburanas (BA) (Phase II)

Total Installed Capacity:
361.2 MW

Commercial Capacity:
~ 200.0 aMW

Investment (R$mm)[1]: ~R$ 1,600

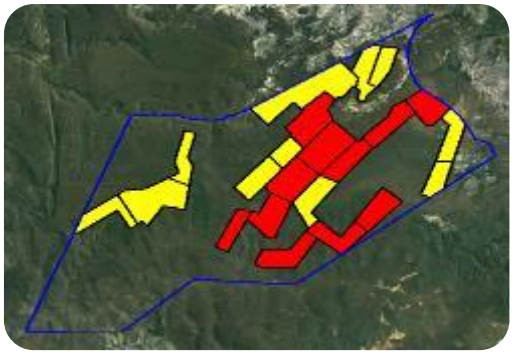
Start of construction: 2019

Start of operation: 2021

Nº of wind turbines: 86 (~ 4.2 MW each)

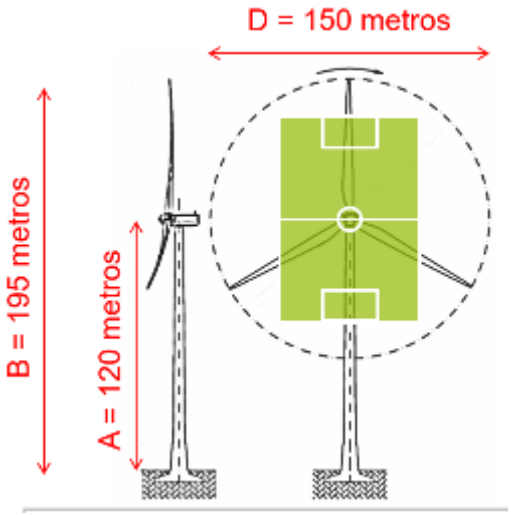
Note:
[1] Value as of January, 2018.

Campo Largo Wind Complex



Campo Largo Phase I – operational

Campo Largo Phase II – construction work in progress



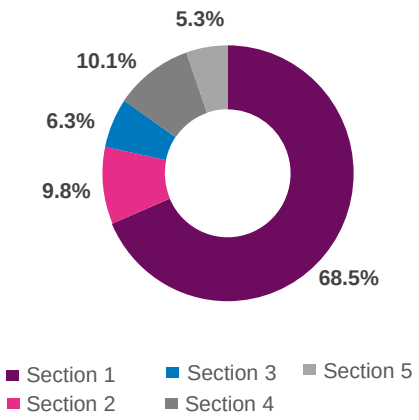
EXPANSION:
Gralha Azul Transmission System

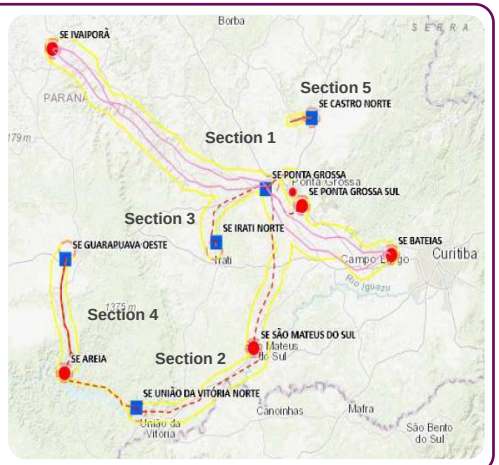
Investment below Aneel projections and expected anticipation of COD

- Access to finance at competitive rates
- Location offers synergies with Salto Santiago and Salto Osório HPPs

In 4Q18, the environmental impact studies have been completed. Activities are proceeding with the execution of the Executive Project, topography and surveys.

RAP by section (%)







Transmission Line - Lot 1

Contracted RAP (R$ mm): 231.7

13 lines totaling around 1,000 km and five substations

Line tension:
525 kV (around 526 Km)
230 kV (around 474 Km)

Estimated Capex[1]
R$ 1.7 billion

Deadline to start operation: March, 2023

Concession period: 30 years

Substation capacity:

1 substation from 525 to 230 kV: 2,016 MVA

4 substations from 230 to 138 kV: 1,350 MVA

Note:
[1] Value as of December, 2017.

EXPANSION:
ENGIE Geração Solar Distribuída (EGSD)

The Solar Industry Program reaches more than 3,000 applicants in the states of SC, RS and MT during 4Q18

Operations in the distributed solar generation segment contributed to a more dynamic energy matrix and one close to the final consumer.

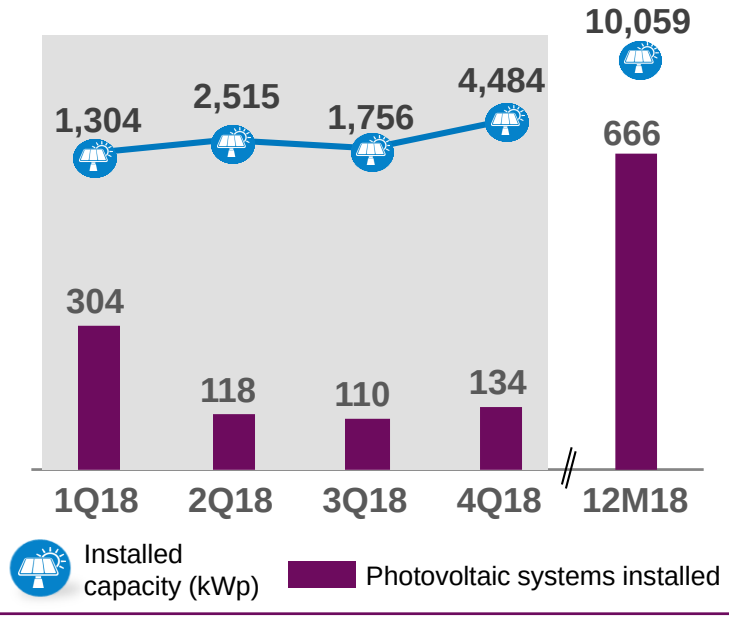
ENGIE Geração Solar Distribuída (EGSD)



Presence in 13 states

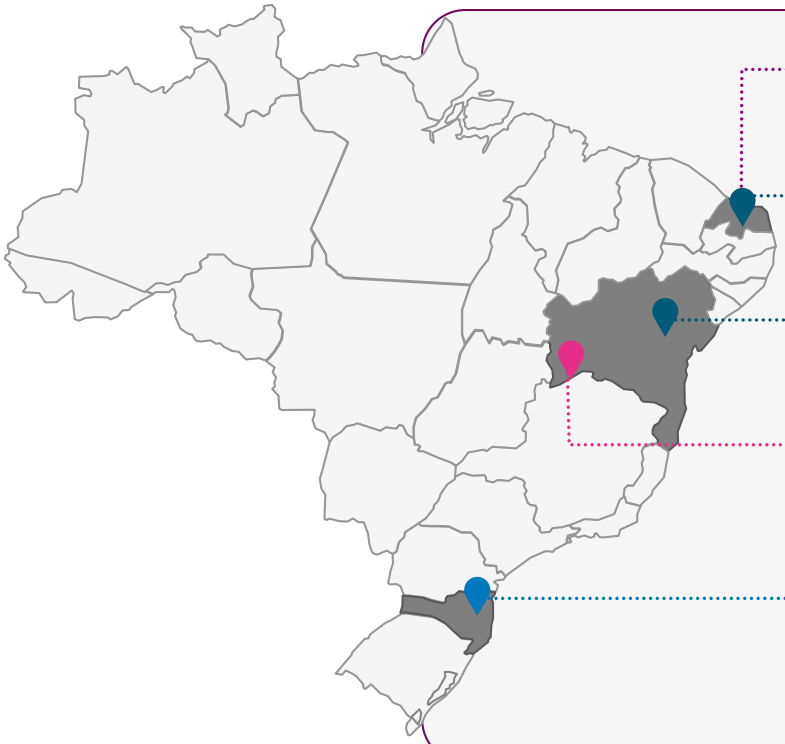
Total of 1,954 installed systems, with 15,921 kWp of capacity

Number of units and installed capacity



PROJECTS UNDER DEVELOPMENT

ENGIE Brasil Energia has also a portfolio of assets under development. Some of them are presented below.



Assú I, II, III and IV Photovoltaic Centrals - RN
Installed Capacity[1]: 146.8 MWp

Sto. Agostinho WC - RN
Installed Capacity: 600 MW

Umburanas WC – BA (Phase II)
Installed Capacity: 245 MW

Alvorada Photovoltaic Complex - BA
Installed Capacity[1]: 90 MWp

Norte Catarinense TPP - SC
Installed Capacity: 600 MW
Fuel: natural gas

Note:
[1] **Approximated values.**



05

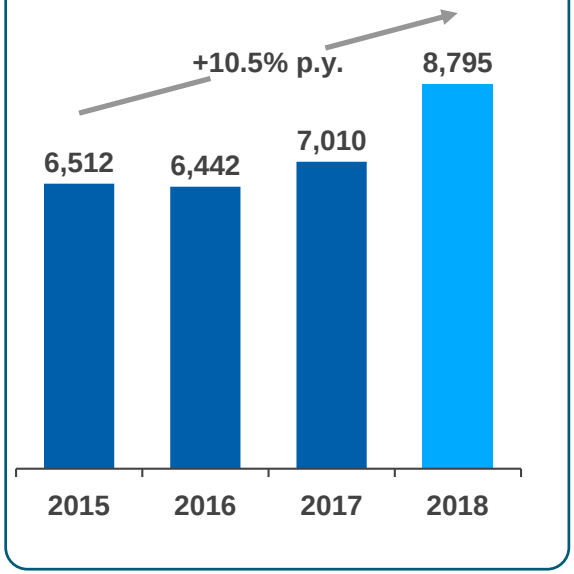
Financial Performance

SOLID FINANCIAL PERFORMANCE

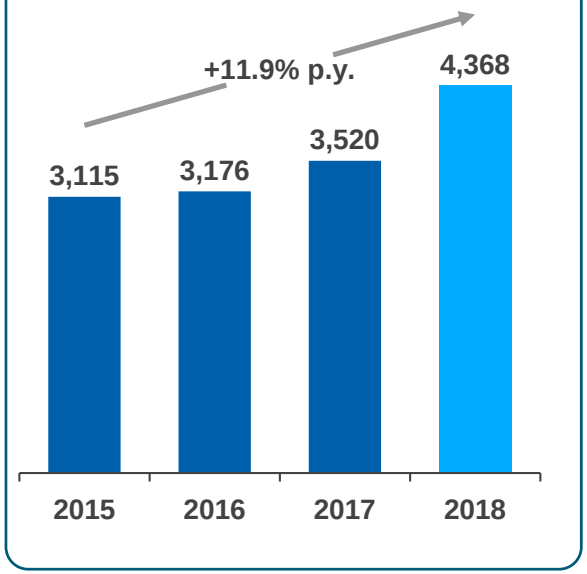
Efficiency in the management of the portfolio and the focus on contracting strategies has enabled the Company to report stability in the levels of revenue generation, Ebitda and net income despite recent instability that affected the electricity sector and the Brazilian economy as a whole.

In 2018, such strategies translated into significant growth.

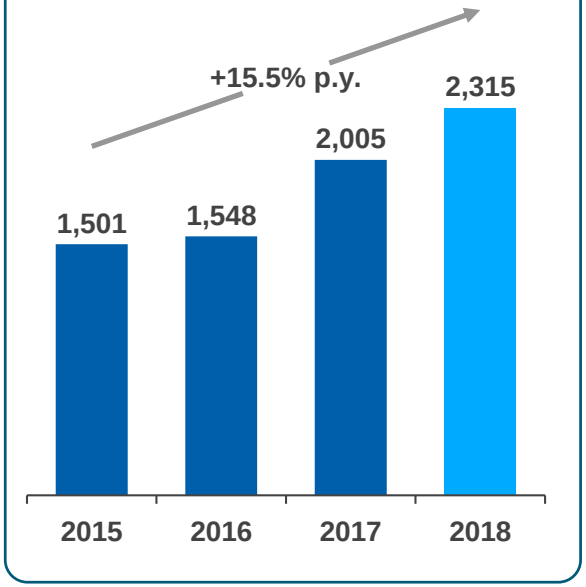
Net Operating Revenue (R$ million)



Ebitda (R$ million)

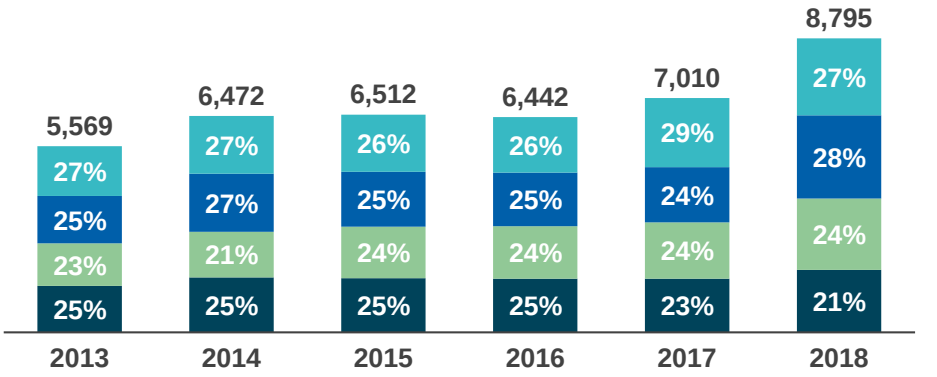


Net Income (R$ million)



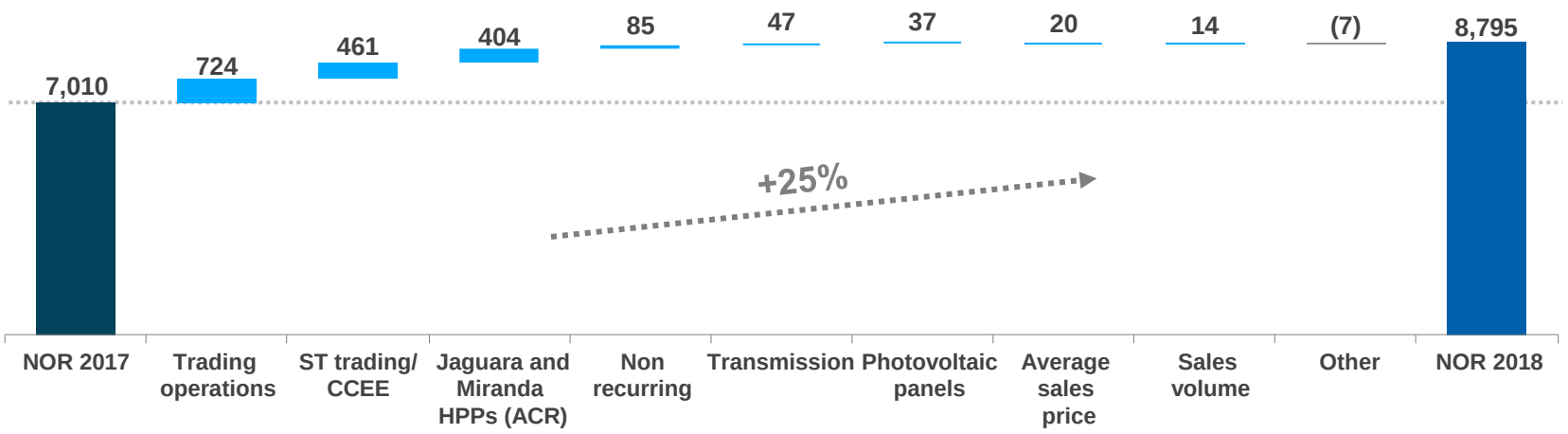
NET OPERATING REVENUE CHANGE

Net operating revenue change (R$ million)



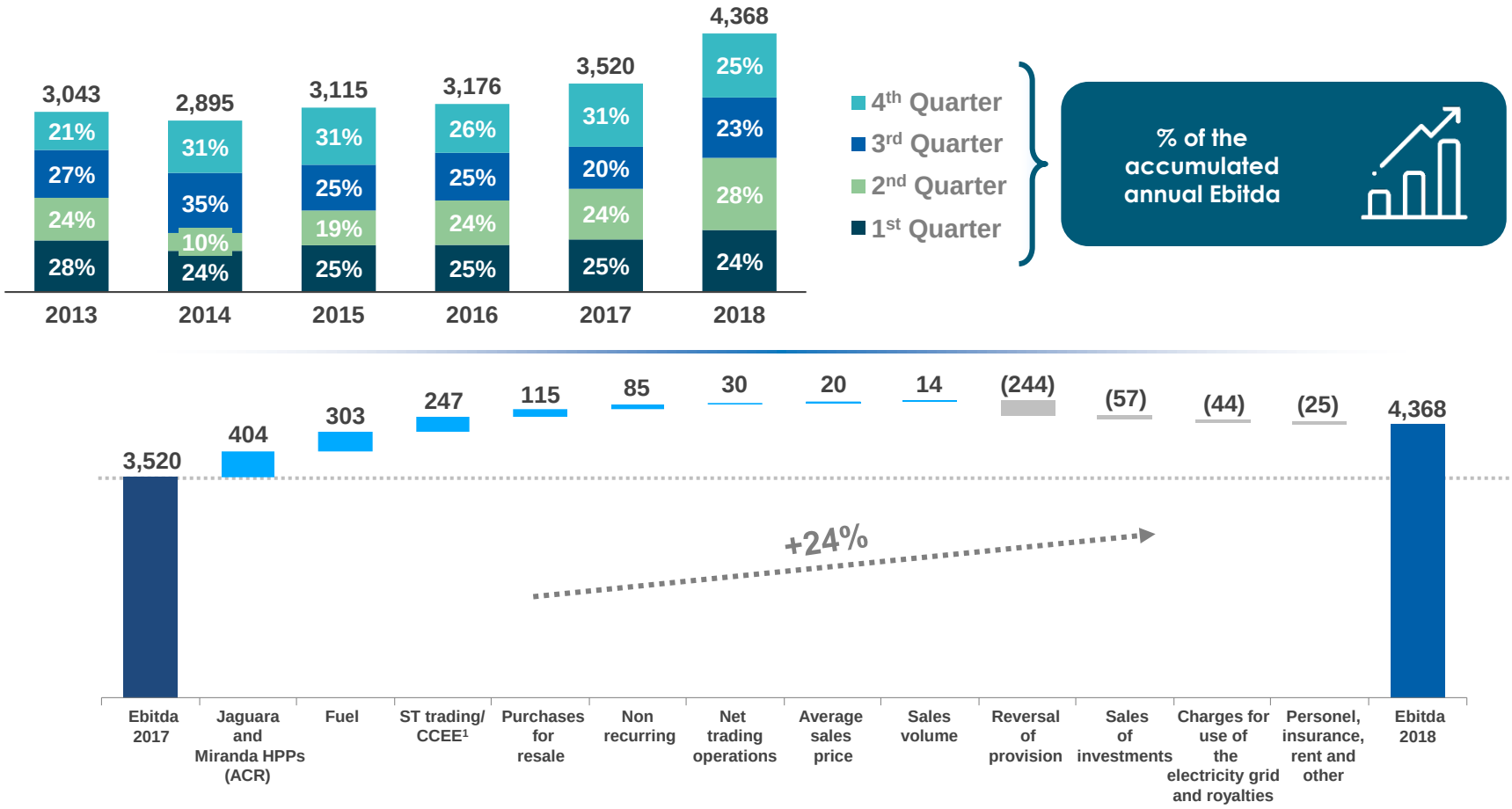
4th Quarter
3rd Quarter
2nd Quarter
1st Quarter

% of the net operating revenue



EBITDA CHANGE

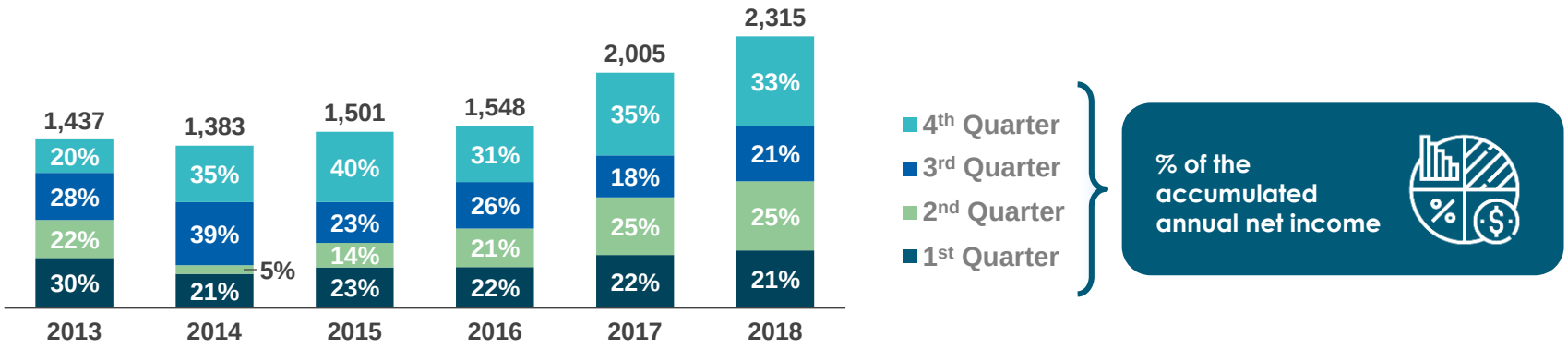
Ebitda change (R$ million)

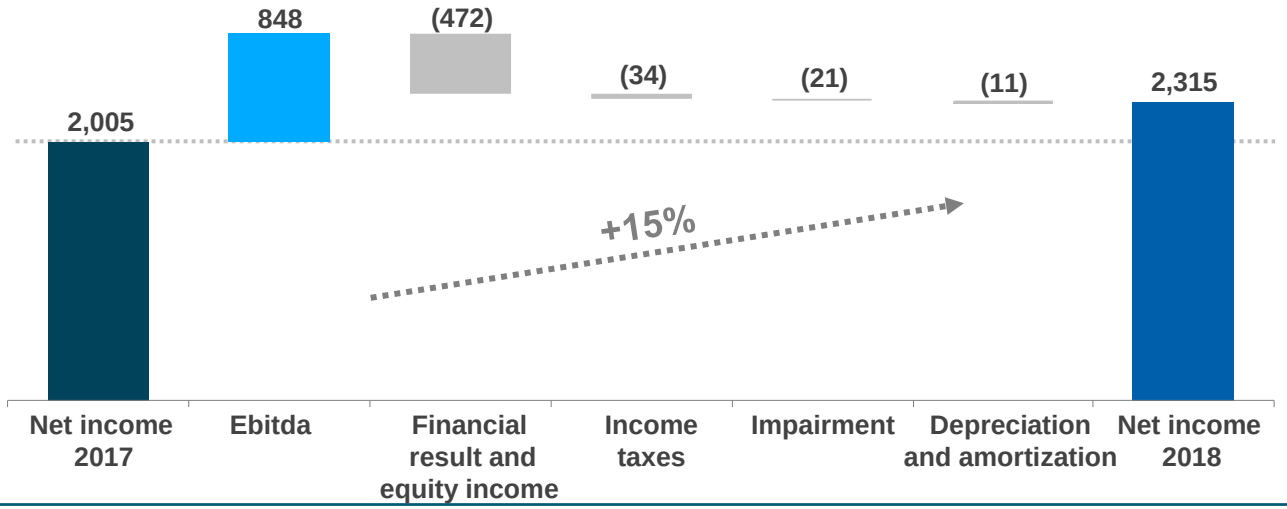


Note:
[1] Considers the combined effect of changes in revenue and expenses.

NET INCOME CHANGE

Net income change (R$ million)

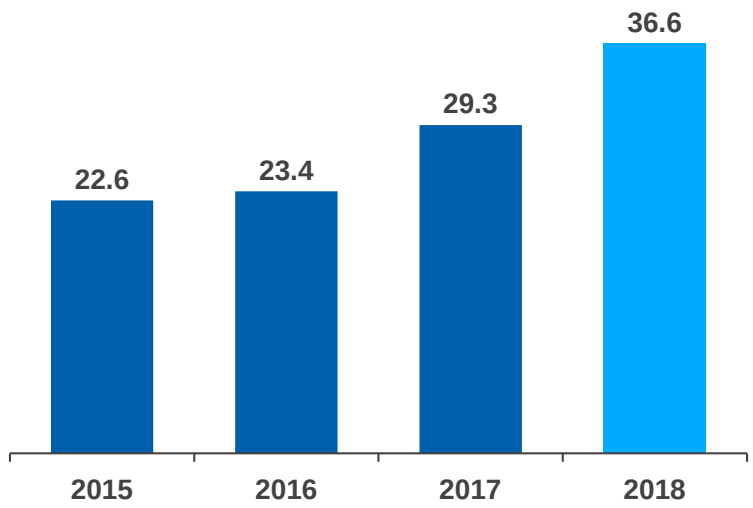




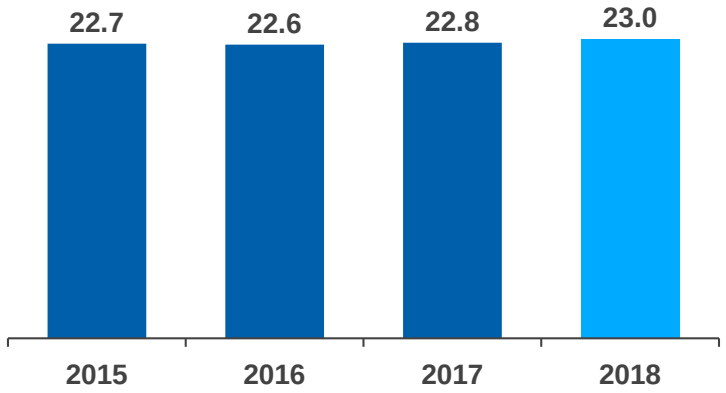
CONSISTENT FINANCIAL INDICATORS

Creation of shareholder value: high levels of ROE and ROIC.

ROE[1] – Return on Equity (%)



ROIC[2] – Return Over Invested Capital (%)



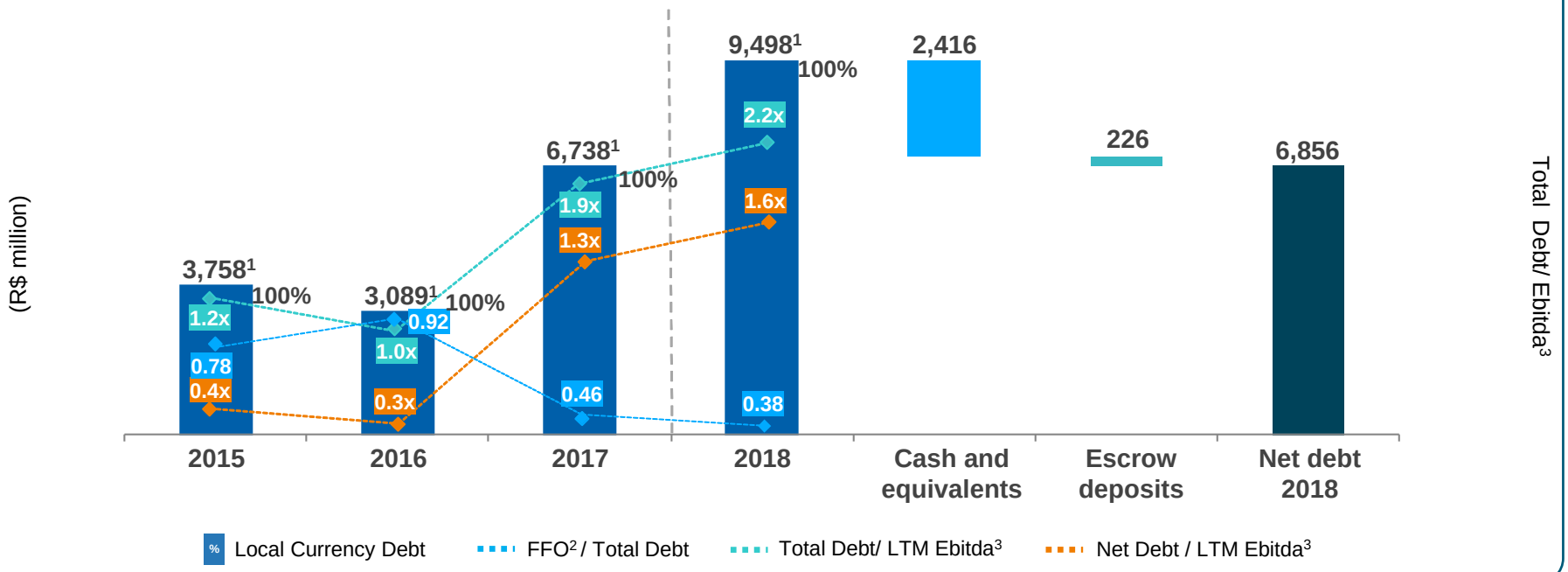
Notes:
[1] ROE: net income for the past 4 quarters / shareholders' equity.
[2] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).

Source: ENGIE Brasil Energia internal study based on the Company's Financial Statements.

LIMITED DEBT
with no currency exposure

Adjustment in leverage, with competitive cost, facilitates the growth opportunities that were captured.

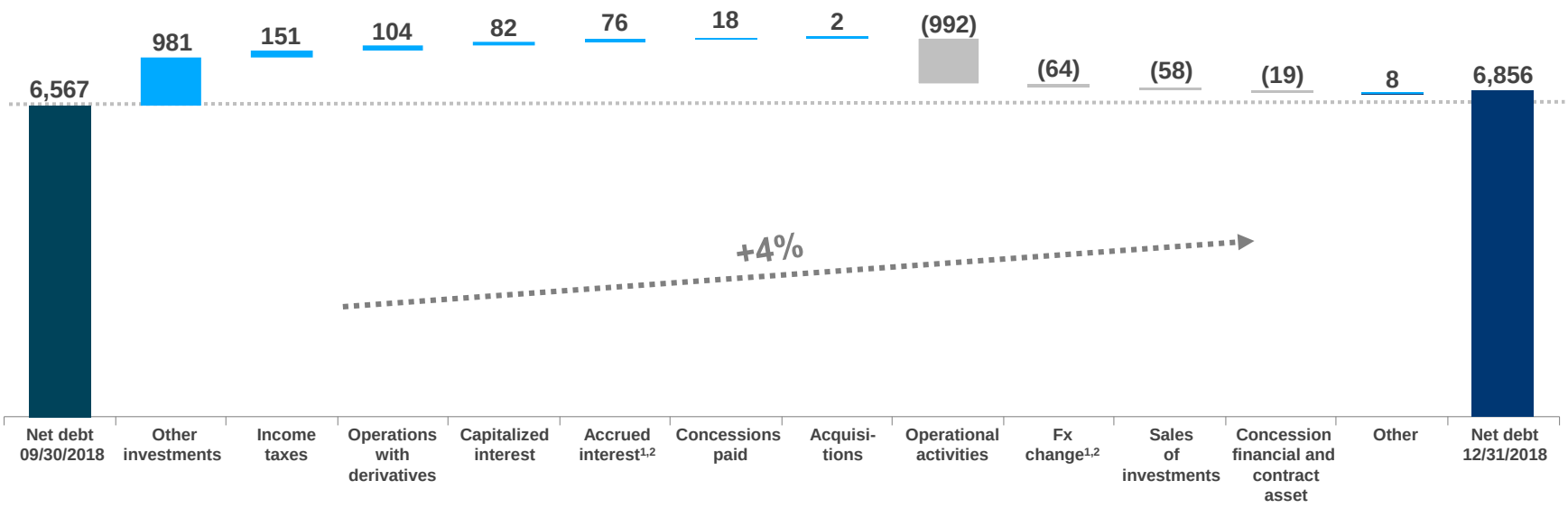
Debt Overview (R$ million)



Notes:
[1] Debt net of hedge operations.
[2] Funds from Operations.
[3] Ebitda in the past 12 months.

NET DEBT CHANGE

Net debt change (R$ million)

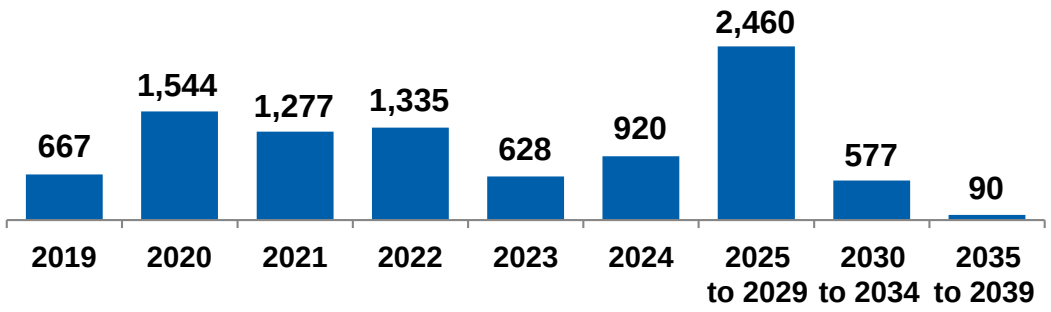


Notes:
[1] Does not impact the Company's cash position.
[2] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

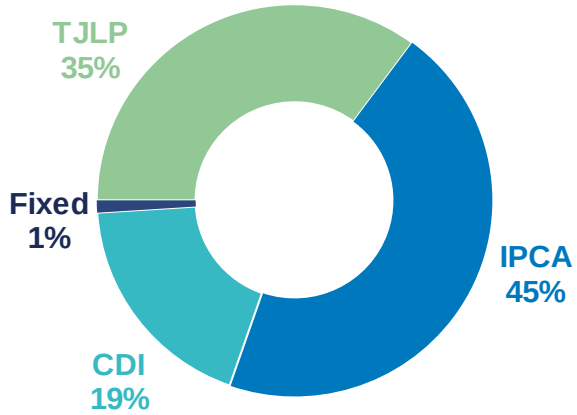
DEBT PROFILE AND COMPOSITION
low costs and defensive indexes

AAA rating and robust cash generation translate into competitive costs of debt for financing growth.

Maturity debt schedule (R$ million)



Breakdown of debt



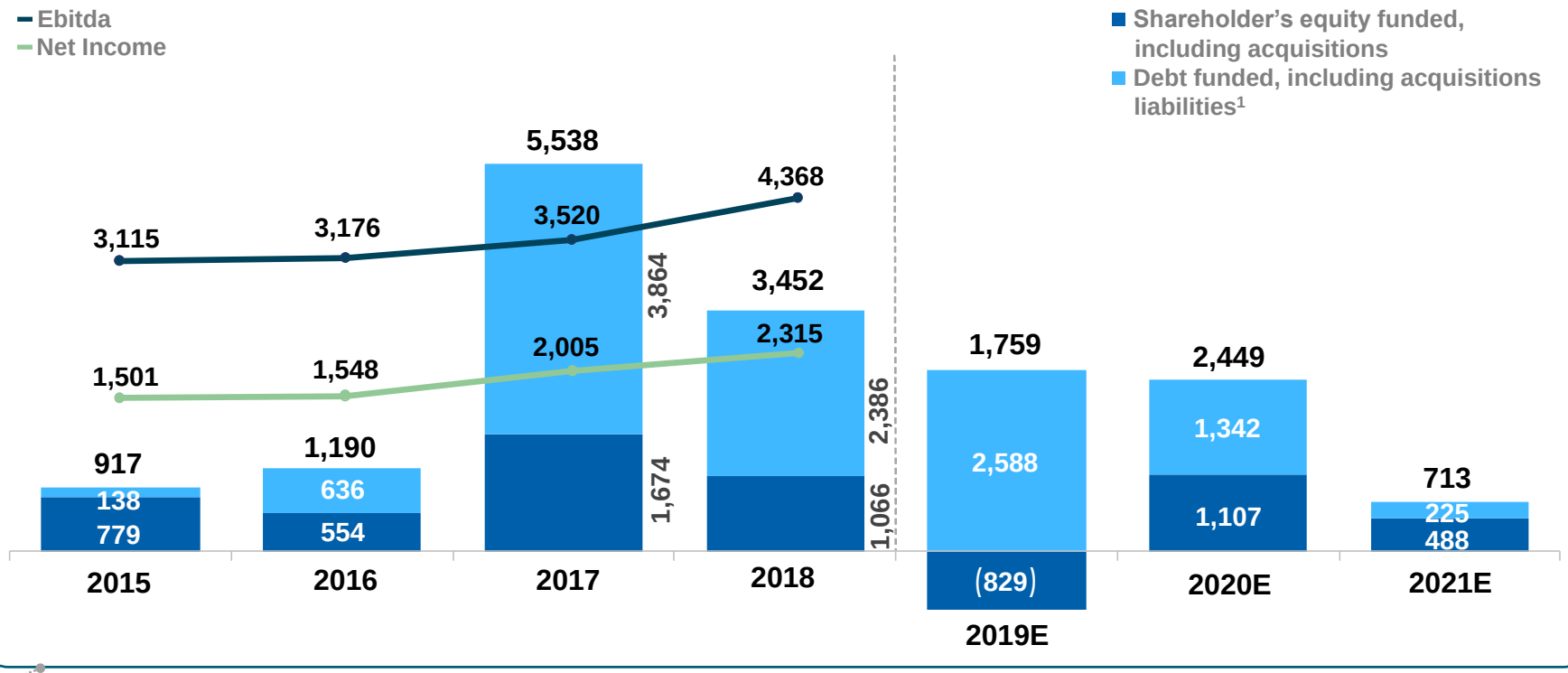
Nominal cost of debt: 8.6% (8.1% in 4Q17)

In 2017 and 2018, EBE adjusted its leverage, financing a good part of its expansion with third party capital.

CAPEX

The expansion plan and maintenance CAPEX are supported by a strong cash flow generation and prudent funding strategy.

Accomplished/expected CAPEX and corresponding financing sources (R$ million)

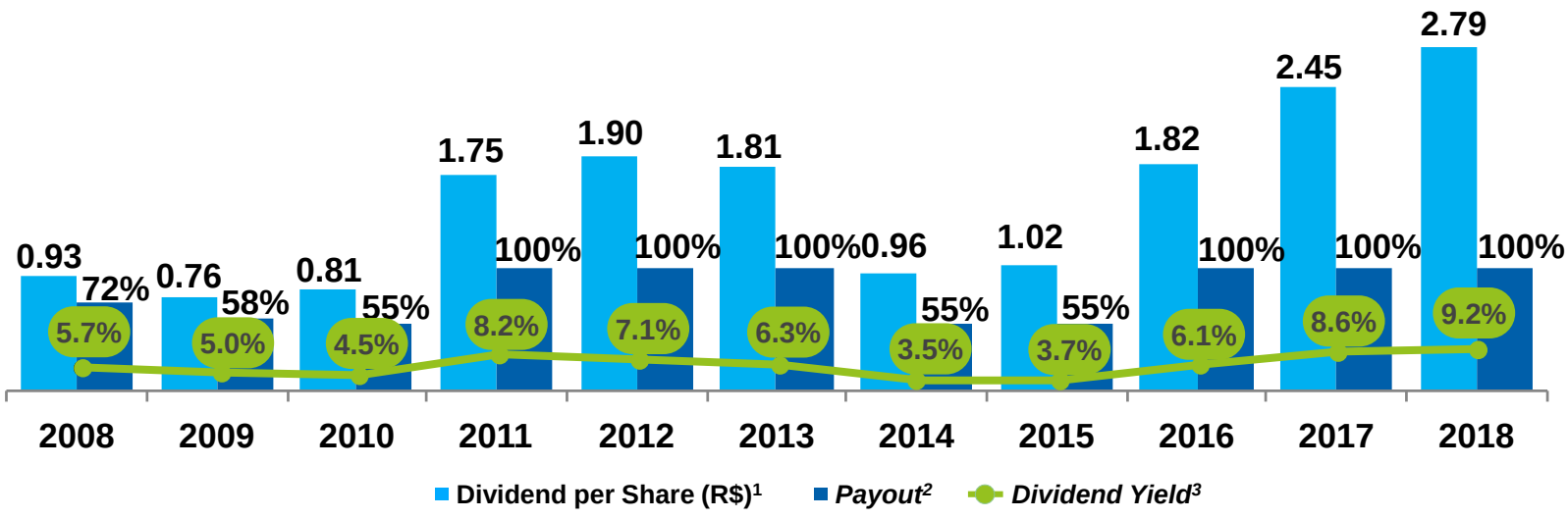


Note:
[1] Does not consider interests incurred during the construction.

DIVIDEND POLICY

- By-law minimum payout: 30% of payable net income
- Management commitment: minimum payout of 55% of payable net income
- At least 2 dividends per year

Dividends (based on distributable net income)



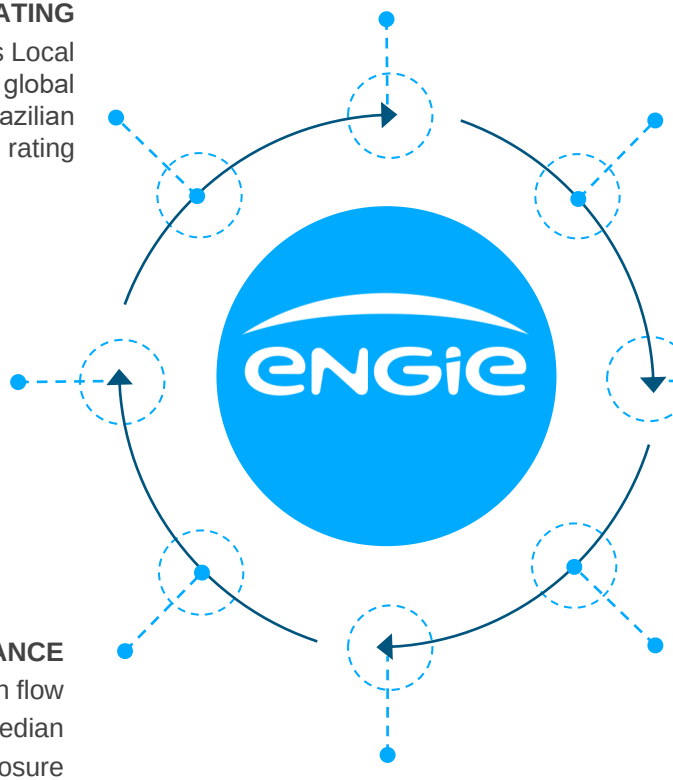
Notes:
[1] For the purposes of comparability between fiscal years, an adjustment in dividend per share was made in the light of the share bonus approved on December 07, 2018.
[2] Considers the annual payable net income.
[3] Based on volume-weighted closing price of ON shares in the period.

COMPETITIVE ADVANTAGES

STRATEGIC INDUSTRY
- ✓ Defensive profile in times of crisis
- ✓ Projects with high bankability

PREMIUM RATING
- ✓ Fitch Ratings rated the Company`s Local Long Term Rating as 'AAA(bra)' and in global scale "BB", one notch above the Brazilian sovereign rating

INDUSTRY LEADERSHIP
- ✓ Largest independent power producer group in Brazil
- ✓ Market cap: R$ 26.9 billion in 12/31/2018
- ✓ Controlled by ENGIE S.A., world leader in energy



HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY
- ✓ Diversified and qualified team
- ✓ First class controlling shareholder
- ✓ Component of B3's Novo Mercado and ISE (since its inception in 2005)

CLEAR COMMERCIAL STRATEGY
- ✓ Heavily contracted in the next years
- ✓ Diversified portfolio between free customers and regulated ones
- ✓ Benefits from windows of opportunities

STABLE FINANCIAL PERFORMANCE
- ✓ Strong cash flow
- ✓ ROE and ROIC above sector median
- ✓ No FX exposure

CASH FLOW PREDICTABILITY
- ✓ Inflation-indexed contracts
- ✓ Hydro based, with diversification on complementary sources and active portfolio management
- ✓ Long-term contracting strategy

HIGH OPERATIONAL PERFORMANCE
- ✓ Benchmark indexes of availability
- ✓ ISO 9001, 14001 and OHSAS 18001 certified plants
- ✓ Use of advanced technology for remote operations and predictive maintenance



06

Supporting Data

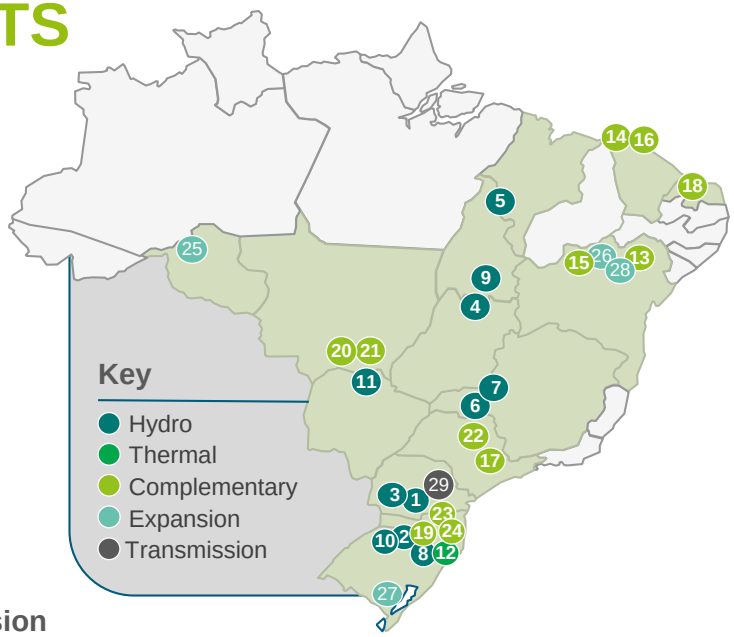
DIVERSIFIED PORTFOLIO OF ASSETS

Installed capacity of 8,099.8 MW (4,488.5 MWa) from 45 plants operated by ENGIE Brasil Energia: 79% hydro, 11% thermal and 10% complementary.

	Hydro Power Plants	Installed Capacity (MW)	Commercial Capacity (aMW)[6]
1	Salto Santiago	1,420.0	733.3
2	Itá	1,126.9[1]	564.7[1]
3	Salto Osório	1,078.0	502.6
4	Cana Brava	450.0	260.8
5	Estreito	435.6[1]	256.9[1]
6	Jaguara	424.0	341.0
7	Miranda	408.0	198.2
8	Machadinho	403.9[1]	165.3[1]
9	São Salvador	243.2	148.2
10	Passo Fundo	226.0	113.1
11	Ponte de Pedra	176.1	133.6
	Total	6,391.7	3,417.7

	Thermal Power Plants	Installed Capacity (MW)	Commercial Capacity (MWm)
12	Jorge Lacerda Complex[2]	857.0	649.9
	Total	857.0	649.9

	Complementary P. Plants	Installed Capacity (MW)	Commercial Capacity (MWm)
13	Campo Largo I Complex (Wind)[3]	326.7	169.6
14	Trairi Complex (Wind)[4]	115.4	54.9
15	Umburanas 8, 16, 17 and 21 (Wind)	95.0	56.4
16	Santa Mônica Complex (Wind)[4]	97.2	47.4
17	Ferrari (Biomass)	80.5	35.6
18	Assú V (Solar)	30.0	9.2
19	Lages (Biomass)	28.0	14.6
20	Rondonópolis (SHP)	26.6	10.1
21	José G. da Rocha (SHP)	23.7	9.2
22	Ibitiúva (Biomass)	22.9[1]	13.9[1]
23	Cidade Azul (Solar)	3.0	n/a
24	Tubarão P&D (Wind)	2.1	n/a
	Total	851.1	420.9



Expansion

	Generation	Installed Capacity (MW)	Commercial Capacity (MWm)
25	Jirau (Hydro)[5]	1,500.0	882.0
26	Campo Largo II Complex (Wind)	361.2	200.0
27	Pampa Sul (Thermal)	345.0	323.5
28	Umburanas I Complex (Wind)	265.0	158.7
	Total	2,471.2	1,564.2

	Transmission	Size	Substations
29	Lot 1	~ 1,000 Km	5

Notes:
[1] Portion owned by ENGIE Brasil Energia.
[2] Complex comprised by three power plants.
[3] Complex comprised by 11 wind farms.
[4] Complex comprised by four wind farms.
[5] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to EBE should be examined timely.
[6] Considers the physical guarantee revision in effect from January 1, 2018, pursuant to MME Ordinance 178/2017.

RENEGOTIATION
of the hydrological risk

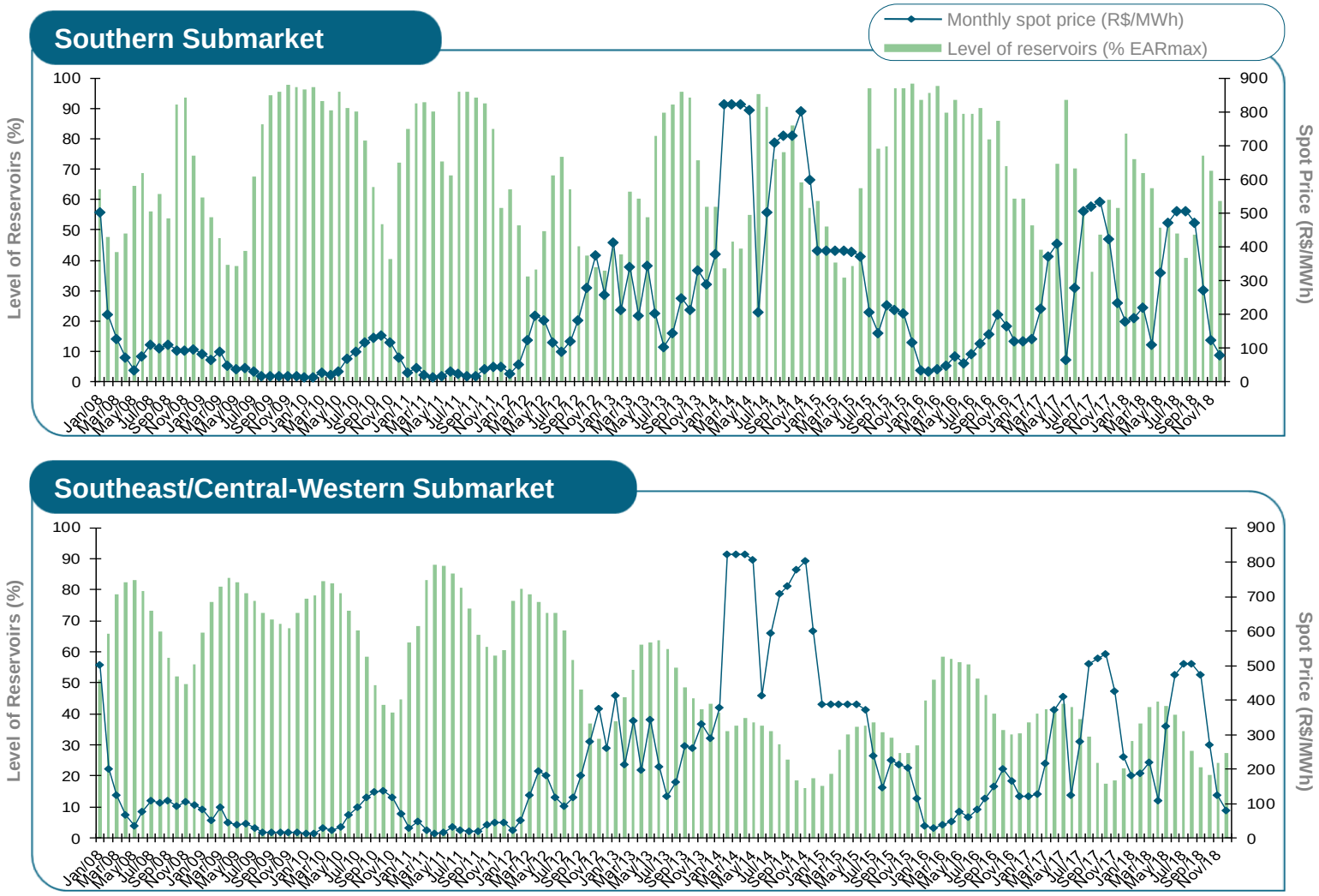
On December 31, 2015, Aneel approved the renegotiation of ENGIE Brasil Energia´s hydrological risk as shown in the following table:

Plant	Product	Amount Renegotiated (average MW)	Amount Renegotiated (MWh)	Net unit reimbursement (R$)	Total reimbursement (R$ million)	Term* (years)
Cana Brava HPP	SP92	261.66	2,292,177	18.26	41.9	13.25
Itá HPP	SP92	336.00	2,943,360	18.26	53.7	13.25
Machadinho HPP	SP92	84.04	736,190	18.26	13.4	13.25
Ponte de Pedra HPP	SP95	123.55	1,082,315	23.80	25.8	7.17
Salto Santiago HPP	P97	150.00	1,314,000	24.36	32.0	2.92
São Salvador HPP	SP91	142.13	1,245,048	16.52	20.6	17.25
Estreito HPP	SP91	247.13	2,164,859	16.52	35.8	17.25
TOTAL		**1,344.51**	**11,777,950**		**223.1**	

* Extension term as from January 1, 2016 for payment of the premium for reimbursement to 2015 results.

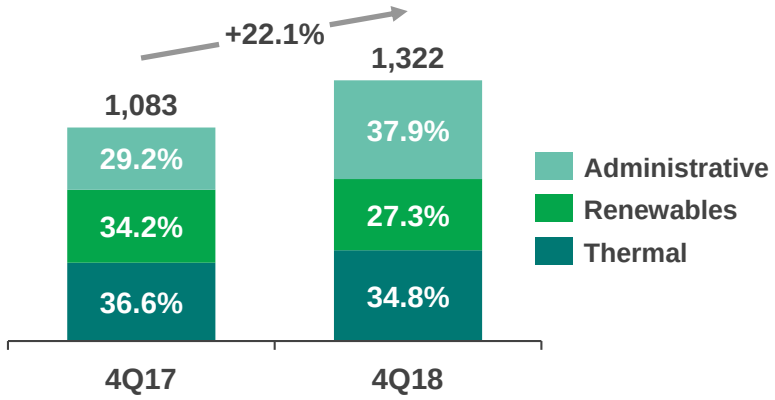
Signing up to the renegotiation is limited to agreements negotiated within the scope of the Regulated Contracting Environment (ACR), with effects as from January 01, 2015.

CORRELATION
between reservoir levels and spot prices

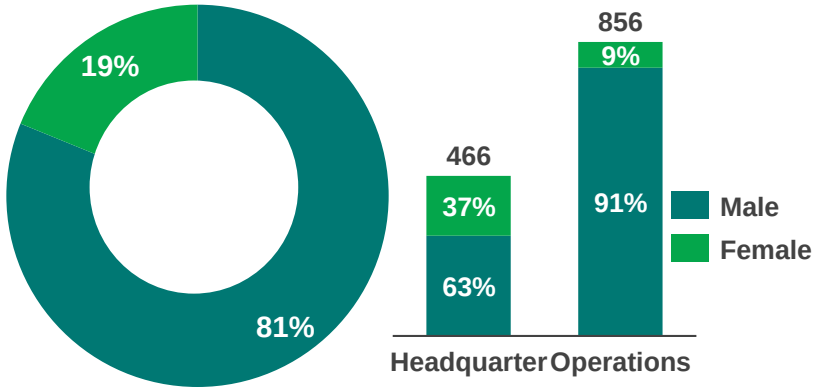


HEADCOUNT[1]

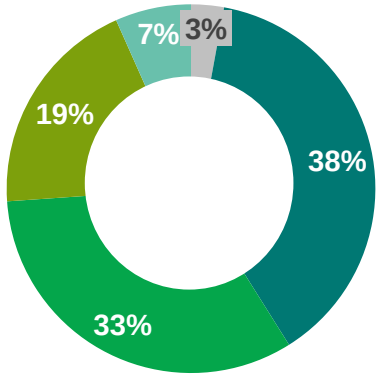
Number of employees



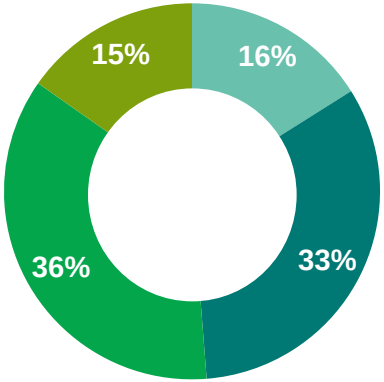
By gender



By age group



By academic qualifications



Note:
[1] Does not consider employees posted to projects under construction and, as from 2018, considers ENGIE Geração Solar Distribuída total payroll.

Sustainable Development

PRINCIPLES

Mission: Provide innovative and sustainable solutions in energy

Vision:
Transform people's relationship with energy aiming at a sustainable world

Values:
professionalism, sense of partnership, teamwork, creation of value, respect for the environment, and ethics

Commitment with Sustainable Development :

- Provide sustainable solutions from the economic, social and environmental points of view
- Control the impact of the Company's operations
- Create value for shareholders and society

COMMITMENT WITH SOCIETY



- Continually upgrade the Management of the Environment together with Quality, Health and Safety, Social Responsibility and Energy Efficiency
- Contribute towards the mitigation of climate change
- Adopt fair competitive practices
- Combat fraud and corruption
- Contribute to social inclusion
- Not to countenance child or compulsory labor
- Not to accept discrimination
- Engage all stakeholders in the sustainable development concept, acting with ethics and transparency and sharing values, principles and practices

OUR PRODUCT



- **A product which is essential for life and present along the entire production chain;**
- ENGIE Group's proprietary installed capacity in Brazil represents **6.4% of the country's total;**
- **Plant uptime was 97.2% in 2018**, if scheduled stoppages are excluded;
- The **Company reported annual generation during the year of 39,340 GWh**, equivalent to 4,491 aMW, being 89.5% from renewable sources:
  - ✓ 84.3% from hydroelectric power plants
  - ✓ 5.2% from complementary sources (wind, SHPs, solar and biomass)
  - ✓ 10.5% from gas- and coal-fired thermoelectric plants
- Headcount: approximately **1,370 on the payroll** at year-end 2018, including ENGIE Brasil Energia itself and its subsidiaries, together with several outsourced professionals.

PUBLIC DOCUMENTS



- Corporate Bylaws
- Charters: Board of Directors and Sustainability Committee
- ENGIE Policy for Sustainability Management:
  - ✓ Quality
  - ✓ Energy Management
  - ✓ Environment
  - ✓ Climate Change
  - ✓ Occupational Health and Safety
  - ✓ Social Responsibility
  - ✓ Stakeholders Engagement
- Human Rights Policy
- Environment Code
- Ethics Code and Ethics Code Guide

SUSTAINABLE MANAGEMENT SEMINAR



- Held since 2012 (previoulsy denominated Ethics, Sustainability and Energy Seminar).
- Engagement of the value chain: employees, clients, suppliers, shareholders, investors, representatives of government and community.
- Issues covered: water, human rights, diversity, ethics in professional relationships and in society, climate change, innovation, among others.
- In its seventh edition, the 2018 seminar was held at the Head Offices of the Company, with transmission via video to all regional offices.

RESEARCH AND DEVELOPMENT



- Compulsory legal minimum investment of 1% of net annual operating revenue.
- Objectives:
  - To seek sustainable solutions in order to add value to the operations.
  - To interact with academic and research institutions for each region, incentivizing institutional and social development.
- Allocated R$ 44.8 million in 2018, 40% for projects, 40% for the National Scientific and Technological Development Fund (FNDCT) and 20% for funding the Empresa de Pesquisa Energética (EPE).

CULTURE AND SUSTAINABILITY CENTERS





- Implemented in regions adjacent to the plants
- Provides spaces for community gatherings for all and any kind of cultural or educational manifestation
- Up to 100% built using Law Rouanet tax incentives
- Autonomous management independent of Government or Company
- There are 5 Centers in operation:
  - Entre Rios do Sul - RS
  - Alto Bela Vista – SC
  - Capivari de Baixo – SC
  - Quedas do Iguaçu - PR
  - Concórdia – SC
- The sixth Center is about to be inaugurated, in the municipality of Minaçu – GO

ISE, CERTIFICATION AND SUSTAINABILITY REPORT

Corporate Knights

- The Company was one of the four Brazilian companies included, for the second consecutive year, in the annual ranking of the Global 100 List of the Most Sustainable Corporations in 72nd place. The *ranking* has been prepared since 2005 by the Canadian company Corporate Knights.

ISE B3 2019

- B3's new ISE portfolio is valid from January 7, 2019 to January 3, 2020 and composed of shares from 30 companies. ENGIE Brasil Energia is one of eight that has remained a component of the ISE since its inception in 2005.

vigeo eiris BEST EM PERFORMERS

- The Company is on the Vigeo Eiris' ranking of the 100 emerging market companies with the best socio-environmental performance and corporate governance.

ISO 9001 ISO 14001 OHSAS 18001 BUREAU VERITAS Certification

- 83.6% of the installed capacity operated by the Company in 2018 is certified according to NBR ISO 9001 and 14001 (Quality and Environment), and NBR OHSAS 18001 (Occupational Health and Safety). The Jorge Lacerda Thermoelectric Complex is also certified according to the Energy Efficiency NBR ISO 50001 norm.

Global Reporting Initiative™ INTEGRATED REPORTING <IR>

- The Sustainability Report is published annually according to the GRI G4 standard and since 2014 adopted Integrated Report guidelines.

SUSTAINABILITY INDICATORS[1]

Item	Dimension[2]	Index	Material themes	GRI disclosure[3]	4Q18	4Q17	Change	12M18	12M17	Change
1	Quality	Operating plants	- Energy and Climate Change	102-7, EU1	41	31	10	41	31	10
2		Installed capacity		102-7, EU1	9,726	9,589	1.4%	9,726	9,589	1.4%
3		Proprietary capacity		102-7, EU1	8,005	7,868	1.7%	8,005	7,868	1.7%
4		Number of certified plants		102-16, EU6	12	12	0	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	83.6%	84.8%	-1.2 p.p.	83.6%	84.8%	-1.2 p.p.
7		Installed capacity from renewable sources		102-7, EU1	8,869	8,541	3.8%	8,869	8,541	3.8%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	91.2%	89.1%	2.1 p.p.	91.2%	89.1%	2.1 p.p.
9		Energy generation (GWh)		EU2	12,087	9,244	30.8%	39,340	36,335	8.3%
10		Certified energy generation		102-16, EU6	10,536	8,701	21.1%	34,647	34,602	0.1%
11		Certified energy generation in relation to the total		102-16, EU6	87.2%	94.1%	-7.0 p.p.	88.1%	95.2%	-7.2 p.p.
12		Energy generation from renewable sources (GWh)		EU2	11,233	7,942	41.4%	35,206	32,131	9.6%
13		Energy generation from renewable sources in relation to the total		EU2	92.9%	85.9%	7.0 p.p.	89.5%	88.4%	1.1 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	97.0%	97.5%	-0.6 p.p.	97.2%	95.2%	2.0 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	92.5%	92.6%	-0.1 p.p.	91.6%	88.8%	2.8 p.p.
16	Environ-ment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Energy and climate change - Engajament with local comunities and stakeholders - Biodiversity	304-2, 413-1	98,854	105,799	-6.6%	414,883	275,027	50.9%
17		Number of visitors at the plants		413-1	28,862	20,888	38.2%	106,865	84,988	25.7%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.961	1.393	-31.0%	0.945	1.112	-15.0%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.068	0.149	-54.4%	0.099	0.122	-18.5%
20	Occupatio-nal Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[4]	- Health and safety, development and equality - Management of impacts in the productive chain	403-2	0.000	0.000	-	0.000	1.050	↓
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[5]		403-2	0.000	0.000	-	0.000	0.004	↓
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[4]		403-2	2.690	1.050	↑	1.390	1.030	↑
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[4]		403-2	0.550	0.880	↓	1.640	0.690	↑
24	Social Responsibi-lity[6]	Non-incentivized investments	- Engajament with local comunities and stakeholderss	203-2, 413-1	1,280.7	447.7	186.1%	3,741.3	2,898.1	29.1%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	623.2	142.5	337.3%	1,837.0	2,022.9	-9.2%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	1,310.5	1,088.0	20.4%	8,988.3	9,537.1	-5.8%
27		Investments through the Sport Incentive Law		203-2, 413-1	950.0	984.6	-3.5%	1,430.9	1,895.2	100.0%
28		Investments through National Program of Support to Oncology Care (Pronon)		203-2, 413-1	1,597.0	2,117.2	-24.6%	1,597.0	2,119.0	100.0%
29		Investments through the National Care Support Program for People with Special Needs (Pronas/PCD)		203-2, 413-1	1,607.4	2,707.0	-40.6%	1,607.4	1,383.5	100.0%
30		Investments through the Municipal Fund for the Elderly		203-2, 413-1	738.4	1,555.7	-52.5%	1,430.9	2,423.2	-40.9%

Notes: [1] Additional indices will be available at Sustainability Report, to be published in April (www.engie.com.br/en/investors/financial-information).
[2] Reference: ENGIE Sustainable Management Policy.
[3] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[4] TF = number of occupational accidents for every million hours of exposure to hazards.
[5] TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.
[6] Amounts in thousand of reais (R$).

SOME AWARDS RECEIVED IN 2018

- **VALOR Innovation Brazil Award** – One of the 150 most innovative companies in the country.
- **Fritz Muller Award** in the “Wild Life and Natural Resources Conservation” category with the Biodiversity Matrix project.
- **Transparency Trophy** of the National Association of Finance, Administration and Accounting Executives (Anefac), in the “Companies with net revenues up to R$ 5 billion”.
- **Institutional Investor 2018 Ranking**
  Best ESG / SRI Metrics
  Best Analyst Day
- Mention in ***Exame*** **Sustainability Guide** 2018 – Energy Sector

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