ENGIE Brasil Energia S.A.

Quarterly Information 1Q20

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2019

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Company Information / Capital Composition

Number of shares (Units)	Current quarter 3/31/2020
Paid-in capital	
Common	815,927,740
Preferred	0
Total	815,927,740
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Board of Directors Meeting	5/11/2019	Interest on Equity	7/1/2020	Common shares		0.43356
Board of Directors Meeting	5/11/2019	Dividends	1/29/2020	Common shares		1.09495

Parent company Financial Statements / Balance Sheet - Assets (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
1	Total assets	22,095,777	21,435,772
1.01	Current assets	4,290,951	3,941,494
1.01.01	Cash and cash equivalents	2,728,059	2,590,507
1.01.03	Accounts receivable	985,855	944,496
1.01.03.01	Trade accounts receivable	684,929	643,570
1.01.03.02	Other accounts receivable	300,926	300,926
1.01.03.02.01	Dividends receivable	300,926	300,926
1.01.04	Inventories	15,306	15,435
1.01.06	Taxes recoverable	53,797	120,317
1.01.06.01	Current taxes recoverable	53,797	120,317
1.01.06.01.01	Income tax and social contribution credits	53,797	120,317
1.01.08	Other current assets	507,934	270,739
1.01.08.03	Other	507,934	270,739
1.01.08.03.01	Unrealized gains on hedge operations	355,946	114,550
1.01.08.03.02	Restricted deposits	838	838
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	13,016	13,016
1.01.08.03.05	Other current assets	133,305	137,506
1.01.08.03.06	Non-current assets held for sale	4,829	4,829
1.02	Non-current assets	17,804,826	17,494,278
1.02.01	Long term assets	1,231,529	547,318
1.02.01.10	Other non-current assets	1,231,529	547,318
1.02.01.10.04	Unrealized gains on hedge operations	998,137	311,577
1.02.01.10.05	Restricted deposits	10,483	10,388
1.02.01.10.06	Judicial deposits	102,828	100,833
1.02.01.10.07	Renegotiation of hydrological risk to appropriate	87,035	90,289
1.02.01.10.08	Right to use lease	27,048	28,281
1.02.01.10.09	Other non-current assets	5,998	5,950
1.02.02	Investments	12,509,719	12,825,104
1.02.02.01	Equity interest	12,509,719	12,825,104
1.02.02.01.02	Interest on subsidiaries	9,980,862	9,632,663
1.02.02.01.03	Interest in joint ventures	2,528,857	3,192,441
1.02.03	Property, plant and equipment	4,009,215	4,072,139
1.02.03.01	Property, plant and equipment in operation	3,896,850	3,964,689
1.02.03.03	Construction in progress	112,365	107,450
1.02.04	Intangible assets	54,363	49,717

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
2	Total liabilities	22,095,777	21,435,772
2.01	Current liabilities	3,508,313	4,185,153
2.01.01	Social and labor obligations	96,722	83,943
2.01.01.02	Labor obligations	96,722	83,943
2.01.02	Suppliers	100,987	149,361
2.01.02.01	Domestic suppliers	100,987	149,361
2.01.03	Tax Liabilities	753	52,788
2.01.03.01	Federal tax liabilities	753	52,788
2.01.03.01.01	Income tax and social contribution payable	753	52,788
2.01.04	Loans and financing	2,582,547	2,281,577
2.01.04.01	Loans and financing	1,526,269	1,263,400
2.01.04.01.01	In local currency	73,289	91,884
2.01.04.01.02	In foreign currency	1,452,980	1,171,516
2.01.04.02	Debentures	1,056,278	1,018,177
2.01.05	Other liabilities	678,336	1,567,132
2.01.05.02	Other	678,336	1,567,132
2.01.05.02.01	Dividends and interest on equity payable	307,245	1,195,925
2.01.05.02.04	Lease payable	6,222	6,222
2.01.05.02.05	Concessions payable	156,047	139,008
2.01.05.02.06	Other tax and regulatory liabilities	36,940	48,036
2.01.05.02.07	Other current liabilities	171,882	177,941
2.01.06	Provisions	48,968	50,352
2.01.06.01	Tax, social security, labor and civil Provisions	6,153	7,537
2.01.06.01.01	Fiscal provisions	90	150
2.01.06.01.02	Social security and labor provisions	1,414	1,056
2.01.06.01.04	Civil provisions	4,649	6,331
2.01.06.02	Other provisions	42,815	42,815
2.01.06.02.04	Retirement benefits obligations	42,815	42,815
2.02	Non-current liabilities	11,844,050	10,255,465
2.02.01	Loans and financing	7,532,128	6,149,951
2.02.01.01	Loans and financing	4,205,879	2,882,714
2.02.01.01.01	In local currency	96,812	107,699
2.02.01.01.02	In foreign currency	4,109,067	2,775,015
2.02.01.02	Debentures	3,326,249	3,267,237
2.02.02	Other liabilities	3,255,022	3,184,820
2.02.02.02	Other	3,255,022	3,184,820
2.02.02.02.03	Lease payable	10,880	11,853
2.02.02.02.04	Concessions payable	3,109,801	3,042,295
2.02.02.02.05	Other non-current liabilities	134,341	130,672
2.02.03	Deferred taxes	607,701	468,526
2.02.03.01	Deferred income tax and social contribution	607,701	468,526
2.02.04	Provisions	449,199	452,168
2.02.04.01	Tax, social security, labor and civil provisions	85,481	88,664
2.02.04.01.01	Tax provisions	7,301	6,617
2.02.04.01.02	Social security and labor provisions	8,194	13,923
2.02.04.01.04	Civil provisions	69,986	68,124

Parent Company Financial Statements / Balance Sheet - Liabilities (In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
2.02.04.02	Other provisions	363,718	363,504
2.02.04.02.04	Retirement benefits obligations	363,718	363,504
2.03	Shareholders' equity	6,743,414	6,995,154
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	2,123,245	2,123,245
2.03.04.01	Legal reserve	797,025	797,025
2.03.04.05	Retained earnings reserve	177,673	177,673
2.03.04.07	Tax incentive reserve	198,803	198,803
2.03.04.10	Additional dividends proposed	949,744	949,744
2.03.05	Retained earnings/losses	520,840	0
2.03.06	Assets valuation adjustments	252,923	260,324
2.03.08	Other comprehensive income	-1,056,242	-291,063

Parent Company Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
3.01	Revenue from sales of goods and/or services	1,090,917	1,369,597
3.02	Cost of products and/or services sold	-368,772	-552,795
3.02.01	Energy purchases	-125,411	-311,808
3.02.02	Transactions in the short-term energy market	-30,588	-6,382
3.02.03	Charges for the use of and connection to the power grid	-83,663	-78,624
3.02.04	Other operating costs	-122,103	-149,723
3.02.05	Cost of services rendered	-7,007	-6,258
3.03	Gross profit	722,145	816,802
3.04	Operating expenses/income	186,968	125,164
3.04.01	Sales expenses	-3,962	-3,302
3.04.02	General and administrative expenses	-51,756	-49,940
3.04.05	Other operating expenses	80	-5,271
3.04.05.01	Provision for impairment of assets	0	-4,900
3.04.05.02	Other operating expenses, net	80	-371
3.04.06	Equity income	242,606	183,677
3.04.06.01	Equity	243,441	184,512
3.04.06.02	Goodwill amortization	-835	-835
3.05	Income before financial result and taxes	909,113	941,966
3.06	Financial result	-258,453	-196,877
3.06.01	Financial income	25,764	13,459
3.06.02	Financial expenses	-284,217	-210,336
3.07	Income before income taxes	650,660	745,089
3.08	Income tax and social contribution	-139,102	-179,905
3.08.01	Current	73	-178,574
3.08.02	Deferred	-139,175	-1,331
3.09	Net income from continuing operations	511,558	565,184
3.11	Net income for the period	511,558	565,184
3.99	Earnings per share (R$ /share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.62697	0.69269
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.62697	0.69269

Parent Company Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
4.01	Net income for the period	511,558	565,184
4.02	Other comprehensive income	-765,179	2,139
4.02.01	Equity income in gains of subsidiaries, net of deferred taxes	4,212	2,139
4.02.02	Equity income in losses of joint ventures, net of deferred taxes	-769,391	0
4.03	Comprehensive income for the period	-253,621	567,323

Parent Company Financial Statements / Cash Flow Statement – Indirect Method
(In thousands of Reais)

Account Code	Account Description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
6.01	Net cash from operating activities	735,116	544,838
6.01.01	Cash generated from operations	752,211	843,781
6.01.01.01	Income before income taxes	650,660	745,089
6.01.01.02	Equity interest income	-242,606	-183,677
6.01.01.03	Depreciation and amortization	74,933	73,200
6.01.01.04	Monetary variation	92,124	64,939
6.01.01.05	Interest	182,483	140,069
6.01.01.08	Other	-5,383	4,161
6.01.02	Changes in assets and liabilities	-17,095	-298,943
6.01.02.01	Trade accounts receivable	-41,359	-255,951
6.01.02.03	Inventories	129	-64
6.01.02.04	Income tax and social contribution credit	66,520	1,504
6.01.02.05	Restricted and judicial deposits	-886	236
6.01.02.06	Renegotiation of hydrological risk to recognize	3,254	3,254
6.01.02.07	Insurance indemnifications receivable	0	71,888
6.01.02.08	Other assets	11,581	56,739
6.01.02.09	Suppliers	-48,826	-103,557
6.01.02.10	Payment of income tax and social contribution	-2,079	-84,688
6.01.02.11	Payment of interest on debt, net of hedge	-2,690	-4,828
6.01.02.12	Other tax and regulatory obligations	-11,637	-6,177
6.01.02.13	Retirement benefits obligations	-6,638	-7,123
6.01.02.14	Other liabilities	15,536	29,824
6.02	Net cash from investment activities	-222,611	-105,568
6.02.01	Dividends received from subsidiaries	0	107,274
6.02.02	Capital increase in subsidiaries	-207,190	-356,110
6.02.03	Capital decrease in subsidiaries	0	160,000
6.02.05	Investment in property, plant and equipment and intangible assets	-15,421	-16,732
6.03	Net cash from financing activities	-374,953	-1,594,482
6.03.01	New loans and financing	632,500	808
6.03.02	Payment of loans and financing, net of hedge	-30,904	-30,518
6.03.03	Payment of concession installments payable	-34,794	-16,696
6.03.04	Payment of dividends and interest on equity	-940,155	-1,535,144
6.03.05	Lease payment	-1,596	-12,925
6.03.06	Other	-4	-7
6.05	Increase (decrease) in cash and cash equivalents	137,552	-1,155,212
6.05.01	Opening balance of cash and cash equivalents	2,590,507	1,282,395
6.05.02	Closing balance of cash and cash equivalents	2,728,059	127,183

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2020 to 3/31/2020

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154
5.03	Adjusted opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154
5.04	Capital transactions with partners	0	0	0	1,881	0	1,881
5.04.08	Dividends and interest on equity not claimed	0	0	0	1,881	0	1,881
5.05	Total comprehensive income	0	0	0	511,558	-765,179	-253,621
5.05.01	Net income for the period	0	0	0	511,558	0	511,558
5.05.02	Other comprehensive income	0	0	0	0	-765,179	-765,179
5.05.02.06	Fair value hedge of cash flow of subsidiaries and joint ventures	0	0	0	0	-765,179	-765,179
5.06	Internal changes in shareholders' equity	0	0	0	7,401	-7,401	0
5.06.04	Realization of deemed cost	0	0	0	7,401	-7,401	0
5.07	Closing balances	4,902,648	0	2,123,245	520,840	-803,319	6,743,414

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2019 to 3/31/2019

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186
5.03	Adjusted opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186
5.04	Capital transactions with partners	0	0	0	1,365	0	1,365
5.04.08	Dividends and interest on equity not claimed	0	0	0	1,365	0	1,365
5.05	Total comprehensive income	0	0	0	565,184	2,139	567,323
5.05.01	Net income for the period	0	0	0	565,184	0	565,184
5.05.02	Other comprehensive income	0	0	0	0	2,139	2,139
5.05.02.06	Fair value hedge of cash flow of subsidiaries	0	0	0	0	2,139	2,139
5.06	Internal changes in shareholders' equity	0	0	11,263	-6,430	-4,833	0
5.06.04	Tax incentive reserve	0	0	11,263	-11,263	0	0
5.06.05	Realization of deemed cost	0	0	0	4,833	-4,833	0
5.07	Closing balances	4,902,648	0	1,117,540	560,119	304,567	6,884,874

Parent Company Financial Statements / Value Added Statement
(In thousands of Reais)

Account Code	Account Description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
7.01	Revenues	1,216,440	1,520,187
7.01.01	Sale of products and services	1,216,360	1,520,558
7.01.02	Other revenues	80	-371
7.02	Raw material acquired from third parties	-270,121	-441,886
7.02.01	Cost of products and services sold	-162,094	-323,895
7.02.02	Materials, energy, third parties services and other	-24,446	-23,758
7.02.04	Other	-83,581	-94,233
7.02.04.03	Charges for the use of and connection to the power grid	-83,663	-78,624
7.02.04.05	Other	82	-15,609
7.03	Gross added value	946,319	1,078,301
7.04	Retentions	-74,933	-73,200
7.04.01	Depreciation, amortization and depletion	-74,933	-73,200
7.05	Net added value generated	871,386	1,005,101
7.06	Added value received in transfer	268,370	197,136
7.06.01	Equity income	242,606	183,677
7.06.02	Financial income	25,764	13,459
7.07	Total added value to distribute	1,139,756	1,202,237
7.08	Distribution of added value	1,139,756	1,202,237
7.08.01	Labor	55,429	51,481
7.08.01.01	Direct remuneration	36,536	33,241
7.08.01.02	Benefits	10,034	10,399
7.08.01.03	F.G.T.S. - workers' severance fund	2,760	2,241
7.08.01.04	Other	6,099	5,600
7.08.01.04.01	Profit sharing	6,099	5,600
7.08.02	Taxes, duties and contributions	263,277	332,215
7.08.02.01	Federal	257,374	326,214
7.08.02.02	State	4,966	4,900
7.08.02.03	Municipal	937	1,101
7.08.03	Third parties capital remuneration	164,569	103,697
7.08.03.01	Interest	160,761	100,626
7.08.03.02	Rentals	-290	203
7.08.03.03	Other	4,098	2,868
7.08.03.03.02	Other financial expenses	4,098	2,868
7.08.04	Remuneration of own capital	520,840	560,119
7.08.04.03	Retained earnings / loss for the period	520,840	560,119
7.08.05	Other	135,641	154,725
7.08.05.01	Sectorial charges	25,584	42,857
7.08.05.02	Charges on concessions payable	119,339	106,803
7.08.05.03	Realization of deemed cost	-7,401	-4,833
7.08.05.04	Tax incentive reserve	0	11,263
7.08.05.05	Dividends and interest on equity not claimed	-1,881	-1,365

Consolidated Financial Statements / Balance Sheet - Assets
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
1	Total assets	31,399,198	30,135,578
1.01	Current assets	7,305,287	6,745,671
1.01.01	Cash and cash equivalents	4,188,050	3,870,261
1.01.03	Accounts receivable	1,479,169	1,451,227
1.01.03.01	Trade accounts receivable	1,479,169	1,451,227
1.01.04	Inventories	198,491	220,964
1.01.06	Taxes recoverable	102,619	166,833
1.01.06.01	Current taxes recoverable	102,619	166,833
1.01.06.01.01	Income tax and social contribution credits	102,619	166,833
1.01.08	Other current assets	1,336,958	1,036,386
1.01.08.03	Other	1,336,958	1,036,386
1.01.08.03.01	Unrealized hedge gains	361,925	115,131
1.01.08.03.02	Unrealized trading gains	354,987	288,771
1.01.08.03.03	Restricted deposits	4,894	4,856
1.01.08.03.04	Renegotiation of hydrological risk to appropriate	15,089	15,089
1.01.08.03.05	Concession financial asset	298,630	296,232
1.01.08.03.06	Insurance indemnifications receivable	19	10,719
1.01.08.03.07	Other current assets	296,585	300,759
1.01.08.03.08	Non-current assets held for sale	4,829	4,829
1.02	Non-current assets	24,093,911	23,389,907
1.02.01	Long term assets	4,891,774	3,814,007
1.02.01.10	Other non-current assets	4,891,774	3,814,007
1.02.01.10.03	Unrealized hedge gains	998,137	311,577
1.02.01.10.04	Unrealized trading gains	51,457	42,695
1.02.01.10.05	Restricted deposits	455,900	381,064
1.02.01.10.06	Judicial deposits	104,932	102,878
1.02.01.10.07	Renegotiation of hydrological risk to appropriate	111,914	115,686
1.02.01.10.08	Concession financial asset	2,421,044	2,411,942
1.02.01.10.09	Agreement asset	526,524	217,611
1.02.01.10.10	Right of use of leases	159,637	161,866
1.02.01.10.11	Other non-current assets	62,229	68,688
1.02.02	Investments	2,282,430	2,948,920
1.02.03	Property, plant and equipment	15,393,404	15,330,211
1.02.03.01	Property, plant and equipment in operation	14,732,627	14,907,812
1.02.03.03	Construction in progress	660,777	422,399
1.02.04	Intangible assets	1,526,303	1,296,769

Consolidated Financial Statements / Balance sheet - Liabilities
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
2	Total liabilities	31,399,198	30,135,578
2.01	Current liabilities	5,865,344	5,979,644
2.01.01	Social and labor obligations	123,539	106,005
2.01.01.02	Labor obligations	123,539	106,005
2.01.02	Suppliers	767,785	765,020
2.01.02.01	Domestic suppliers	767,785	765,020
2.01.03	Tax liabilities	32,383	176,395
2.01.03.01	Federal tax liabilities	32,383	176,395
2.01.03.01.01	Income tax and social contribution payable	32,383	176,395
2.01.04	Loans and financing	3,662,645	2,842,160
2.01.04.01	Loans and financing	1,887,843	1,637,691
2.01.04.01.01	In local currency	434,863	466,175
2.01.04.01.02	In foreign currency	1,452,980	1,171,516
2.01.04.02	Debentures	1,774,802	1,204,469
2.01.05	Other liabilities	1,228,926	2,038,576
2.01.05.02	Other	1,228,926	2,038,576
2.01.05.02.01	Dividends and interest on equity payable	307,426	1,197,924
2.01.05.02.04	Lease payable	19,852	19,824
2.01.05.02.05	Concessions payable	162,208	145,136
2.01.05.02.06	Other tax and regulatory liabilities	96,846	104,855
2.01.05.02.07	Unrealized trading losses	326,939	258,305
2.01.05.02.08	Other current liabilities	315,655	312,532
2.01.06	Provisions	50,066	51,488
2.01.06.01	Tax, social security, labor and civil provisions	7,157	8,579
2.01.06.01.01	Tax provisions	267	327
2.01.06.01.02	Social security and labor provisions	1,415	1,056
2.01.06.01.04	Civil provisions	5,475	7,196
2.01.06.02	Other provisions	42,909	42,909
2.01.06.02.04	Retirement benefits obligations	42,909	42,909
2.02	Non-current liabilities	18,786,312	17,157,114
2.02.01	Loans and financing	13,263,606	11,920,898
2.02.01.01	Loans and financing	8,456,941	7,181,363
2.02.01.01.01	In local currency	4,347,874	4,406,348
2.02.01.01.02	In foreign currency	4,109,067	2,775,015
2.02.01.02	Debentures	4,806,665	4,739,535
2.02.02	Other liabilities	3,772,630	3,642,194
2.02.02.02	Other	3,772,630	3,642,194
2.02.02.02.03	Lease payable	113,369	114,483
2.02.02.02.04	Concessions payable	3,159,000	3,091,354
2.02.02.02.05	Unrealized trading losses	25,324	20,644
2.02.02.02.06	Other non-current liabilities	474,937	415,713
2.02.03	Deferred taxes	1,097,910	941,468
2.02.03.01	Deferred income tax and social contribution	1,097,910	941,468
2.02.04	Provisions	652,166	652,554
2.02.04.01	Tax, social security, labor and civil provisions	287,675	288,301

Consolidated Financial Statements / Balance Sheet - Liabilities
(In thousands of Reais)

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
2.02.04.01.01	Tax provisions	7,458	6,773
2.02.04.01.02	Social security and labor provisions	8,997	14,320
2.02.04.01.04	Civil provisions	80,938	79,894
2.02.04.01.05	Provision for divestment	190,282	187,314
2.02.04.02	Other provisions	364,491	364,253
2.02.04.02.04	Retirement benefits obligations	364,491	364,253
2.03	Consolidated shareholders' equity	6,747,542	6,998,820
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	2,123,245	2,123,245
2.03.04.01	Legal reserve	797,025	797,025
2.03.04.05	Retained earnings reserve	177,673	177,673
2.03.04.07	Tax incentive reserve	198,803	198,803
2.03.04.10	Additional dividend proposed	949,744	949,744
2.03.05	Retained earnings/losses	520,840	0
2.03.06	Assets valuation adjustments	252,923	260,324
2.03.08	Other comprehensive income	-1,056,242	-291,063
2.03.09	Non-controlling interest	4,128	3,666

Consolidated Financial Statements / Income Statement (In thousands of Reais)

Account Code	Account description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/30/2019
3.01	Revenue from sales of goods and/or services	2,594,594	2,338,759
3.02	Cost of products and/or services sold	-1,538,974	-1,257,967
3.02.01	Energy purchases	-605,421	-582,018
3.02.02	Transactions in the short-term energy market	-118,061	-133,312
3.02.03	Charges for the use of and connection to the power grid	-141,049	-124,097
3.02.04	Operating costs	-667,424	-412,274
3.02.05	Cost of services rendered	-7,019	-6,266
3.03	Gross profit	1,055,620	1,080,792
3.04	Operating expenses/income	40,904	-64,151
3.04.01	Sales expenses	-5,559	-4,764
3.04.02	General and administrative expenses	-56,557	-54,351
3.04.05	Other operating expenses	119	-5,036
3.04.05.01	Provision for impairment of assets	0	-4,900
3.04.05.02	Other operating expenses, net	119	-136
3.04.06	Equity income (loss)	102,901	0
3.05	Income before financial result and taxes	1,096,524	1,016,641
3.06	Financial result	-392,256	-214,123
3.06.01	Financial income	44,105	27,110
3.06.02	Financial expenses	-436,361	-241,233
3.07	Income before income taxes	704,268	802,518
3.08	Income tax and social contribution	-192,248	-237,028
3.08.01	Current	-42,420	-208,667
3.08.02	Deferred	-149,828	-28,361
3.09	Net income from continuing operations	512,020	565,490
3.11	Consolidated net income for the period	512,020	565,490
3.11.01	Attributable to the partners of the parent company	511,558	565,184
3.11.02	Attributable to non-controlling partners	462	306
3.99	Earnings per share (R$ /share)		
3.99.01	Basic earnings per share		
3.99.01.01	ON	0.62697	0.69269
3.99.02	Diluted earnings per share		
3.99.02.01	ON	0.62697	0.69269

Consolidated Financial Statements / Comprehensive Income Statement (In thousands of Reais)

Account Code	Account description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
4.01	Consolidated net income for the period	512,020	565,490
4.02	Other comprehensive income	-765,179	2,139
4.02.01	Unrealized gains from cash flow hedge operations originated in the fiscal year	5,543	3,541
4.02.02	Deferred income tax and social contribution	-1,331	-1,076
4.02.03	Equity pickup of losses from all subsidiaries, net of deferred taxes	-769,391	0
4.02.04	Realized losses from cash flow hedge	0	-326
4.03	Consolidated comprehensive income for the period	-253,159	567,629
4.03.01	Attributed to the parent company's shareholders	-253,621	567,323
4.03.02	Attributed to non-controlling shareholders	462	306

Consolidated Financial Statements / Cash Flow Statement - Indirect Method
(In thousands of Reais)

Account Code	Account Description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
6.01	Net cash from operating activities	913,770	951,477
6.01.01	Cash generated from operations	1,157,025	1,154,811
6.01.01.01	Income tax before income	704,268	802,518
6.01.01.02	Equity interest income	-102,901	0
6.01.01.03	Depreciation and amortization	235,388	191,227
6.01.01.04	Monetary variation	130,716	71,655
6.01.01.05	Interest	289,283	155,097
6.01.01.06	Remuneration of concession financial asset and agreement asset	-91,490	-100,154
6.01.01.09	Unrealized trading (gains) losses	-1,664	26,616
6.01.01.10	Other	-6,575	7,852
6.01.02	Changes in assets and liabilities	-243,255	-203,334
6.01.02.01	Trade accounts receivable	-26,303	-171,697
6.01.02.02	Inventories	22,473	-66,929
6.01.02.03	Restricted and judicial deposits	-44,248	-28,373
6.01.02.04	Renegotiation of hydrological risk to recognize	3,772	3,772
6.01.02.05	Concession financial asset	70,665	64,367
6.01.02.06	Insurance indemnifications receivable	10,700	74,780
6.01.02.07	Income tax and social contribution credit	64,381	-1,276
6.01.02.08	Agreement asset	-146,309	-15,652
6.01.02.09	Other assets	22,427	40,402
6.01.02.13	Suppliers	-18,057	24,083
6.01.02.14	Payment of income tax and social contribution	-135,096	-131,862
6.01.02.15	Payment of interest on debt, net of hedge	-71,988	-36,570
6.01.02.16	Other tax and regulatory obligations	-10,228	-7,395
6.01.02.17	Retirement benefits obligations	-6,656	-7,123
6.01.02.18	Fuel payable to CDE	-10,813	-5,046
6.01.02.19	Labor obligations	17,534	13,385
6.01.02.20	Other liabilities	14,491	47,800
6.02	Net cash from investment activities	-598,297	-658,499
6.02.02	Acquisition of company, net of cash and cash equivalents	-316,776	0
6.02.03	Acquisition of property, plant and equipment and intangible assets	-281,521	-658,499
6.03	Net cash from financing activities	2,316	-1,758,496
6.03.01	New loans and financing	632,153	58,653
6.03.02	Issue of debentures	499,127	0
6.03.03	Payment of loans and financing, net of hedge	-119,899	-184,809
6.03.04	Payment of concession installments payable	-36,417	-18,247
6.03.05	Payment of dividends and interest on equity	-940,155	-1,535,144
6.03.06	Lease payment	-5,143	-34,236
6.03.07	Deposits linked to debt service	-27,830	-43,891
6.03.08	Other	480	-822

Consolidated Financial Statements / Cash Flow Statement - Indirect Method
(In thousands of Reais)

Account Code	Account Description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
6.05	Increase (decrease) in cash and cash equivalents	317,789	-1,465,518
6.05.01	Opening balance of cash and cash equivalents	3,870,261	2,415,792
6.05.02	Closing balance of cash and cash equivalents	4,188,050	950,274

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2020 to 3/31/2020 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154	3,666	6,998,820
5.03	Adjusted opening balances	4,902,648	0	2,123,245	0	-30,739	6,995,154	3,666	6,998,820
5.04	Capital transactions with partners	0	0	0	1,881	0	1,881	0	1,881
5.04.08	Dividends and interest on equity not claimed	0	0	0	1,881	0	1,881	0	1,881
5.05	Total comprehensive income	0	0	0	511,558	-765,179	-253,621	462	-253,159
5.05.01	Net income for the period	0	0	0	511,558	0	511,558	462	512,020
5.05.02	Other comprehensive income	0	0	0	0	-765,179	-765,179	0	-765,179
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	-765,179	-765,179	0	-765,179
5.06	Internal changes in shareholders' equity	0	0	0	7,401	-7,401	0	0	0
5.06.04	Realization of deemed cost	0	0	0	7,401	-7,401	0	0	0
5.07	Closing balances	4,902,648	0	2,123,245	520,840	-803,319	6,743,414	4,128	6,747,542

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2019 to 3/31/2019 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186	4,391	6,320,577
5.03	Adjusted opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186	4,391	6,320,577
5.04	Capital transactions with partners	0	0	0	1,365	0	1,365	-1,246	119
5.04.08	Interim dividends paid	0	0	0	0	0	0	-1,246	-1,246
5.04.09	Dividends and interest on equity not claimed	0	0	0	1,365	0	1,365	0	1,365
5.05	Total comprehensive income	0	0	0	565,184	2,139	567,323	306	567,629
5.05.01	Net income for the period	0	0	0	565,184	0	565,184	306	565,490
5.05.02	Other comprehensive income	0	0	0	0	2,139	2,139	0	2,139
5.05.02.06	Fair value hedge of cash flow	0	0	0	0	2,139	2,139	0	2,139
5.06	Internal changes in shareholders' equity	0	0	11,263	-6,430	-4,833	0	0	0
5.06.04	Tax incentive reserve	0	0	11,263	-11,263	0	0	0	0
5.06.05	Realization of deemed cost	0	0	0	4,833	-4,833	0	0	0
5.07	Closing balances	4,902,648	0	1,117,540	560,119	304,567	6,884,874	3,451	6,888,325

Consolidated Financial Statements / Value Added Statement
(In thousands of Reais)

Account Code	Account Description	DMPL - 1/1/2020 to 3/31/2020	DMPL - 1/1/2019 to 3/31/2019
7.01	Revenues	3,113,079	3,250,471
7.01.01	Sale of products and services	2,708,027	2,560,353
7.01.02	Other income	119	-136
7.01.03	Income related to the construction of own assets	404,933	690,254
7.02	Raw material acquired from third parties	-1,479,958	-1,570,506
7.02.01	Cost of products and services sold	-838,981	-749,546
7.02.02	Materials, energy, third parties services and other	-99,532	-71,772
7.02.04	Other	-541,445	-749,188
7.02.04.01	Construction costs	-393,284	-594,216
7.02.04.03	Charges for the use of and connection to the power grid	-141,049	-124,097
7.02.04.05	Other	-7,112	-30,875
7.03	Gross added value	1,633,121	1,679,965
7.04	Retentions	-235,388	-191,227
7.04.01	Depreciation, amortization and depletion	-235,388	-191,227
7.05	Net added value generated	1,397,733	1,488,738
7.06	Added value received in transfer	147,006	27,110
7.06.01	Equity income (loss)	102,901	0
7.06.02	Financial income	44,105	27,110
7.07	Total added value to distribute	1,544,739	1,515,848
7.08	Distribution of added value	1,544,739	1,515,848
7.08.01	Labor	93,270	77,346
7.08.01.01	Direct remuneration	61,561	50,841
7.08.01.02	Benefits	17,269	14,106
7.08.01.03	F.G.T.S. - workers' severance fund	4,862	4,058
7.08.01.04	Other	9,578	8,341
7.08.01.04.01	Profit sharing	9,578	8,341
7.08.02	Taxes, duties and contributions	454,332	480,540
7.08.02.01	Federal	442,155	473,285
7.08.02.02	State	10,308	5,614
7.08.02.03	Municipal	1,869	1,641
7.08.03	Third parties capital remuneration	324,731	229,696
7.08.03.01	Interest	302,431	120,702
7.08.03.02	Rentals	1,694	1,773
7.08.03.03	Other	20,606	107,221
7.08.03.03.01	Capitalized interest and monetary variation	8,155	95,637
7.08.03.03.02	Other financial expenses	12,451	11,584
7.08.04	Remuneration of own capital	520,840	560,119
7.08.04.03	Retained earnings / loss for the period	520,840	560,119
7.08.05	Other	151,566	168,147
7.08.05.01	Sectorial charges	39,251	54,003
7.08.05.02	Charges on concessions payable	121,135	108,773
7.08.05.03	Non-controlling shareholder	462	306
7.08.05.04	Realization of deemed cost	-7,401	-4,833
7.08.05.05	Tax incentive reserve	0	11,263
7.08.05.06	Dividends and interest on equity not claimed	-1,881	-1,365

Economic-Financial Performance

ECONOMIC-FINANCIAL PERFORMANCE

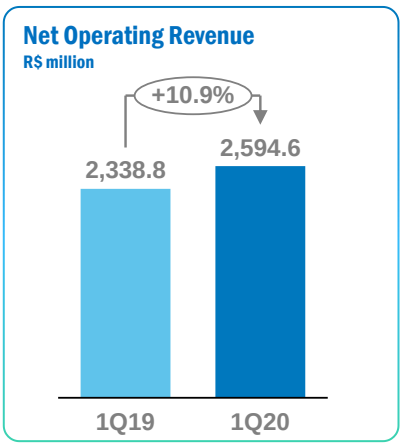
	Result by segment – 1Q20 x 1Q19 (in R$ million)					
	Electric energy					
	Generation[1]	Trading	Transmission[2]	Solar panels	Gas transportation	Consolidated
1Q20						
Net operating revenue	2,151.5	274.8	155.7	12.6	-	2,594.6
Operational costs	(1,111.5)	(269.5)	(142.9)	(15.1)	-	(1,539.0)
Gross income (loss)	**1,040.0**	**5.3**	**12.8**	**(2.5)**	**-**	**1,055.6**
Selling, general and administrative expenses	(59.4)	(0.8)	-	(1.9)	-	(62.1)
Other operating revenues, net	0.1	-	-	-	-	0.1
Equity income	-	-	-	-	102.9	102.9
Income (loss) before financial results and taxes	**980.7**	**4.5**	**12.8**	**(4.4)**	**102.9**	**1,096.5**
1Q19						
Net operating revenue	2,070.6	231.6	17.6	19.0	-	2,338.8
Operational costs	(967.5)	(257.1)	(15.3)	(18.1)	-	(1,258.0)
Gross income (loss)	**1,103.1**	**(25.5)**	**2.3**	**0.9**	**-**	**1,080.8**
Selling, general and administrative expenses	(56.3)	(0.6)	-	(2.2)	-	(59.1)
Other operating expenses, net	(0.2)	-	-	-	-	(0.2)
Impairment[3]	(4.9)	-	-	-	-	(4.9)
Income (loss) before financial results and taxes	**1,041.7**	**(26.1)**	**2.3**	**(1.3)**	**-**	**1,016.6**
Variation						
Net operating revenue	80.9	43.2	138.1	(6.4)	-	255.8
Operational costs	(144.0)	(12.4)	(127.6)	3.0	-	(281.0)
Gross income (loss)	**(63.1)**	**30.8**	**10.5**	**(3.4)**	**-**	**(25.2)**
Selling, general and administrative expenses	(3.1)	(0.2)	-	0.3	-	(3.0)
Other operating revenues (expenses), net	0.3	-	-	-	-	0.3
Impairment	4.9	-	-	-	-	4.9
Equity income	-	-	-	-	102.9	102.9
Income (loss) before financial results and taxes	**(61.0)**	**30.6**	**10.5**	**(3.1)**	**102.9**	**79.9**

The Company's financial result is not allocated by segment since Management administers the cash flow on a corporate basis.

[1] Generation and sale of electric energy from the Company's portfolio ("Generation").
[2] Segment represented by the Gralha Azul Transmission System and Novo Estado Transmissora de Energia (acquired in March 2020), both under construction.
[3] Provision for reduction in impairment ("Impairment").

Net Operating Revenue

	Operating revenue by segment – 1Q20 x 1Q19 (in R$ million)				
	Electric energy				
	Generation	Trading	Transmission	Solar panels	Consolidated
1Q20					
Electricity distributors	887.1	-	-	-	887.1
Free consumers	795.6	-	-	-	795.6
Energy trading operations	-	247.4	-	-	247.4
Transactions in the short-term market	196.4	-	-	-	196.4
Construction revenue	-	-	146.3	-	146.3
Trading companies	137.5	-	-	-	137.5
Remuneration of concession assets	82.2	-	9.4	-	91.6
Services rendered revenue	30.1	-	-	-	30.1
Unrealized gains on trading operations	-	27.4	-	-	27.4
Other revenues	22.6	-	-	12.6	35.2
Net operating revenue	**2.151.5**	**274.8**	**155.7**	**12.6**	**2.594.6**
1Q19					
Electricity distributors	789.9	-	-	-	789.9
Free consumers	752.4	-	-	-	752.4
Energy trading operations	-	231.6	-	-	231.6
Transactions in the short-term market	231.7	-	-	-	231.7
Construction revenue	-	-	15.7	-	15.7
Trading companies	159.6	-	-	-	159.6
Remuneration of concession assets	98.3	-	1.9	-	100.2
Services rendered revenue	27.9	-	-	-	27.9
Other revenues	10.8	-	-	19.0	29.8
Net operating revenue	**2,070.6**	**231.6**	**17.6**	**19.0**	**2,338.8**
Variation					
Electricity distributors	97.2	-	-	-	97.2
Free consumers	43.2	-	-	-	43.2
Energy trading operations	-	15.8	-	-	15.8
Transactions in the short-term market	(35.3)	-	-	-	(35.3)
Construction revenue	-	-	130.6	-	130.6
Trading companies	(22.1)	-	-	-	(22.1)
Remuneration of concession assets	(16.1)	-	7.5	-	(8.6)
Services rendered revenue	2.2	-	-	-	2.2
Unrealized gains on trading operations	-	27.4	-	-	27.4
Other revenues	11.8	-	-	(6.4)	5.4
Net operating revenue	**80.9**	**43.2**	**138.1**	**(6.4)**	**255.8**



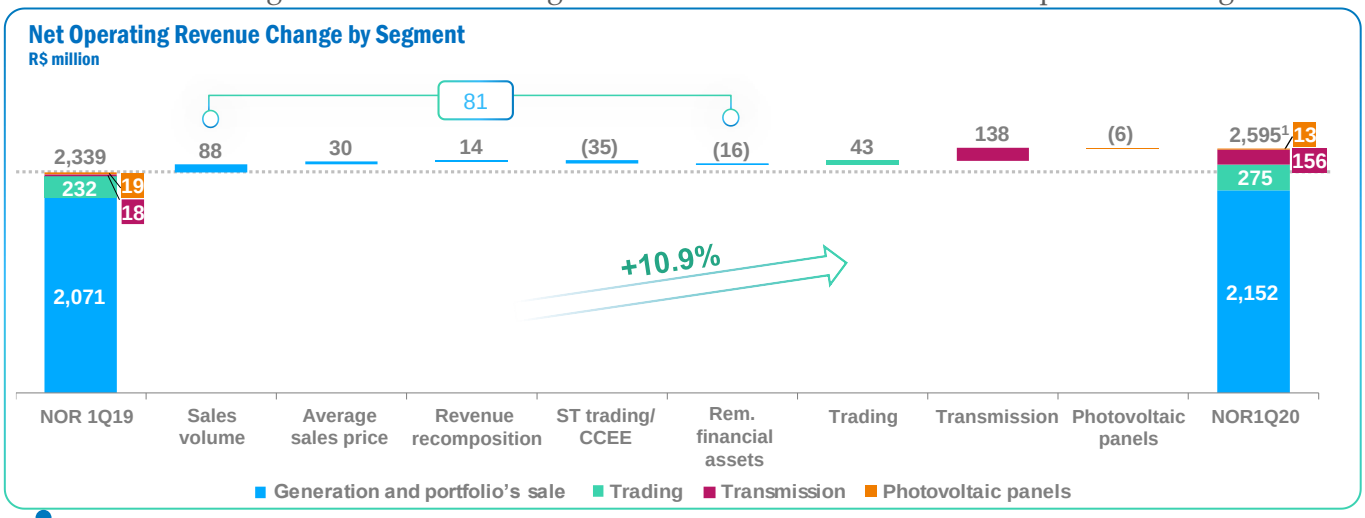
In 1Q20, net operating revenue increased by 10.9% (R$ 255.8 million) when compared with 1Q19 from R$ 2,338.8 million to R$ 2,594.6 million. This was largely a reflection of the following factors: (i) R$ 138.1 million (784.7%), an increase in the transmission segment; (ii) R$ 80.9 million (3.9%) due to an increase in the generation and sale of electric energy segment from the Company's portfolio, mainly driven by the growth of (ii.i) R$ 88.3 million due to higher volumes of energy sold; (ii.ii) R$ 30.0 million corresponding to the increase in the net average selling price; (ii.iii) R$ 14.3 million, above all with respect to the growth in revenues from an indemnity for compensation given the negative impacts from the business interruption caused by claims and the collection of a contractual fine for downtime – included in the "Other Revenues" line; and (ii.iv) R$ 2.2 million from Generation Asset Management (GAG) revenues at the Jaguara and Miranda plants; partially attenuated by the following decreases: (ii.v) R$ 35.3 million in the financial transactions conducted in the short-term market; and (ii.vi) R$ 16.1 million in remuneration from financial assets with respect to the portion of the payment for the Jaguara and Miranda Hydroelectric Power Plants concessions' grant ; (iii) R$ 43.2 million (18.7%) reflecting increased energy trading operations; and (iv) a R$ 6.4 million (33.7%) decline in revenues from sale and installation of solar panels.

Of the variations in items (ii.i), (ii.ii) and (ii.v), R$ 182.8 million were generated from the Umburanas Wind Complex – Phase I (Umburanas – Phase I) and Pampa Sul Thermoelectric Power Plant (Pampa Sul), the start up in commercial operations at these plants taking place during the first four months of 2019 and on June 28, 2019, respectively.

Discounting the effects due to Pampa Sul and Umburanas – Phase I, net operating revenue from the generation and sale of electric energy segment from the Company's portfolio reported a reduction of R$ 101.9 million (5.0%) in 1Q20 compared with 1Q19. This reduction reflects in the main the decline in revenue from the electric energy distributors of R$ 58.5 million largely caused by a: (i) reduction in the Surplus and Deficit Compensation Mechanism (MCSD); (ii) booking of reimbursements pursuant to the regulated contractual environment in 1Q20, calculated on the basis of the difference between verified programmed downtime and declared downtime in order to calculate the physical guarantee, amounting R$ 27.1 million; (iii) conclusion of agreements; and (iv) remuneration of concession assets amounting to R$ 16.1 million.

Plants with agreements subject to item (ii) above are: Trairí, Campo Largo – Phase I and Umburanas – Phase I Wind Complexes, Assú V Photovoltaic Plant (Assú V) and Pampa Sul.

Results of the trading and transmission segments will be commented under a separate heading.

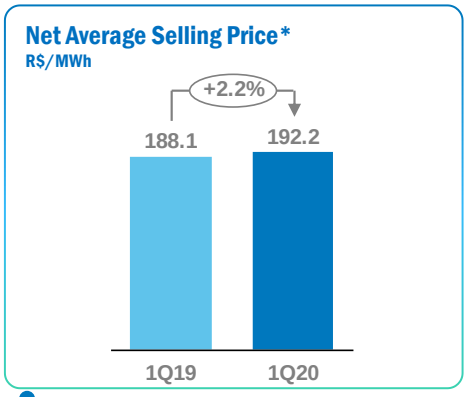


[1] Apparent sum-related errors are a result from rounding of addends.

Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

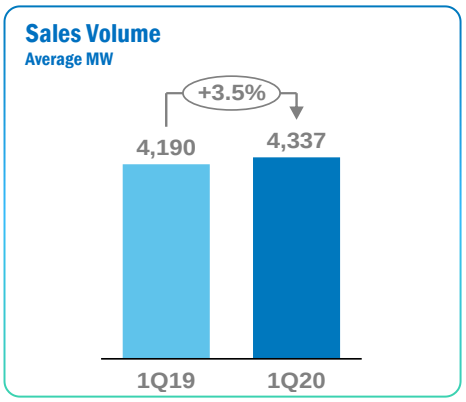


* Net of taxes and trading operations.

Average energy selling price, net of charges on revenue, was **R$ 192.17/MWh in 1Q20, 2.2% higher** than 1Q19 when the price stood at R$ 188.07/MWh.

The increase was driven principally by monetary restatement of prevailing agreements and by the average selling price at Pampa Sul which is higher than average existing agreements. These effects were partially offset by the impact of trading company agreements at prices lower than the average of current or matured agreements.

➢ Sales Volume



Energy sales agreement volume rose from 9,050 GWh (4,190 average MW) in 1Q19 to **9,473 GWh (4,337 average MW) in 1Q20**, a 423 GWh (147 average MW) increase between the two compared quarters.

Increased sales volume is mainly the result of the entry into commercial operations of Pampa Sul and Umburanas – Phase I, increased consumption of free market clients and a higher purchasing volume for resale, partially attenuated by reductions due to agreements under the Electric Trading Contract within the Regulated Contracting Environment (CCEAR) which expired in 2019 and similarly, decreases in the Surplus and Deficit Compensation Mechanism (MCSD).

➢ Revenue from Sale of Electric Energy

• Distribution Companies:

Revenue from sales to distributors amounted to R$ 887.1 million in 1Q20, R$ 97.2 million (12.3%) greater than R$ 789.9 million recorded in 1Q19. The increase was a reflection of the following factors: (i) R$ 67.2 million — an increase of 302 GWh (119 average MW) volumes sold; and (ii) R$ 30.0 million — an increase of 3.8% in the average net selling price.

The increase in sales volume was driven in large part by the entry into commercial operations of Pampa Sul and certain wind farms in the Umburanas Complex – Phase I, energy generated being allocated to meet requirements under the new energy auctions.

The increase in net average selling price was due to monetary restatement on prevailing agreements as well as the average selling price of Pampa Sul, higher than the average for existing agreements, partially offset by the lower average prices on supply agreements of Umburanas – Phase I.

• Free Consumers:

Revenue from sales to free consumers increased by R$ 43.2 million (5.7%) between quarters under analysis from R$ 752.4 million in 1Q19 to R$ 795.6 million in 1Q20. The following factors contributed to this variation: (i) R$ 25.0 million — an increase of 146 GWh (44 average MW) energy volumes sold; and (ii) R$ 18.2 million — a growth of 2.4% in net average selling price.

The increase in energy volume sold was mainly due to the increase in sales volumes to industrial clients, some of which migrated from a trading company to a free consumer profile and also due to new agreements signed during 1Q20.

The price increase is due largely to monetary restatement on existing agreements, albeit partially attenuated by new agreements at lower average prices compared to the average for existing and mature agreements.

• Trading Companies:

In 1Q20, revenue from sales to trading companies was R$ 137.5 million, R$ 22.1 million (13.8%) lower than the revenue reported in 1Q19 of R$ 159.6 million. This reduction is due to a combination of the following factors: (i) R$ 18.2 million — decrease of 11.4% in the net average selling price; and (ii) R$ 3.9 million — a reduction of 25 GWh (16 average MW) in energy sales volume.

The reduction in prices occurred largely due to new agreements at lower prices than the average of existing and matured agreements, but partially mitigated by monetary restatement on existing agreements.

The decrease in volumes between the quarters under analysis is due mainly to migration on the part of some clients, previously purchasing energy from trading companies, but subsequently transferring to the free consumer category.

➢ Transactions in the Short-term Energy Market

In 1Q20, revenues reported from transactions in the short-term market were R$ 196.4 million, while in 1Q19, these same revenues amounted to R$ 231.7 million, a **reduction of R$ 35.3 million (15.2%)** between the two compared quarters. Additional explanations on these operations and related variations are to be found under "Details of short-term operations".

➢ Remuneration of Concession Financial Assets

The financial assets from concessions represent the present value of the future cash flows from the tranche of energy allocated to the Regulated Contracting Environment (ACR) from the Jaguara and Miranda Hydroelectric Power Plants and equivalent to 70% of the physical guarantee of these plants. These assets are remunerated at the internal rate of return and by the variation of the Amplified Consumer Price Index (IPCA).

Remuneration of financial assets of concessions decreased from R$ 98.3 million in 1Q19 to R$ 82.2 million **in 1Q20, a reduction of R$ 16.1 million (16.4%)**. The decrease is largely due to the variation in the IPCA between the two quarters. The reduction is partially attenuated by a growth in the average balance in the intervening period.

➢ Solar Panels

Revenue from sales and the installation of solar panels at the ENGIE Geração Solar Distribuída S.A. (EGSD) subsidiary between the quarters under analysis, **posted a decline of R$ 6.4 million (33.7%)** from R$ 19.0 million in 1Q19 to **R$ 12.6 million in 1Q20**. In 1Q20, EGSD installed a total of 64 systems with a capacity of 4,642 kWp, compared to 5,558 kWp registered in 1Q19 and corresponding to a total of 115 installed systems.

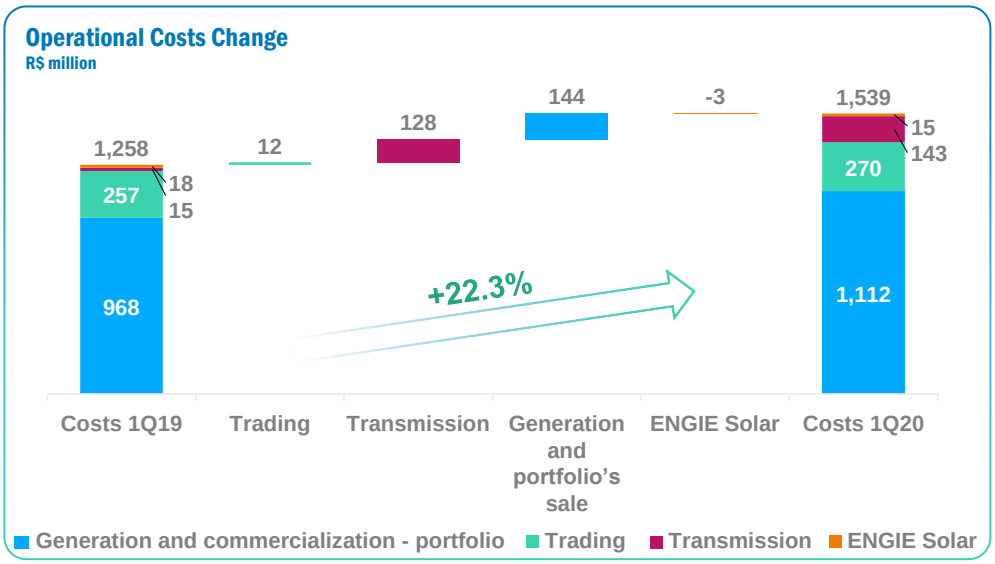
Operational Costs

	Costs by segment – 1Q20 x 1Q19 (in R$ million)				
	Electric energy				
	Generation	Trading	Transmission	Solar panels	Consolidated
1Q20					
Electric power purchases	343.2	236.5	-	-	579.7
Unrealized losses on trading operations	-	25.7	-	-	25.7
Depreciation and amortization	230.2	-	-	-	230.2
Construction costs	-	-	142.9	-	142.9
Charges for the use of and connection to the power grid	141.0	-	-	-	141.0
Transactions in the short-term market	110.8	7.3	-	-	118.1
Fuel for generation	95.2	-	-	-	95.2
Materials and third-party services	80.5	-	-	3.5	84.0
Personnel	71.4	-	-	2.4	73.8
Insurance	20.1	-	-	-	20.1
Royalties	17.4	-	-	-	17.4
Cost of selling solar panels	-	-	-	9.0	9.0
Operating provisions, net	(7.2)	-	-	-	(7.2)
Other operational costs, net	8.9	-	-	0.2	9.1
Operational costs	**1,111.5**	**269.5**	**142.9**	**15.1**	**1,539.0**
1Q19					
Electric power purchases	331.6	223.8	-	-	555.4
Unrealized losses on trading operations	-	26.6	-	-	26.6
Depreciation and amortization	187.2	-	-	-	187.2
Construction costs	-	-	15.3	-	15.3
Charges for the use of and connection to the power grid	124.1	-	-	-	124.1
Transactions in the short-term market	126.6	6.7	-	-	133.3
Fuel for generation	20.3	-	-	-	20.3
Materials and third-party services	54.4	-	-	2.9	57.3
Personnel	56.4	-	-	2.1	58.5
Insurance	13.7	-	-	-	13.7
Royalties	38.0	-	-	-	38.0
Cost of selling solar panels	-	-	-	15.0	15.0
Operating provisions, net	0.3	-	-	-	0.3
Other operational costs, net	14.9	-	-	(1.9)	13.0
Operational costs	**967.5**	**257.1**	**15.3**	**18.1**	**1,258.0**
Variation					
Electric power purchases	11.6	12.7	-	-	24.3
Unrealized losses on trading operations	-	(0.9)	-	-	(0.9)
Depreciation and amortization	43.0	-	-	-	43.0
Construction costs	-	-	127.6	-	127.6
Charges for the use of and connection to the power grid	16.9	-	-	-	16.9
Transactions in the short-term market	(15.8)	0.6	-	-	(15.2)
Fuel for generation	74.9	-	-	-	74.9
Materials and third-party services	26.1	-	-	0.6	26.7
Personnel	15.0	-	-	0.3	15.3
Insurance	6.4	-	-	-	6.4
Royalties	(20.6)	-	-	-	(20.6)
Cost of selling solar panels	-	-	-	(6.0)	(6.0)
Operating provisions, net	(7.5)	-	-	-	(7.5)
Other operational costs, net	(6.0)	-	-	2.1	(3.9)
Operational costs	**144.0**	**12.4**	**127.6**	**(3.0)**	**281.0**

Operational costs rose R$ 281.0 million (22.3%) between the quarters under review from R$ 1,258.0 million in 1Q19 to **R$ 1,539.0 million in 1Q20**. The variation reflects the following factors: (i) an increase in 1Q20 of R$ 144.0 million (14.9%) in relation to 1Q19 in the costs of generation and sale of electric energy segment from the Company's portfolio; (ii) a growth of R$ 127.6 million (834.0%) in costs at the transmission segment; (iii) an increase of R$ 12.4 million (4.8%) in the costs of energy trading operations; and (iv) a reduction of R$ 3.0 million (16.6%) in solar panels sale and installation costs.

On the variation in item (i), particular note should be made of R$ 146.8 million representing the entry into commercial operations of Pampa Sul and Umburanas – Phase I. If this effect is ignored, the operational costs for the generation and sale of electric energy segment from the Company's portfolio for 1Q20 would have fallen by R$ 2.8 million (0.3%) compared to 1Q19.

The costs of the trading and transmission segments will be commented under a separate heading.



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

» **Energy purchases:** between 1Q19 and 1Q20, there was an increase of R$ 11.6 million (3.5%) in purchase operations for managing the energy portfolio, and a reflection of the following aspects: (i) R$ 85.2 million — growth of 624 GWh (286 average MW) in purchase volume; and (ii) R$ 73.6 million — reduction of 22.2% in the net average purchase price from R$ 175.68/MWh in 1Q19 to R$ 136.67/MWh in 1Q20.

Growth in purchase volume in the periods under review was driven more especially by unscheduled stoppages at Pampa Sul throughout 1Q20, triggering energy purchases so that the Company was able to meet its contractual obligations with distributors.

The decrease in the average purchase price is a reflection largely of the reduction in the Differences Settlement Price (PLD) between the two quarters since the PLD is used as a parameter for fixing the short-term price. However, this effect was partially attenuated by monetary correction for the period.

» **Depreciation and amortization:** an increase of R$ 43.0 million (23.0%) between comparative quarters due above all to the entry into operations of Pampa Sul and Umburanas – Phase I, with a growth of R$ 37.3 million, as well as maintenance executed on the Company's generating complex during 2019, incurring depreciation costs once the work was concluded. If this effect of the entry into commercial operation is not considered, then the increase in these costs would have been R$ 5.7 million (3.1%) in 1Q20 compared with 1Q19.

» **Charges for use of and connection to the electricity grid:** an increase of R$ 16.9 million (13.6%) between the two quarters due above all to the entry into commercial operations of Pampa Sul and Umburanas – Phase I, the impact of which was R$ 9.2 million and reflecting the annual readjustment of transmission and distribution tariffs – R$ 7.7 million (6.7%).

» **Transactions in the short-term energy market:** comparing the quarters, the costs of these transactions fell by R$ 15.8 million (12.5%). This decrease would have been R$ 18.3 million (14.5%) if the impact from Pampa Sul and Umburanas – Phase I is discounted, which in 1Q20 posting purchases of R$ 2.5 million.

» **Fuels for the generation of electricity:** an increase of R$ 74.9 million (369.0%) when comparing 1Q19 and 1Q20, basically due to: (i) R$ 56.3 million – due to greater proprietary coal consumption given the increased generation and the effects of the annual readjustment of fuel costs at the Jorge Lacerda Thermoelectric Power Plant; and (ii) to fuel consumption with the entry into commercial operations of Pampa Sul in June 2019 and worth R$ 18.6 million.

» **Material and third-party services:** an increase of R$ 26.1 million (48.0%) in 1Q20 compared to the first quarter in 2019, resulting largely from the increase of R$ 28.9 million in the costs of operations and maintenance due to new agreements arising from the startup of operations at Pampa Sul and Umburanas – Phase I. Ignoring these effects, material and third-party services would have fallen by R$ 2.8 million (5.2%) year-on-year.

» **Personnel:** an increase of R$ 15.0 million (26.6%) in 1Q20 compared with 1Q19 largely the result of the new agreements at Pampa Sul and Umburanas – Phase I and a reduction of capitalized costs with personnel during the execution of the construction work at these plants, which fed through to an increase of R$ 10.3 million on a quarterly comparative basis. Disregarding the impact of Pampa Sul and Umburanas – Phase I, there would have been an increase of R$ 4.7 million (8.3%) in 1Q20 compared to 1Q19, mainly due to new hiring and the annual wage readjustment in payroll, but partially offset by reductions in expenses with medical accreditation and reimbursement of medical expenses.

» **Insurance:** an increase of R$ 6.4 million (46.7%) comparing the two quarters of which R$ 2.6 million relates to insurance cover for Pampa Sul and Umburanas – Phase I. In addition the plants comprising the Campo Largo Wind Complex – Phase I were included in the Company's insurance policy as from the annual renewal in June 2019, adding a further R$ 0.7 million to costs. If we disregard the effects already mentioned then there was an increase of R$ 3.1 million (22.8%) in 1Q20 compared to 1Q19, due to the renewal of the operational risks policy in June 2019, plus an increase in premium.

» **Financial compensation for use of hydro resources (Royalties):** reduction of R$ 20.6 million (54.2%) in the comparative quarters due largely to lower generation at the hydroelectric plants between the quarters under review but partially attenuated by the annual readjustment.

» **Operational provisions net:** positive effect in the result of R$ 7.5 million in 1Q20 compared to the same period in 2019, largely a reflection of the reversal of provisions for labor contingencies worth R$ 5.7 million and civil liabilities worth R$ 1.8 million. Of these reversals, R$ 6.6 million reflects changes in expected outcome of the lawsuits involved.

➢ Solar Panels

There was a reduction of R$ 3.0 million in the costs of thIs segement year-on-year largely driven by the decrease in solar panel sale and installation costs of R$ 6.0 million (40.0%) due to decreased sales volume. This effect was partially attenuated by reversals in inventory losses booked in 1Q19, worth R$ 1.9 million and by an increase in payroll, material and out-sourced services of R$ 0.9 million.

Operational Result of the Energy Trading Segment

The Company operates in the energy trading market, obtaining results through the variation in energy prices within pre-established risks limits. Energy trading operations are transacted in an active market and for accounting purposes these transactions are deemed financial instruments at fair value, principally because there is no commitment to match buying and selling operations and thus having a corresponding flexibility to manage contracts and attain results from price variations in the market.

Gross results between compared quarters under analysis increased R$ 30.8 million (120.8%) from a loss of R$ 25.5 million in 1Q19 to a profit of R$ 5.3 million in 1Q20. This growth reflects the following events: (i) a R$ 28.3 million positive impact from marking to market — or the difference between contractual and market prices — of the net contracted operations pending as at March 31, 2020 and 2019; and (ii) R$ 3.1 million due to an increase in gross results from energy purchase and sale transactions. These effects were partially offset by the reduction of R$ 0.6 million in the result for transactions in the short-term energy market.

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of the infrastructure pertaining to the transmission concession of the Gralha Azul Transmission System – work on installation of which began in the second half of 2018 – and Novo Estado Transmission System, as from the acquisition of 100% of the shares of Novo Estado Transmissora de Energia S.A. (current denomination of Sterlite Novo Estado Energia S.A.) in March 2020. EBE is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue from the implementation of transmission infrastructure over the period of installation for an amount corresponding to the costs of construction plus a residual gross margin for covering management costs. The expenditures incurred in the construction are booked to transmission infrastructure costs. The Annual Allowed Revenue (RAP) is payable from the entry into commercial operations of a transmission system. Consequently, only with the start of operational activities are revenues generated.

➢ Transmission Revenue

Revenue from the energy transmission segment increased in 1Q20, compared with 1Q19, **by R$ 138.1 million (784.7%)**, of which: (i) R$ 130.6 million corresponds to the increase in revenue from the installation of transmission infrastructure; and (ii) R$ 7.5 million due to increased remuneration from infrastructure.

Both increases reflect the acquisition of Novo Estado and the advance in work in progress on the construction of the Gralha Azul Transmission System. In addition, revenue from the remuneration of transmission infrastructure was also impacted by the variation in the IPCA.

➢ Construction Costs

Construction costs reported year-on-year growth of R$ 127.6 million (834.0%) driven by advances in the execution of work on the Gralha Azul Transmission System and by the acquisition of Novo Estado Transmissora de Energia S.A.

Details of Short-Term Operations

Short-term operations are classified as energy purchase or sale operations, the principal objective being the management of exposure on the CCEE. Consequently, the price of these operations is characterized by the linkage with the Price for Settlement of Differences (PLD). This item also includes the transactions conducted through the CCEE, given their volatile and seasonal nature, therefore, short-term, of the results originating from accounting movement in the CCEE. Additionally, the long and short positions are settled at the PLD, thus, similar to the short-term operations described above.

In relation to the transactions conducted through the CCEE, the various monthly credit or debit entries to the account of a Board agent are summarized in a single billing as a receivable or a payable. This therefore requires an entry to either an income or an expense item. In this context, it is worth pointing out that due to adjustments in the Company's portfolio management strategy, changes have been taking place in the profile of the mentioned billings. Such fluctuations complicate the direct comparison of the elements comprising each billing for the periods being analyzed - the reason for including this specific topic. The strategy allows us to analyze the fluctuations of the principal elements involved in spite of allocation being either to an income or expenses account according to the credit or debit nature of the billing to which they relate.

Generically, these elements are revenues or expenses arising, for example, (i) from the application of the Energy Reallocation Mechanism (MRE); (ii) from the Generation Scaling Factor (GSF), triggered when generation of plants, part of the MRE, is greater or smaller (Secondary Energy) than the allocated energy; (iii) from the so-called "submarket risk"; (iv) dispatch driven by the Risk Aversion Curve (CAR); (v) the application of System Service Charges (ESS), resulting in dispatch which diverges from the thermal plants order of merit; and (vi) naturally, exposure (a short or long position in the monthly accounting) and settled at the PLD.

In 1Q20 and in 1Q19, **net results** (difference between revenues and costs — deducted for tax) from short-term transactions — particularly those executed through the CCEE — **were positive at R$ 78.3 million** and R$ 98.4 million, respectively. This translated into a **reduction of R$ 20.1 million between the two quarters**, R$ 19.5 million being generated from the result of transactions in the generation and sale of electric energy segment from the portfolio and R$ 0.6 million from the result for energy trading transactions.

This variation arose mainly from the following effects: (i) an increase in short-term operations and the long position with the CCEE in 1Q20 (short position in 1Q19) in the light of the strategy adopted for hydric resource allocation, combined with active portfolio management; (ii) negative impact of the Energy Reallocation Mechanism's (MRE) Adjustment Factor (GSF) — already deducted from the effects of the renegotiation of hydrology risk; (iii) reduction of MRE revenue; (iv) the negative effect arising from the price difference between the North/Northeast and Southeast/Center-West markets in 1Q19; and (v) greater thermal electric generation between the periods under review.

In December 2019, Aneel stipulated maximum and minimum PLD limits for 2020 at R$ 559.75/MWh and R$ 39.68/MWh, respectively. The following table shows the average PLD amounts for those submarkets in the which the Company operates (in MWh).

Average PLD in R$/MWh	1Q20	1Q19	Avg. (%)
South	217.57	290.09	(25.0%)
Southeast/Center-West	187.89	290.08	(35.2%)
Northeast	181.31	134.38	34.9%

Selling, General and Administrative Expenses

Selling, general and administrative expenses reported an increase of R$ 3.0 million (5.1%) in the quarters under review increasing from R$ 59.1 million in 1Q19 to R$ 62.1 million in 1Q20, result of a combination of the following factors: (i) an increase of R$ 3.1 million (5.5%) in the generation and sale of electric energy segment from the Company's portfolio, largely due to the increase of R$ 2.9 million in payroll expenses (9.4%); (ii) a reduction of R$ 0.3 million (13.6%) from the solar panel sales and installation segment; and (iii) the increase of R$ 0.2 million (33.3%) from the energy trading segment.

The growth in selling, general and administrative expenses was largely because of: (i) growth in the Company's operational capacity, the latter increasing by 5.3% between 1Q19 and 1Q20 from 8,275.5 MW in 1Q19 to 8.710.5 MW in 1Q20; (ii) the new market dynamic based on the energy transition and improved access to the free consumer market; and (iii) the effects of inflation on prevailing agreements and on payroll expenses between the comparative quarters but partially mitigated by reductions in certain expenses in the light of the Company's efforts to optimize overheads.

Equity Income – Gas Transportation

On June 13, 2019, the jointly controlled Aliança Transportadora de Gás S.A. ("Aliança") acquired a 90% corporate control in Transportadora Associada de Gás S.A. (TAG). The Company had a 32.5% direct corporate stake in the jointly controlled company, Aliança, and therefore a 29.25% indirect corporate stake in TAG. On September 2, 2019, TAG incorporated Aliança and as from this date, the Company holds a 29.25% direct corporate stake in TAG.

In 1Q20, the Company booked a positive result via equity income of R$ 102.9 million from the jointly-owned TAG subsidiary and a reflection of the following effects: (i.i) R$ 356.5 million relative to the positive Ebitda; (i.ii) R$ 112.0 million in depreciation and amortization costs of which R$ 66.3 million relates to the amortization of the *mais-valia* result from the reverse incorporation of Aliança; (i.iii) R$ 91.6 million in financial expenses, net, impacted by loans raised by Aliança prior to the incorporation; and (i.iv) R$ 50.0 million relative to income tax and social contribution on net income.

TAG is a jointly owned subsidiary of EBE and for this reason is not consolidated in the Company's account statements, its effects on the accounts being booked through the equity income method.

TAG's equity income result sweeps up the following items:

DRE – in R$ million	1Q20	
	100%	Company's share
TAG (29.25%)		
Net operational revenue	1,417.2	414.5
Costs of services provided	(544.9)	(159.4)
Gross income	**872.3**	**255.1**
General and administrative expenses	(36.3)	(10.6)
Income before financial result and taxes	**836.0**	**244.5**
Financial result	(313.4)	(91.6)
Income before taxes	**522.6**	**152.9**
Income tax and social contribution	(170.8)	(50.0)
TAG's net income for the 1Q20	**351.8**	**102.9**
Equity income – TAG	**102.9**	

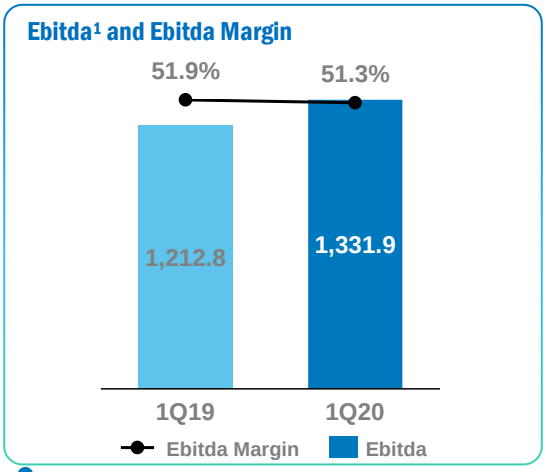
We show the following table in order to reconcile net income with Ebitda:

Ebitda – in R$ million	1Q20	
	100%	Company's share
TAG (29.25%)		
Income before financial result and taxes	**836.0**	**244.5**
Depreciation and amortization	382.9	112.0
Ebitda	**1,218.9**	**356.5**

Ebitda and Ebitda Margin

	Ebitda by segment – 1Q20 x 1Q19 (in R$ million)					
	Electric energy					
	Generation	Trading	Transmission	Solar panels	Gas transportation	Consolidated
1Q20						
Income (loss) before financial results and taxes	980.7	4.5	12.8	(4.4)	102.9	1,096.5
Depreciation and amortization	235.2	-	-	0.2	-	235.4
Ebitda and Adjusted Ebitda	**1,215.9**	**4.5**	**12.8**	**(4.2)**	**102.9**	**1,331.9**
Adjusted Ebitda Margin	**56.5%**	**1.6%**	**8.2%**	**(33.3%)**	**-**	**51.3%**
1Q19						
Income before financial results and taxes	1,041.7	(26.1)	2.3	(1.3)	-	1,016.6
Depreciation and amortization	191.2	-	-	0.1	-	191.3
Ebitda	**1,232.9**	**(26.1)**	**2.3**	**(1.2)**	**-**	**1,207.9**
Impairment	4.9	-	-	-	-	4.9
Adjusted Ebitda	**1,237.8**	**(26.1)**	**2.3**	**(1.2)**	**-**	**1,212.8**
Adjusted Ebitda Margin	**59.8%**	**(11.3%)**	**13.1%**	**(6.3%)**	**-**	**51.9%**
Variation						
Income (loss) before financial results and taxes	(61.0)	30.6	10.5	(3.1)	102.9	79.9
Depreciation and amortization	44.0	-	-	0.1	-	44.1
Ebitda	**(17.0)**	**30.6**	**10.5**	**(3.0)**	**102.9**	**124.0**
Impairment	(4.9)	-	-	-	-	(4.9)
Adjusted Ebitda	**(21.9)**	**30.6**	**10.5**	**(3.0)**	**102.9**	**119.1**
Adjusted Ebitda Margin	**(3.3 p.p.)**	**12.9 p.p.**	**(4.9 p.p.)**	**(27.0 p.p.)**	**-**	**(0.6 p.p)**

Between 1Q20 and 1Q19, Adjusted Ebitda increased by R$ 119.1 million (9.8%) from R$ 1,212.8 million in 1Q19 to R$ 1,331.9 million in 1Q20. This variation reflects the combination of the following **positive effects**: (i) R$ 102.9 million due to the booking in 1Q20 of a positive result from the corporate stake in TAG; (ii) R$ 30.6 million (117.2%) from the energy trading segment – of which R$ 28.3 million derived from marking-to-market and the remaining R$ 2.3 million originating from executed transactions and operating expenses; and (iii) R$ 10.5 million (456.5%) from the energy transmission segment. These positive impacts were counterbalanced by the following **negative effects**: (iv) a reduction of R$ 21.9 million (1.8%) in the generation and sale of electric energy segment from the Company's portfolio; and (v) a decrease of R$ 3.0 million (250.0%) from the solar panel segment.



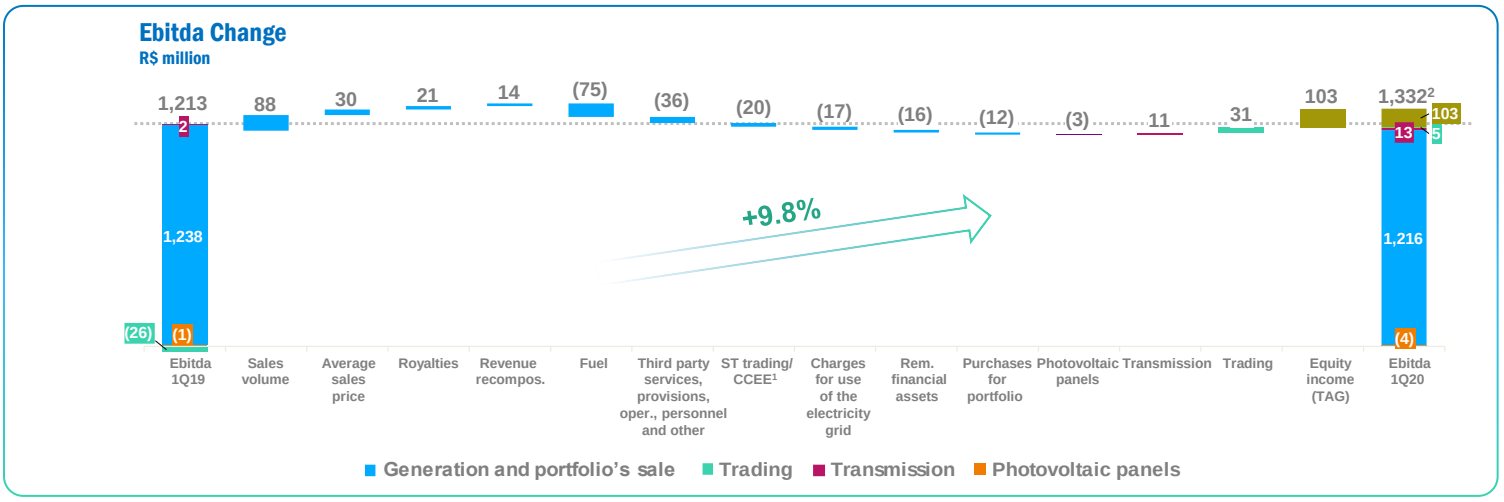
[1] Ebitda: net income + income tax and social contribution and financial expenses, net + depreciation and amortization + impairment.

The Company's principal business segment is the generation and sale of electric energy from the Company's portfolio with a variation indicated in the above item (iv), the principal effects of which are described as follows: (i) R$ 88.3 million increase in sales volume; (ii) an increase of R$ 74.9 million in fuel costs; (iii) R$ 30.0 million from the increase in net average price of energy sold; (iv) an increase of R$ 26.1 million costs with materials and outsourced services; (v) R$ 20.6 million from a reduction in royalties' overheads; (vi) a reduction of R$ 19.5 million in the result from transactions executed in the short-term market; (vii) an increase of R$ 16.9 million in charges for use of the electricity network and connections; (viii) a decline of R$ 16.1 million in financial remuneration and monetary restatement on concession assets; (ix) an increase of R$ 15.0 million in payroll costs; (x) R$ 14.3 million growth in reimbursement of revenue from downtime claims and fines; (xi) an increase of R$ 11.6 million in costs relating to higher energy purchase volumes; (xii) R$ 7.5 million due to the reduction costs of operating provisions; and (xiii) an increase of R$ 2.5 million in other operating costs and expenses.

The positive and negative effects shown are impacted by the entry into commercial operation of Pampa Sul and Umburanas – Phase I. The combined Ebitda for these plants was R$ 79.2 million and R$ 6.4 million in 1Q20 and in 1Q19, respectively.

Consolidated Ebitda margin remained largely flat in the quarters, decreasing slightly from 51.9% in 1Q19 to 51.3% in 1Q20. If only the results reported by the energy generation and sale of electric energy segment from the portfolio are taken into account and ignoring the result of entry into commercial operations of Umburanas and Pampa Sul, then Ebitda would be R$ 1,136.7 million in 1Q20 and R$ 1,231.4 million in 1Q19 and Ebitda margin in 1Q20, 58.8% and in 1Q19, 60.6%, and therefore down by 1.8 p.p. between the two quarters.

Worthy of note in this context is that the consolidated Ebitda margin is partially reduced by the effects of the energy trading operations, the booking to the accounts of revenue and costs involved in the construction of the transmission lines and the operations executed by the EGSD subsidiary where margins are narrower than operations elsewhere in the Company.



[1] Considers the combined effect of changes in revenue and expenses.
[2] Apparent sum-related errors are a result from rounding of addends.

The following table reconciles net income with Ebitda:

(In millions of R$)	1Q20	1Q19	Chg. %
Net income	512.0	565.5	-9.5
(+) Income tax and social contribution	192.2	237.0	-18.9
(+) Net financial result	392.3	214.1	83.2
(+) Depreciation and amortization	235.4	191.3	23.1
Ebitda	**1,331.9**	**1,207.9**	**10.3**
(+) Impairment	0.0	4.9	-100.0
Adjusted Ebitda	**1,331.9**	**1,212.8**	**9.8**

Ebitda includes the equity income result of the jointly owned TAG, given the expectation that the subsidiary will distribute dividends both frequently and on a recurrent basis.

Provision for Reduction in Impairment

In 1Q19, the Company complemented asset impairment by R$ 4.9 million of the William Arjona thermoelectric plant – where commercial operations have been discontinued due to economic and financial infeasibility. In 1Q20, the Company has seen no need for the further booking or reversal of provisions for asset impairment.

Financial Result

Financial income: in 1Q20, financial revenues reached R$ 44.1 million, R$ 17.0 million or 62.7% greater than the R$ 27.1 million registered for the same quarter of 2019, largely a reflection of a combination of the following factors: (i) growth of R$ 12.0 million in revenue from financial investments due to the increase in the average balance of financial investments between the two periods; and (ii) an increase of interest on taxes and social contributions of R$ 3.7 million.

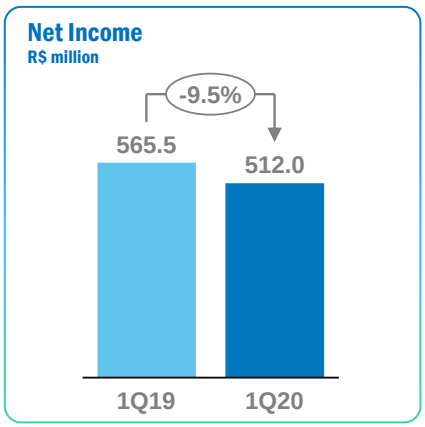
Financial expenses: expenses in 1Q20 were R$ 436.4 million, R$ 195.2 million or 80.9% more than reported for the same quarter in 2019 of R$ 241.2 million. Key variations were: (i) an increase of R$ 125.3 million in interest and R$ 53.9 million in monetary restatement and in the adjustment of fair value of debt, principally due to the issue of debentures by the Company in May and August 2019, the raising of loans and financing over the course of 2019 and 2020 for cash flow management purposes and investments and a decrease in capitalized interest with the entry into operations of Pampa Sul and Umburanas – Phase I; and (ii) increases of R$ 9.0 million in interest and R$ 3.4 million in monetary restatement on generating concessions payable given adjustments for inflation for the period between the two first quarters. Of the increase mentioned in item (i), worthy of note is the amount of capitalized third party interest in the Pampa Sul project worth R$ 16.3 million and the amount of capitalized interest of proprietary capital in the Pampa Sul and Umburanas projects of R$ 64.0 and R$ 15.3 million, respectively.

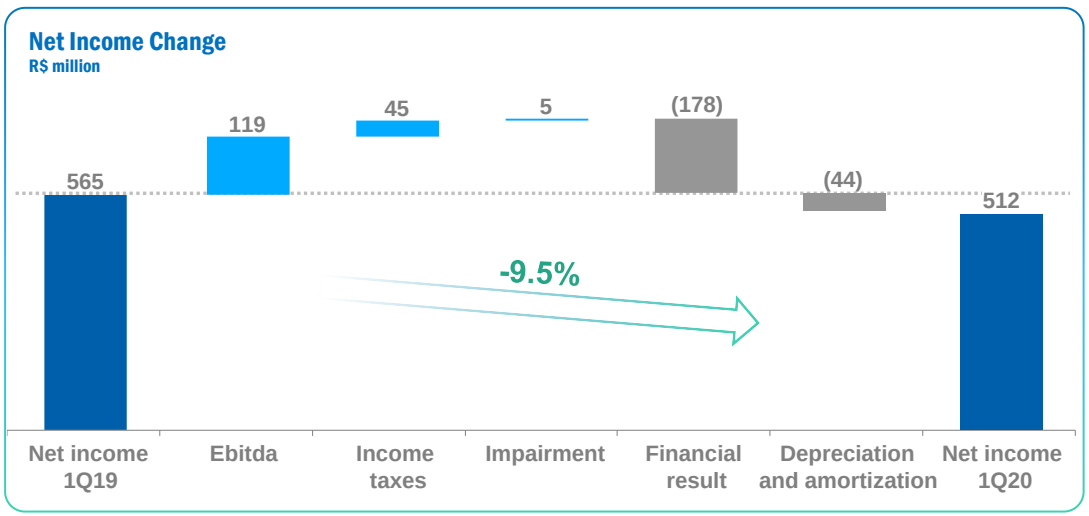
Income Tax and Social Contribution

Income tax and social contribution expenses in 1Q20 were R$ 192.2 million, R$ 44.8 million (18.9%) less than for the same quarter in 2019 of R$ 237.0 million largely due to lower pre-tax profits in 1Q20, a tax loss being recorded in 1Q20 at the parent Company. The effective rate of income tax and social contribution fell by 2.2 p.p. from 29.5% in 1Q19 to 27.3% in 1Q20.

Net Income

Net income in 1Q20 was R$ 512.0 million, R$ 53.5 million or 9.5% less than the R$ 565.5 million posted in the same quarter in 2019. This decrease is due to the following factors: (i) an increase of R$ 178.2 million in net financial expenses; (ii) an increase of R$ 119.1 million in Ebitda; (iii) a rise of R$ 44.1 million in depreciation and amortization costs; (iv) a decrease of R$ 44.8 million in income tax and social contribution charges; and (v) the booking in 1Q19 of asset impairment amounting to R$ 4.9 million.





ENGIE BRASIL ENERGIA S.A.

CNPJ No. 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4

NOTES TO THE QUARTERLY INFORMATION AS OF 3.31.2020

(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

ENGIE Brasil Energia S.A. ("Company" or "ENGIE Brasil Energia" or "EBE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, Santa Catarina state, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electricity, regulated by the Brazilian Electricity Regulatory Agency (ANEEL), which is linked to the Ministry of Mines and Energy (MME). The Company, through its subsidiaries and joint ventures, also operates in the electricity trading, distributed generation, gas and energy transportation segments. For more information, see Note 29 – Information by segment.

The shares of the Company are listed in the New Market segment of B3 S.A. – Brasil, Bolsa, Balcão (B3) under the ticker EGIE3. ENGIE Brasil Energia also trades Level 1 American Depositary Receipts (ADR) in the U.S. Over-the-Counter market under the ticker EGIEY, in the proportion of one ADR for each common share.

The Company is controlled by ENGIE Brasil Participações Ltda. ("ENGIE Participações"), a company established in Brazil and controlled by International Power S.A., headquartered in Belgium. International Power is a subsidiary of International Power Ltd., a company headquartered in the United Kingdom, which is part of the economic group ENGIE group, headquartered in France.

ENGIE Brasil Energia is part of the largest independent energy producer in Brazil, accounting for approximately 6.3%[4] of the country's installed capacity. At 3.31.2020, its installed capacity, including its stakes in energy generation consortiums, was 8,710.5 MW. Out of this total, 73.4% arises from hydroelectric power plants, 13.8% from thermal power plants and 12.8% from complementary energy (wind, solar, biomass and small hydroelectric power plants). Physical guarantee for sale averaged was 4,970.9 MW, of which 377.4 average MW are related to the portion of 70% of physical guarantee of the Jaguara and Miranda Hydroelectric Power Plants, which were allocated to the Regulated Contracting Environment (ACR) in the Physical Guarantee Quota System.

On 3.31.2020, the Company's generation facilities in operation consisted of 60 plants, of which 11 hydroelectric power plants (HPP), 4 conventional thermal power plants (TPP), 38 wind farms, 3 biomass plants, 2 photovoltaic solar power plants and 2 small hydroelectric power plants (SHPP).

[4] The non-financial information herein, such as MW, average MW, installed power and others has not been revised by the independent auditors.

The main corporate and operational events occurred in the 1st quarter of 2020 are as follows:

a) Payment of interim dividends

On January 29, 2020, the Company paid interim dividends for the 1st half of 2019 in the amount of R$893,399, corresponding to R$1.0949497919 per share.

b) Contracting of debt

On January 31, 2020, the Board of Directors approved the 1st issue of simple non-convertible debentures, in a single series, of ENGIE Transmissão de Energia Participações S.A. ("ENGIE Transmissão"), the direct subsidiary of the Company, in the amount of R$500 million. For more information, see Note 16 – Debentures.

In addition, on March 23, 2020, the Board of Directors approved borrowings in foreign currency under the model envisaged in Law 4,131/1962, and the respective swap to CDI in the amount of up US$325 million, with an amortization period of up to four years in a single installment at the end of the loan period, in order to finance the implementation of the Company's business plan. On March 25, 2020, the Company took loans from overseas financial institutions in the amount of US$125 million and, at the same time, contracted swap operations. For more information on the transaction, see Note 15 – Loans and financing.

c) Acquisition of Novo Estado Transmissora de Energia S.A. ("Novo Estado")

On March 3, 2020, after complying with all conditions precedent set forth in the purchase and sale agreement, the Company concluded the acquisition of 100% of the Novo Estado shares. The acquisition price may reach R$410 million, of which R$317 million were paid on March 3, 2020, R$43 million were deposited on the same date in an escrow account to guarantee contractual covenants and R$50 million are subject to compliance with certain conditions set in the agreement. The consideration estimated by the Company on the date of the operation was R$372 million. For more information, see Note 10 – Investments.

Novo Estado owns the concession of Lot 3 of Aneel Transmission Auction 002/2017 held in December 2017, which resulted in the execution of concession agreement 003/2018. The purpose of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and the expansion of three other existing substations in the states of Pará and Tocantins for 30 years. The deadline for the operational startup of the transmission line, whose Permitted Annual Revenue (RAP) is R$313 million, is March 9, 2023.

d) Reaffirmation of ratings

On March 12, 2020, the rating agency Fitch Ratings reaffirmed the Company's 'AAA(bra)' long-term national rating with stable outlook and 'BB' international rating with stable outlook, remaining one level above the sovereign rating. The agency also reaffirmed the 'AAA (bra)' rating with stable outlook, assigned to the 6th, 7th and 9th issues of unsecured debentures of the Company.

e) Impacts of the new coronavirus pandemic

On March 11, 2020, the World Health Organization (WHO) declared the spread of Covid-19, the disease caused by the new coronavirus, as a pandemic, which forced countries to take measures to prevent infections, protect lives and minimize the impacts of the disease.

Most governments adopted restrictive measures to maintain social distancing, close down commercial establishments and shutdown industrial plants to contain the spread of the virus. These measures led to a slowdown in the supply chain and significantly affected the global economy. At the same time, economic incentive packages are being studied and implemented, when possible, to minimize the effects of Covid-19 preventive measures.

In Brazil, the federal, state and municipal governments, as well as the health ministry and agencies enacted various normative acts to prevent and contain the pandemic, as well as to mitigate its respective economic impacts. On March 20, 2020, through Legislative Decree 6, a state of public calamity was declared. In addition, state and municipal governments enacted various normative acts to restrict the free circulation of people, as well as commercial and industrial activities and services.

On March 13, 2020, the Company set up a Crisis Committee to coordinate efforts and preventive actions, such as: structuring of a contingency plan to ensure the health and safety of employees and the operational security of the Company; Implementation of the remote work regime, for an indefinite period, for employees, temporary workers, interns and young apprentices, establishing a minimum number of employees necessary to work on-site to guarantee the Company's operations; distribution of cloth masks to employees and contractors; restriction of on-site meetings, instructing employees to use the videoconference resources available; suspension of the Program of Visits to Plants; and suspension of international travel and restriction of local travel to extremely necessary cases.

In the 1st quarter of 2020, the Company did not observe any material impacts of the pandemic on its individual and consolidated financial statements, since its operations are authorized by federal agencies to continue operating. In addition, no significant effects are expected in its results that could compromise the operational capacity and implementation of projects of the Company, provided the pandemic situation does not worsen and the resumption of economic activity to pre-pandemic levels does not take too long. Below are the main items that are being monitored by the Company:

e.1) Demand for electricity

The restrictions on circulation and on commercial and industrial activities and services impact electricity consumption. However, a large portion of the energy consumption expected is established in agreements signed prior to the Covid-19 pandemic. The Company, as per the data on the physical guarantee and the purchase and sale agreements in force, shows that the current capacity has the following contracting levels:

	Average MW					
Position on 03.31.2020	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Own resources	4,700	4,847	4,919	4,915	4,915	4,923
Purchases	1,599	849	644	422	271	177
Total availability total	6,299	5,696	5,563	5,337	5,186	5,100
Contracted availability	5,529	5,030	4,683	4,096	3,306	2,807
Contracted %	**87.8%**	**88.3%**	**84.2%**	**76.7%**	**63.7%**	**55.0%**

There were no significant changes in the contracting percentages compared to those presented in Note 38 – Long-term commitments of the financial statements for December 31, 2019.

In addition, the Electricity Trading Chamber (CCEE) disclosed that, in April and May 2020, the average electricity consumption decreased 12% compared to the same period of 2019, with the following segments mainly affected: vehicles; textiles; beverages; services; transportation; industrial goods; non-metallic minerals; and wood, pulp and paper. This reduction leads to a decrease in generation by the plants, while also influencing the reduction in the short-term price, which in April 2020 was R$ 39.68/MWh, representing the minimum amount established for the year and is currently approximately R$120/MW/h in the South and Southeast/Midwest sub-markets. The Company's portfolio enables management that can mitigate cyclical impacts.

In the Free Contracting Environment (ACL), the Company is assessing individual negotiations with its clients to propose alternatives related to contractual adjustment during the entire effective term. Until de date of disclosure of this quarterly information, there was no contractual renegotiation that resulted in the finalization of electricity sales agreements.

In relation to the Regulated Contracting Environment (ACR), no contractual clauses have been amended so far. Note that on March 24, 2020, Aneel published Normative Resolution 878/2020, which establishes a set of measures to ensure the continuity of the electricity distribution service. On April 8, 2020, Provisional Presidential Decrees 949 and 950 were enacted, mainly to mitigate the decline in revenue of distributors due to higher defaults and the sharp decrease in energy consumption. The operation of these measures, via private financing agreement, was approved by a CCEE meeting on June 5, 2020. The financing will allow distributors to honor their commitments to other sector agents, thus preserving the sustainability of the electricity sector.

e.2) Construction of new plants and transmission lines

Decree 10,282, of March 20, 2020, regulated Law 13,979, of February 6, 2020, defining essential public services and activities, which included electricity generation and distribution. In addition, Decree 10,329, of April 28, 2020, extended the concept of essential activities to engineering works related to the Brazilian Electricity System. These decrees were favorable to the Company as they guarantee the continuity of construction works on the Campo Largo Wind Complex – Phase II and the Gralha Azul and Novo Estado Transmission Systems. Due to the political issues associated with the Covid-19 pandemic, there were periodic stoppages in the construction works on the Campo Largo Wind Complex – Phase II, which the Company expects will not affect the construction timeframe.

e.3) Postponement of energy generation and transmission auctions

On March 30, 2020, the Ministry of Mines and Energy (MME) published Decree 134/2020 indefinitely postponing the energy generation and transmission auctions scheduled for 2020. The Company has the following projects that would be eligible to participate in the auctions: (i) Santo Agostinho Wind Complex; (ii) Umburanas Wind Complex – Phase II; (iii) Assú Photovoltaic Complex; and (iv) Alvorada Photovoltaic Complex.

e.4) Level of default

The Company is monitoring the realization of its balance of trade accounts receivable, as well as the risk associated with each client. The amounts due on the base date of this quarterly information are shown in Note 4 - Trade accounts receivable. So far there was no significant increase in the level of defaults, which demonstrates the robustness of the Company’s credit policy and guarantees.

It is important to note that the long-term agreements with distributors, including those related to the regulated market (CCEAR), have a mechanism to constitute guarantees, which minimizes the credit risk. With the same objective, the Company demands bank surety and guaranteed CDB as standard guarantee for free consumers, energy traders and generation companies. For counterparties that wish to offer another type of guarantee, the Company's credit area analyzes the case and establishes, in accordance with its Credit Policy, the guarantees that will be demanded from them.

e.5) Temporary suspension of debt service

In March 2020, BNDES approved social and economic measures to mitigate the effects of the Covid-19 pandemic, including the possibility of temporarily suspending for up to six months in 2020 the installments payments (principal and interest) of loans borrowed from it. This measure is called standstill.

In view of the conditions imposed by BNDES, the Company found it prudent to adopt this measure for the subsidiaries of the indirect subsidiary Energias Eólicas do Ceará and for the direct subsidiary Usina Termelétrica Pampa Sul ("Pampa Sul"), which was approved, effective immediately, on April 29, 2020. Therefore, the suspension of payments for six consecutive months between May and October 2020 was ratified.

Adhesion to BNDES's standstill will provide additional cash of approximately R$78 million, diluting this amount for the entire remaining period of the loans contracted from BNDES.

e.6) Taxes

Due to the pandemic, the Federal Government published Decrees ME 139 of April 3, 2020, and 245, of June 15, 2020, postponing the payment of PIS and Cofins (cumulative and non-cumulative) pertaining to March, April and May 2020, which would be due on April 24, May 25 and June 25, respectively, to August 25, October 25 and November 25, respectively. The deadlines for payment of corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) remain unchanged. The total PIS and Cofins amount of the Company and its subsidiaries covered by the Decrees was approximately R$118 million.

In addition, the Company adopted the flexibilization of FGTS contribution permitted by Provisional Presidential Decree 927 of March 22, 2020, deferring the contribution to the fund pertaining to April and May 2020, which will be paid as from July 2020, and the deferral of the social contribution envisaged in Decree 150 of April 7, 2020, pertaining to March and April, to be paid in July and September 2020, respectively. These deferrals led to the preservation of cash in the amount of R$15 million for the Company.

e.7) Impairment of long-term assets

The Company assessed the indicators of asset depreciation due to the pandemic and concluded there was no evidence that the costs registered are higher than their recovery amounts. As mentioned in the other items of this Note, as well as in Note 33 – Subsequent Events, the Company adopted measures that postponed the realization of cash potentially in the short term, with no material effects being identified in the medium and long term.

NOTE 2 – PRESENTATION OF FINANCIAL STATEMENTS

The Company's quarterly information was prepared in compliance with Accounting Pronouncement CPC 21 – Demonstração Intermediária (*Interim Financial Reporting*), and the consolidated quarterly information (ITR) is simultaneously presented in accordance with the international standard IAS 34 – Interim Financial Reporting and with CPC 21.

The Brazilian accounting standards are convergent with the IFRS, except for the recording, in the parent company's balance sheet, of the controlling interest in joint ventures which, under Brazilian rules, is recognized by the equity income method and, according to IFRS, by the rules applicable to joint ventures, which stipulate that assets, liabilities and profit or loss are recognized in proportion to its share in the joint venture.

There is no difference between shareholders' equity and the parent company and consolidated results included, respectively, in the individual and consolidated (ITR) financial statements. There is also no difference between the basic and diluted net earnings per share, since no shares were issued with diluting effects in the periods reported.

The quarterly information was also prepared in accordance with the rules of the Securities and Exchange Commission of Brazil (CVM), using amortized historical cost as base value, except for the fair value assessment of certain financial instruments, when required by the rules.

While preparing the quarterly information, the Company Management uses estimates to record certain transactions that affect its assets, liabilities and expenses.

The content and values of certain notes presented in the financial statements of fiscal year ended December 31, 2019 that did not require significant updates were not reported again in the quarterly information of March 31, 2020. These ITRs, therefore, must be read jointly with the financial statements of December 31, 2019.

The accounting practices and calculation methods adopted while preparing the quarterly information of March 31, 2020, as well as the main judgments and uncertainties in the estimates used in the application of the accounting practices, were the same adopted to prepare the financial statements of fiscal year ended December 31, 2019.

a) Standards and changes applicable to the Company starting from January 1, 2020

As of January 1, 2020, the following pronouncements are in force: (i) Revision of CPC 00 – Estrutura Conceitual para Relatório Financeiro (*Conceptual Structure for Financial Reporting*); (ii) Changes in CPC 15 (R1) – Combinação de Negócios (*Business Combination*); and (iii) Changes in CPC 26 (R1) – Apresentação das Demonstrações Contábeis (*Presentation of Financial Statements*) and CPC 23 – Políticas Contábeis, Mudança de Estimativa e Retificação de Erro (*Accounting Policies, Change in Estimate and Rectification of Errors*).

The adoption of the changes in these standards did not result in material impacts on the individual and consolidated quarterly information of March 31, 2020.

b) EmpresasNet system

Note that in the "Statement of Changes in Shareholders' Equity" table of the EmpresasNet System of the CVM, the equity valuation adjustment, though not corresponding to "Other Comprehensive Income," is presented in the column with this indication because there is not a more appropriate option to present said transaction in the standard statement of CVM.

c) Approval of the quarterly information

This quarterly information was approved by the Board of Directors, at meeting held on June 24, 2020.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Cash and bank deposits	**8,994**	**2,200**	**75,608**	**90,893**
Marketable securities:				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	2,719,032	2,588,144	4,039,330	3,746,004
Other marketable securities	33	163	73,112	33,364
	2,719,065	**2,588,307**	**4,112,442**	**3,779,368**
	2,728,059	**2,590,507**	**4,188,050**	**3,870,261**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Distributors	305,841	276,984	449,376	428,598
Transactions within the CCEE	225,405	136,334	427,129	344,953
Free Consumers	37,004	34,464	354,076	360,538
Trading operations	-	-	125,213	139,299
Traders	122,859	201,663	57,307	92,546
Others	-	305	72,265	91,490
Estimated losses with doubtful accounts	(6,180)	(6,180)	(6,197)	(6,197)
	684,929	**643,570**	**1,479,169**	**1,451,227**

The average term for receiving amounts relative to electricity sold through agreements is approximately 30 days, as from the first day of month subsequent to the sale, including trading operations, whereas the term of amounts settled within the Electricity Trading Chamber (CCEE) is approximately 45 days. Despite the increase in defaults at CCEE due to the legal imbroglio surrounding the Generating Scaling Factor (GSF) since 2015, the Company has been constantly managing its portfolio to mitigate this situation.

The breakdown of overdue accounts receivable recorded under current assets is as follows:

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Overdue up to 30 days	-	-	81	4,318
Overdue more than 30 days	7,044	7,044	14,228	14,815
With estimated losses recognized	*6,180*	*6,180*	*6,197*	*6,197*
Other	*864*	*864*	*8,031*	*8,618*
	7,044	**7,044**	**14,309**	**19,133**

NOTE 5 – INVENTORIES

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Advances to suppliers	765	1,015	98,171	86,518
Supplies	14,198	14,344	84,879	83,766
Inputs for energy production	-	-	10,708	47,675
Other	343	76	4,733	3,005
	15,306	**15,435**	**198,491**	**220,964**

Advances to suppliers

In 2019 and in the 1st quarter of 2020, the subsidiary Usina Termelétrica Pampa Sul S.A. ("Pampa Sul") advanced R$79,903 and R$13,971, respectively, amounting to R$93,874, to a coal supplier due to compliance with the contractual commitment of acquisition of a minimum monthly quota of 106,000 tons. The balance on March 31, 2020 was R$57,819 (R$38,949 on December 31, 2019), to be realized when the purchase of coal exceeds the minimum monthly quota. The Company expects to fully pay the advance by the end of 2021.

In addition, the subsidiary EGSD made advance payments to suppliers for acquisition of solar panels, whose balance at March 31, 2020 is R$39,336 (R$46,246 on December 31, 2019).

NOTE 6 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Guarantees for negative balance at CCEE	31	31	4,087	4,049
Reinvestment deposits	807	807	807	807
Current assets	**838**	**838**	**4,894**	**4,856**
Financing guarantees	10,483	10,388	406,151	374,676
Contractual commitment guarantees	-	-	43,312	-
Others	-	-	6,437	6,388
Non-current assets	**10,483**	**10,388**	**455,900**	**381,064**
	11,321	**11,226**	**460,794**	**385,920**

- Financing guarantees

Guarantees for loans are aimed at ensuring the payment of debt with the BNDES and on lending banks. They are mostly constituted for the amount equivalent to 3 months of debt service and contractual operating and maintenance expenses for plants that hire third-party services to perform these activities.

- Contractual commitment guarantees

In the 1st quarter of 2020, deposits in the amount of R$43,312 were recognized as consolidated non-current assets, which were made to guarantee compliance with certain contractual commitments undertaken by the seller of Novo Estado. These deposits will be released: (i) in the first anniversary of the closing date, up to the limit of 2% of the base purchase price established in the share purchase agreement; and (ii) the balance, 30 months after the closing date or at the start of commercial operation, whichever occurs first.

NOTE 7 – CONCESSION FINANCIAL ASSET

a) Breakdown

	Consolidated					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Jaguara HPP	185,272	1,502,032	1,687,304	183,783	1,496,385	1,680,168
Miranda HPP	113,358	919,012	1,032,370	112,449	915,557	1,028,006
	298,630	**2,421,044**	**2,719,674**	**296,232**	**2,411,942**	**2,708,174**

b) Changes in concession financial assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
Balances at 12.31.2019	**1,680,168**	**1,028,006**	**2,708,174**
Amounts received	(43,840)	(26,825)	(70,665)
Interest	38,159	23,348	61,507
Monetary variation	12,817	7,841	20,658
Balances at 3.31.2020	**1,687,304**	**1,032,370**	**2,719,674**

c) Realization profile of the concession financial asset presented under non-current assets

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
April to December 2021	116,931	71,543	188,474
2022	142,846	87,399	230,245
2023	129,225	79,065	208,290
2024	116,874	71,508	188,382
2025	105,727	64,688	170,415
2026 to 2030	395,257	241,837	637,094
2031 to 2047	495,172	302,972	798,144
	1,502,032	**919,012**	**2,421,044**

NOTE 8 – CONTRACT ASSET

The Company has primary responsibility for the construction and installation of infrastructure related to the transmission concession of the Gralha Azul Transmission System, whose implementation started in the second half of 2018, and of the Novo Estado Transmission System, through the acquisition of 100% of its shares in March 2020, and it is exposed to the risks and benefits of these constructions. Thus, based on the accounting practices in force, the Company recognized revenue from the implementation of transmission infrastructure, during the implementation stage, at an amount corresponding to the construction costs plus a residual gross margin, intended to cover the costs related to construction management. Expenses incurred in the construction are recognized under transmission infrastructure costs. Concession agreement assets are remunerated at the internal rate of return and the variation in the IPCA index.

The concession agreement assets are presented under non-current assets and their changes are shown below:

	Consolidated		
	Gralha Azul	Novo Estado	Total
Balance at 12.31. 2019	**217,611**	**-**	**217,611**
Acquisition of subsidiary Novo Estado	-	153,279	153,279
Revenue from implementation of infrastructure	71,004	75,305	146,309
Interest	6,114	869	6,983
Monetary variation	2,049	293	2,342
Balance at 3.31.2020	**296,778**	**229,746**	**526,524**

The balance shown under non-current assets will start being realized from the commercial startup of the electricity transmission systems, whose deadline is March 2023 for both assets.

NOTE 9 – OTHER ASSETS

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Tax credits recoverable	2,097	2,179	101,754	114,415
Fuels to reimburse	-	-	59,474	52,533
Divestments and services in course	31,662	29,740	34,041	38,322
Prepaid expenses	10,212	16,957	23,631	36,690
Advances to the R&D entity	31,192	25,277	33,636	25,597
Deferred tax asset	-	-	16,343	13,543
Advances to suppliers	18,981	14,856	12,646	-
Loan – Andrade Açúcar e Álcool	-	-	11,226	11,662
Advances to employees	5,998	4,930	9,091	6,608
Other amounts receivable	39,161	49,517	56,972	70,077
	139,303	**143,456**	**358,814**	**369,447**
Classification in balance sheet				
Current assets	133,305	137,506	296,585	300,759
Non-current assets	5,998	5,950	62,229	68,688
	139,303	**143,456**	**358,814**	**369,447**

a) Tax credits recoverable

Mainly corresponds to PIS and Cofins dues stemming from the acquisition of machinery and equipment and expenses with construction of Plants.

b) Fuel to be reimbursed

Refers to amounts receivable from the reimbursement of fuel consumed for thermal power generation at the Jorge Lacerda Thermal Power Complex, which are reimbursed by CCEE. The amounts eligible for reimbursement correspond to the limit of 2,400,000 tons per annum, discounting the percentage indicated every year by the regulatory body regarding the Plant's availability and efficiency indices.

NOTE 10 – INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Interest on subsidiaries:				
Measured at the equity method				
Equity in earnings of subsidiaries	12,335,388	12,649,936	2,208,237	2,874,727
Goodwill from investment acquisition	81,616	82,453	-	-
Goodwill from expected future profitability	92,715	92,715	74,193	74,193
	12,509,719	**12,825,104**	**2,282,430**	**2,948,920**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2019	Capital increase	Equity in earnings of subsidiaries	Other comprehensive income	Balances at 3.31.2020
Subsidiaries					
ECP[5]	**3,363,152**	207,130	43,633	-	**3,613,915**
Pampa Sul	**2,393,128**	-	(10,666)	-	**2,382,462**
CEE[6]	**1,136,237**	-	31,248	-	**1,167,485**
Jaguara[7]	**1,008,227**	-	39,877	-	**1,048,104**
Miranda[8]	**670,909**	-	24,862	-	**695,771**
Diamante[9]	**515,644**	-	13,938	-	**529,582**
EBC[10]	**296,194**	-	16,365	-	**312,559**
EGSD[11]	**66,954**	-	(3,350)	4,212	**67,816**
Lages[12]	**30,530**	-	643	-	**31,173**
ECV[13]	**24,948**	-	(3,407)	-	**21,541**
ENGIE Trading[14]	**22,175**	-	(16,408)	-	**5,767**
ETP[15]	**1**	50	899	-	**950**
Other	**3,589**	10	-	-	**3,599**
Under shared control					
Itasa[16]	**243,521**	-	2,906	-	**246,427**
Joint venture					
TAG[17]	**2,874,727**	-	102,901	(769,391)	**2,208,237**
	12,649,936	**207,190**	**243,441**	**(765,179)**	**12,335,388**

b.1) ECP

The purpose of the capital increase in the subsidiary ECP, in the 1st quarter of 2020, was mainly to invest in Campo Largo Wind Complex – Phase II and Gralha Azul Transmission System, controlled by the Company's subsidiary.

b.2) ETP

b.2.1) Novo Estado

The Company's Board of Directors, at a meeting held on December 23, 2019, approved the acquisition of all the shares of Sterlite Novo Estado Energia S.A., currently named Novo Estado Transmissão de Energia S.A. ("Novo Estado") by ENGIE Transmissão de Energia Participações S.A. ("ENGIE Transmissão"), a direct subsidiary of the Company. On that date, ENGIE Transmissão, as buyer, Sterlite Brazil Participações S.A. ("Sterlite Participações") as seller, and Novo Estado, as the consenting-intervening party, signed the stock purchase agreement.

The closing of the transaction was subject to the fulfillment of certain conditions precedent, which include approval of the sale by Aneel, which were entirely fulfilled on March 3, 2020.

[5] ENGIE Brasil Energias Complementares Participações Ltda.
[6] Companhia Energética Estreito
[7] Companhia Energética Jaguara
[8] Companhia Energética Miranda
[9] Diamante Geração de Energia Ltda.
[10] ENGIE Brasil Energia Comercializadora Ltda.
[11] ENGIE Geração Solar Distribuída S.A.
[12] Lages Bioenergética Ltda.
[13] ENGIE Comercializadora Varejista de Energia Ltda.
[14] ENGIE Trading Comercializadora de Energia Ltda.
[15] ENGIE Transmissão de Energia Participações S.A.
[16] Itá Energética S.A.
[17] Transportadora Associada de Gás. TAG is a joint venture and, therefore, not consolidated by the Company.

Novo Estado owns the concession of Lot 3 of Aneel Transmission Auction 002/2017, held in December 2017. The purpose of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and the expansion of three other existing substations in the states of Pará and Tocantins. All licenses for installation of the project have already been obtained and construction began in the 2nd quarter of 2020.

The Company assessed the acquisition and concluded that the assets acquired and liabilities assumed constitute a business, as defined by CPC 15 (R1) – Combinação de negócios. The price for acquiring 100% of Novo Estado's shares will be up to R$410 million, considering the following criteria:

(a) ***Base purchase price***: on the closing date of the transaction, the base purchase price of R$360 million was paid to the seller after deducting the amount deposited in the escrow account (R$43 million). More details on this deposit are presented in Note 6 – Restricted Deposits.

(b) ***Adjustment of purchase price:*** corresponds to the result of adjustments resulting from: (i) qualified expenses of the project in the period between the date of signing of the agreement and the closing of the transaction; and (ii) bonus of up to R$25 million, associated with hedge operations related to the acquisition of aluminum wire, for protection against exchange variation and aluminum prices. The payment must be made within 15 days after the agreement between the parties validating the amount; and

(c) ***Bonus - BNDES:*** payment of up to R$25 million in the following events: (i) Novo Estado borrows a loan from BNDES at interest within the margin established in the share purchase agreement; or (ii) no financing is contracted until December 31, 2020. The payment must be made within 30 days after the date of one of the above options is reached.

Considering the transaction closing date and the criteria mentioned above, the purchase price estimated by the Company came to R$372 million. The Company is assessing the fair value of assets and liabilities acquired to make all the due allocations in the acquisition balance sheet in accordance with business combination rules. Accordingly, the balance of investment on March 31, 2020 considers preliminary analyses of this allocation.

Based on the above, on a preliminary basis, the opening balance sheet on the date of conclusion of the acquisition is below:

Balance Sheet – Novo Estado	Book value	Fair value
Current assets	**1,367**	**1,367**
Cash and cash equivalents	24	24
Deferred insurance expenses	1,234	1,234
Other current assets	109	109
Non-current assets	**159,521**	**395,542**
Long-term receivables	159,521	159,521
Agreement asset	*153,279*	*153,279*
Other non-current assets	*6,242*	*6,242*
Intangible	-	236,021
Current liabilities	**(19,566)**	**(19,566)**
Non-current liabilities	**(5,229)**	**(5,229)**
Net assets	**136,093**	**372,114**

b.3) Information on main subsidiaries, pertaining to the 1st quarter of 2020

	3.31.2020						
	Capital	Assets	Liabilities	Adjusted shareholders' equity	Net revenue	Adjusted net income (loss)	Interest (%)
Subsidiaries							
ECP	2,360,476	6,877,182	3,416,312	3,618,043	277,071	44,095	**99.99**
Pampa Sul	1,956,692	3,337,759	1,240,700	2,382,462	162,895	(10,666)	**99.99**
CEE	920,380	2,250,310	1,082,825	1,167,485	126,739	31,248	**99.99**
Jaguara	854,409	2,408,033	1,359,929	1,048,104	114,762	39,877	**99.99**
Miranda	582,663	1,520,763	824,992	695,771	67,118	24,862	**99.99**
Diamante	638,941	798,776	269,194	529,582	206,472	13,938	**99.99**
EBC	4,200	1,043,066	730,507	312,559	1,125,321	16,365	**99.99**
EGSD	29,611	152,945	85,129	67,816	12,576	(3,350)	**99.99**
Lages	30,530	38,559	7,386	31,173	9,190	643	**99.99**
ECV	23,970	61,528	39,987	21,541	106,281	(3,407)	**99.99**
ENGIE Trading	5,000	140,282	134,515	5,767	74,665	(16,408)	**99.99**
ETP	1	570,099	569,149	950	76,466	899	**99.99**
Under shared control							
Itasa	510,136	536,749	31,258	505,491	40,993	5,961	**48.75**
Joint venture							
TAG	7,197,729	38,901,136	31,351,609	7,549,527	1,417,154	351,799	**29.25**

Non-controlling shareholder

The non-controlling interest of Ibitiúva in the shareholders' equity and the net income of ECP presented above is R$4,128 and R$462, respectively.

Capitalized interests

ENGIE Brasil Energia took out loans and debentures to finance the construction of the Campo Largo - Phase I, Trairí, Umburanas - Phase I and Campo Largo - Phase II Wind Power Complexes and the Assú V Photovoltaic Power Plant, investments that are part of ECO, and of the Pampa Sul Thermal Power Plant. The interest on these debts is capitalized during the construction period of the Plants in the consolidated financial statements and recognized using the equity method in the parent company's financial statements. After the commercial startup, the amounts capitalized are amortized in the period corresponding to the amortization of property, plant and equipment. The Campo Largo Complex – Phase II is in the construction phase and hence interest on debt has not been amortized yet.

In the 1st quarter of 2020, the interest, net of amortization, capitalized in direct subsidiary ECP was R$3.659 and the amortization of the capitalized interest in Pampa Sul was R$2,379. In the year to date, capitalized interest in these subsidiaries were R$157,173 and R$285,403, respectively. In the table above, the amounts under "Adjusted shareholders' equity" and "Adjusted net income (loss)" include the items described above.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company					
		3.31.2020			12.31.2019		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.0%	5,110,239	(3,325,313)	1,784,926	5,109,946	(3,292,039)	1,817,907
Buildings and improvements	3.1%	1,283,805	(824,933)	458,872	1,283,460	(814,894)	468,566
Machinery and equipment	3.4%	4,234,574	(2,543,419)	1,691,155	4,232,160	(2,515,345)	1,716,815
Furniture and fixtures	6.3%	8,584	(4,298)	4,286	8,559	(4,388)	4,171
Vehicles	14.3%	2,180	(1,811)	369	2,150	(1,693)	457
Special obligations		(49,655)	6,897	(42,758)	(49,655)	6,428	(43,227)
		10,589,727	**(6,692,877)**	**3,896,850**	**10,586,620**	**(6,621,931)**	**3,964,689**
In progress							
Reservoirs, dams and ducts		1,489	-	1,489	1,828	-	1,828
Buildings and improvements		909	-	909	909	-	909
Machinery and equipment		70,780	-	70,780	67,120	-	67,120
Advances to suppliers		25,815	-	25,815	26,280	-	26,280
Acquisitions to be apportioned		13,372	-	13,372	11,313	-	11,313
		112,365	**-**	**112,365**	**107,450**	**-**	**107,450**
		10,702,092	**(6,692,877)**	**4,009,215**	**10,694,070**	**(6,621,931)**	**4,072,139**

		Consolidated					
		3.31.2020			12.31.2019		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.2%	7,287,507	(4,014,891)	3,272,616	7,287,215	(3,961,881)	3,325,334
Buildings and improvements	2.9%	2,187,036	(1,158,519)	1,028,517	2,186,622	(1,141,959)	1,044,663
Machinery and equipment	3.8%	16,338,383	(5,873,592)	10,464,791	16,321,893	(5,750,245)	10,571,648
Furniture and fixtures	6.3%	14,775	(6,709)	8,066	14,583	(6,703)	7,880
Vehicles	14.3%	5,866	(4,142)	1,724	5,813	(3,968)	1,845
Special obligations		(50,146)	7,059	(43,087)	(50,146)	6,588	(43,558)
		25,783,421	**(11,050,794)**	**14,732,627**	**25,765,980**	**(10,858,168)**	**14,907,812**
In progress							
Reservoirs, dams and ducts		7,005	-	7,005	7,344	-	7,344
Buildings and improvements		45,605	-	45,605	42,005	-	42,005
Machinery and equipment		392,979	-	392,979	166,870	-	166,870
Advances to suppliers		167,858	-	167,858	174,402	-	174,402
Acquisitions to be apportioned		47,330	-	47,330	31,778	-	31,778
		660,777	**-**	**660,777**	**422,399**	**-**	**422,399**
		26,444,198	**(11,050,794)**	**15,393,404**	**26,188,379**	**(10,858,168)**	**15,330,211**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2019	**1,817,907**	**468,566**	**1,716,815**	**4,628**	**107,450**	**(43,227)**	**4,072,139**
Additions	-	-	-	-	8,556	-	8,556
Transfers	(109)	306	3,184	260	(3,641)	-	-
Write-offs	-	-	(287)	(88)	-	-	(375)
Depreciation	(32,872)	(10,000)	(28,557)	(145)	-	469	(71,105)
Balance at 3.31.2020	**1,784,926**	**458,872**	**1,691,155**	**4,655**	**112,365**	**(42,758)**	**4,009,215**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2019	**3,325,334**	**1,044,663**	**10,571,648**	**9,725**	**422,399**	**(43,558)**	**15,330,211**
Additions	-	-	-	-	274,846	-	274,846
Capitalized interest and monetary variation	-	-	-	-	8,155	-	8,155
Transfers	108	269	43,725	521	(44,623)	-	-
Write-offs	-	-	(294)	(88)	-	-	(382)
Depreciation	(52,826)	(16,415)	(150,288)	(368)	-	471	(219,426)
Balance at 3.31.2020	**3,272,616**	**1,028,517**	**10,464,791**	**9,790**	**660,777**	**(43,087)**	**15,393,404**

NOTE 12 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company					
		3.31.2020			12.31.2019		
	Amortization period	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Right to use	Until 2034	116,745	(62,382)	54,363	109,428	(59,711)	49,717

		Consolidated					
		3.31.2020			12.31.2019		
	Amortization period	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Grant bonus							
Jaguara	Until 2047	620,327	(49,852)	570,475	620,327	(44,695)	575,632
Miranda	Until 2047	411,223	(33,048)	378,175	411,223	(29,629)	381,594
		1,031,550	**(82,900)**	**948,650**	**1,031,550**	**(74,324)**	**957,226**
Rights of projects – operational							
WPPs in operation	Until 2052	74,153	(6,731)	67,422	74,153	(6,098)	68,055
Assú Solar Power Plant	Until 2051	15,194	(1,061)	14,133	15,194	(943)	14,251
		89,347	**(7,792)**	**81,555**	**89,347**	**(7,041)**	**82,306**
Rights of projects – under development							123,477
WPPs under construction / development		124,758	-	124,758	124,758	-	124,758
Novo Estado transmission system		236,021	-	236,021	-	-	-
		360,779	**-**	**360,779**	**124,758**	**-**	**124,758**
		450,126	**(7,792)**	**442,334**	**214,105**	**(7,041)**	**207,064**
Right to use assets	Until 2037	140,200	(66,657)	73,543	133,168	(63,969)	69,199
Energy purchase right	Until 2023	64,561	(43,613)	20,948	64,561	(42,109)	22,452
Brand – EGSD		22,306	-	22,306	22,306	-	22,306
Premium – EGSD		18,522	-	18,522	18,522	-	18,522
		1,727,265	**(200,962)**	**1,526,303**	**1,484,212**	**(187,443)**	**1,296,769**

b) Changes to intangible assets

	Consolidated					
	Grant bonus	Project rights	Right to use assets	Energy purchase rights	Other	Total
Balances on 12.31.2019	**957,226**	**207,064**	**69,199**	**22,452**	**40,828**	**1,296,769**
Addition	-	-	7,212	-	-	7,212
Fair value of acquired project rights	-	236,021	-	-	-	236,021
Amortization	(8,576)	(751)	(2,868)	(1,504)	-	(13,699)
Balances on 3.31.2020	**948,650**	**442,334**	**73,543**	**20,948**	**40,828**	**1,526,303**

NOTE 13 – SUPPLIERS

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Suppliers of property, plant and equipment and intangible assets	6,311	5,859	266,386	264,424
Suppliers of materials and services	26,192	30,195	129,128	139,238
Electricity purchased	36,222	79,403	127,375	119,384
Trading operations	-	-	90,678	120,324
Fossil fuels and biomass	-	-	90,032	61,410
Charges for the use of the power grid	32,262	32,040	64,157	55,184
Transactions in the short-term market	-	1,864	29	5,056
	100,987	**149,361**	**767,785**	**765,020**

The Company's average payment term is approximately 30 days, and no interest is charged on the balances.

NOTE 14 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

In order to conduct more efficiently risk evaluation and monitoring process in its business, the Company has the Risk Management Forum, which is responsible for: (i) internally promote the awareness on risk treatment; (ii) define goals and guidelines for its management; (iii) promote and suggest improvements in its evaluation processes; and (iv) classify and define control procedures.

In the 1st quarter of 2020, there were no changes in the risks to which the Company and its subsidiaries are exposed or in the management and measurement of these risks, when compared to those presented in Note 17 – Risk management and financial instruments of the financial statements of December 31, 2019.

a) Liabilities denominated in foreign currency

At March 31, 2020, the Company held no financial obligation denominated in foreign currencies whose exchange variation was not fully hedged against.

Unrealized gains (losses) with hedge operations are as follows:

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Long position				
Fair value hedge on loans and debentures				
Current assets	355,946	114,550	355,946	114,550
Non-current assets	998,137	311,577	998,137	311,577
	1,354,083	**426,127**	**1,354,083**	**426,127**
Cash flow hedge on obligations				
Current assets	-	-	5,979	581
	-	**-**	**5,979**	**581**
Short position				
Fair value hedge on loans and debentures				
Current liabilities	(2,604)	(2,933)	(11,208)	(8,616)
Non-current liabilities	(74,060)	(76,932)	(94,858)	(91,169)
	(76,664)	**(79,865)**	**(106,066)**	**(99,785)**
Cash flow hedge on obligations				
Current liabilities	-	-	-	(145)
	-	**-**	**-**	**(145)**
Net position	**1,277,419**	**346,262**	**1,253,996**	**326,778**

a.1) Fair value hedge operations on loans and debentures

The Company maintains contracts for swap operations with the Brazilian subsidiaries of the same lending financial institutions in U.S. dollars, to hedge future payment flows of principal and interest, including any income tax levied thereon, against foreign exchange fluctuation. In addition, direct subsidiaries Jaguara and Miranda contracted swap operations from Banco Itaú BBA to hedge all future payment flows of the principal and interest of 1st series debentures from fluctuations in the DI rate.

Due to the characteristics of said financial instruments, the Company applied the rules of fair value hedge accounting to record them. As a result, both the underlying loans and debentures object of the hedge operation and the hedge instrument itself (swap) are measured at fair value through profit or loss, thus protecting the Company from the financial effects, as well as impacts on its results from exchange variation on loans of ENGIE Brasil Energia and CDI variation on debentures of Jaguara and Miranda.

Net changes in fair value hedge operations on loans and debentures

	Parent Company			Consolidated		
	Current	Non-Current	Total	Current	Non-Current	Total
Assets at 12.31.2019, net	**111,617**	**234,645**	**346,262**	**105,934**	**220,408**	**326,342**
Interest	8,223	(11,368)	(3,145)	5,004	(18,615)	(13,611)
Exchange variation	236,967	623,755	860,722	236,967	623,755	860,722
Fair value adjustment	(3,465)	77,045	73,580	(3,167)	77,731	74,564
Assets at 3.31.2020, net	**353,342**	**924,077**	**1,277,419**	**344,738**	**903,279**	**1,248,017**

b) Sensitivity analysis of the exposure to risks related to interest rates, floating rates and foreign currency quotation variation

In compliance with CVM Instruction no. 475/2008 and for reference purposes, the Company prepared a sensitivity analysis on its loans, financing, debentures, concessions payable and concession financial asset exposed to interest rate variation risks and floating rate risks.

The probable basic scenario for March 31, 2020 was defined using the following assumptions available in the market (source: Central Bank of Brazil Market Readout of the last business day of the month).

Variation in interest rates and indices	Change in 12 months 03.31.2020	Probable Scenario 03.31.2021	Sensitivity		
			Probable	Δ + 25% (*)	Δ + 50% (*)
Risk of variation in interest rates and indices					
TJLP	5.7%	5.1%	-0.6 p.p.	1.3 p.p.	2.5 p.p.
CDI	5.4%	3.3%	-2.1 p.p.	0.8 p.p.	1.7 p.p.
IPCA	3.3%	2.7%	-0.6 p.p.	0.7 p.p.	1.4 p.p.
IGP-M	6.8%	4.8%	-2.0 p.p.	1.2 p.p.	2.4 p.p.

(*) Variations on probable scenario for 2021.

The probable sensitivity was calculated based on the variation of indices in the last 12 months, observed on March 31, 2020, and those expected for the next 12 months, ending on March 31, 2021, and showed any additional impacts in the Company's consolidated profit or loss. The variations that could impact the consolidated result, and consequently the shareholders' equity in the next 12 months compared to the last 12 months, if the scenarios materialize are the following:

	Balance at 3.31.2020	Sensitivity		
		Probable	Δ + 25%	Δ + 50%
Risk of increase (liability)				
Loans and financing				
TJLP	3,356,966	19,133	(39,434)	(80,857)
CDI (Loans with swap to CDI rate)	4,459,416	45,413	(17,654)	(35,372)
IPCA (Loans with swap to IPCA rate)	1,102,631	7,524	(8,821)	(17,641)
IPCA	1,403,245	8,140	(9,680)	(18,639)
Debentures				
IPCA	4,982,825	27,033	(31,693)	(63,385)
IPCA (debentures with swap for IPCA)	608,929	3,222	(3,777)	(7,553)
CDI	989,713	31,363	(12,185)	(24,424)
Concessions payable				
IGP-M	2,708,593	54,693	(32,959)	(65,918)
IPCA	612,615	3,482	(4,076)	(8,151)
Risk of decrease (asset)				
Concession financial asset				
IPCA	2,719,674	(15,528)	(24,323)	(48,647)
Agreement assets				
IPCA	526,524	(9,297)	(11,561)	(21,212)
Total		**175,178**	**(196,163)**	**(391,799)**

c) Risk related to energy prices in trading operations

Trading operations take place in the active market and are recognized at fair value through profit or loss, based on the difference between the contracted price and the market price of outstanding contracts on the balance sheet date.

The balance sheets for outstanding trading transactions at 3.31.2020 are presented below.

	Consolidated					
	3.31.2020			12.31.2019		
	Assets	Liabilities	Net gain	Assets	Liabilities	Net gain
Classification in balance sheet						
Current	354,987	(326,939)	28,048	288,771	(258,305)	30,466
Non-current	51,457	(25,324)	26,133	42,695	(20,644)	22,051
	406,444	**(352,263)**	**54,181**	**331,466**	**(278,949)**	**52,517**

The variation in the balances for outstanding trading transactions at 3.31.2020 is follows:

	Consolidated
Balances at 12.31.2019	**52,517**
Gain recognized for the period	27,382
Loss recognized for the period	(25,718)
Balances at 3.31.2020	**54,181**

c.1) Sensitivity analysis regarding trading operations

The main risk factor impacting prices in trading operations is the exposure to energy market prices. The scenarios used in the sensitivity analysis for this factor are prepared based on market data and specialized sources.

The sensitivity analysis was prepared in accordance with CVM Instruction no 475/08, considering the increase of 25% and 50% in future prices, applied on the market curves on 3.31.2020. The results obtained are:

	Consolidated		
	3.31.2020	Δ + 25%	Δ + 50%
Unrealized gains (losses) on trading operations	54,181	(7,765)	(15,527)

The variation in the discount rate does not significantly impact the fair value determined, given the short duration of the outstanding trading portfolio, which is lower than three years, which is why no sensitivity analysis was presented.

d) Capital management risk

The ratio of net debt to shareholders' equity is as follows:

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Debt[18]	8,837,256	8,085,266	15,678,234	14,436,716
(-) Deposits pegged to debt service	(10,483)	(10,388)	(406,151)	(374,676)
(-) Cash and cash equivalents	(2,728,059)	(2,590,507)	(4,188,050)	(3,870,261)
Net debt	**6,098,714**	**5,484,371**	**11,084,033**	**10,191,779**
Shareholders' equity	**6,743,414**	**6,995,154**	**6,747,542**	**6,998,820**
Total debt/Shareholders' equity	**0.9**	**0.8**	**1.6**	**1.5**

e) Liquidity risk

The following statement presents the estimated settlement profile for the Company's main financial liabilities recorded at 3.31.2020. Amounts were determined based on the estimated undiscounted cash flows, considering estimates of principal amortization and future interest payment, when applicable. For debts with floating interest rates, the amount was obtained based on interest curve at year end.

	Parent Company				
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total
Suppliers	100,987	-	-	-	100,987
Post-fixed interest rates:					
Loans and financing[19]	1,277,267	2,863,752	541,379	-	4,682,398
Debentures	1,120,937	648,140	927,310	2,654,705	5,351,092
Fixed interest rates:					
Loans and financing	1,630	2,903	80	-	4,613
Concessions payable	164,126	425,588	951,138	4,845,843	6,386,695
	2,664,947	**3,940,383**	**2,419,907**	**7,500,548**	**16,525,785**

[18] Composed of loans – net of hedge impacts, financing, debentures and promissory notes.
[19] Net of hedge effects

	Consolidated				
	Up to 1 year	From 2 to 3 years	From 4 to 5 years	Over 5 years	Total
Suppliers	767,785	-	-	-	767,785
Post-fixed interest rates:					
Loans and financing[19]	1,890,314	4,020,791	1,622,753	3,887,850	11,421,708
Debentures[19]	1,435,225	1,257,669	1,523,799	3,308,908	7,525,601
Fixed interest rates:					
Loans and financing	1,630	2,903	80	-	4,613
Concessions payable	170,589	438,514	964,064	4,928,786	6,501,953
	4,265,543	**5,719,877**	**4,110,696**	**12,125,544**	**26,221,660**

f) Category and fair value of financial instruments

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Financial assets				
Fair value through profit or loss				
Marketable securities	2,719,065	2,588,307	4,112,442	3,779,368
Unrealized gains on fair value hedge operations	1,354,083	426,127	1,354,083	426,127
Unrealized gains on trading operations	-	-	406,444	331,466
Amortized cost				
Cash and bank deposits	8,994	2,200	75,608	90,893
Trade accounts receivable	684,929	643,570	1,479,169	1,451,227
Restricted deposits	11,321	11,226	460,794	385,920
Fuel reimbursable[20]	-	-	59,474	52,533
Concession financial asset	-	-	2,719,674	2,708,174
Agreement asset	-	-	526,524	217,611
Fair value through other comprehensive income				
Unrealized gains on cash flow hedge operations	-	-	5,979	581
	4,778,392	**3,671,430**	**11,200,191**	**9,443,900**
Financial liabilities				
Fair value through profit or loss				
Foreign currency	5,562,047	3,946,531	5,562,047	3,946,531
Hedged debentures	-	-	608,929	601,031
Unrealized losses on hedge operations[21]	76,664	79,865	106,066	99,785
Unrealized losses on trading operations	-	-	352,263	278,949
Amortized cost				
Suppliers	100,987	149,361	767,785	765,020
Loans in foreign currency	170,101	199,583	4,782,737	4,872,523
Debentures	4,382,527	4,285,414	5,972,538	5,342,973
Concessions payable	3,265,848	3,181,303	3,321,208	3,236,490
Liabilities linked to investment acquisition[18]	-	-	63,564	8,179
Fuel payable to CDE[18]	-	-	133,954	144,767
Fair value through other comprehensive income				
Unrealized losses on cash flow hedge operations[18]	-	-	-	145
	13,558,174	**11,842,057**	**21,671,091**	**19,296,393**

Financial assets and liabilities measured at fair value through profit or loss are assessed based on observable data (Level 2), except for marketable securities, which are assessed based on the market prices in active markets (Level 1).

[20] Presented under "Other current assets."

[21] Presented under "Other current liabilities" and "Other non-current liabilities".

g) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in concession financial assets, loans and financing, debentures, and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts. The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	3.31.2020		12.31.2019	
	Book	Market	Book	Market
Loans and financing in local currency	170,101	168,171	199,583	211,229
Debentures	4,382,527	4,435,385	4,285,414	4,343,955
Concessions payable	3,265,848	3,385,070	3,181,303	3,168,792
	7,818,476	**7,988,626**	**7,666,300**	**7,723,976**

	Consolidated			
	3.31.2020		12.31.2019	
	Book	Market	Book	Market
Assets				
Concession financial asset	2,719,674	2,693,703	2,708,174	2,615,077
Agreement asset	526,524	525,890	217,611	216,425
	3,246,198	**3,219,593**	**2,925,785**	**2,831,502**
Liabilities				
Loans and financing in local currency	4,782,737	4,844,868	4,872,523	4,814,931
Debentures	6,581,467	7,271,114	5,944,004	6,633,870
Concessions payable	3,321,208	3,444,717	3,236,490	3,226,023
	14,685,412	**15,560,699**	**14,053,017**	**14,674,824**

NOTE 15 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
Local currency						
BNDES	41,855	42,968	84,823	60,774	47,125	107,899
Nordic Investment Bank (NIB)	29,099	50,939	80,038	28,634	57,285	85,919
BNDES on lendings (Banks)	1,533	2,905	4,438	1,533	3,289	4,822
Charges	802	-	802	943	-	943
	73,289	**96,812**	**170,101**	**91,884**	**107,699**	**199,583**
Measured at fair value						
Foreign currency – with hedge						
Scotiabank	-	2,155,812	2,155,812	-	1,646,598	1,646,598
BNP Paribas	580,781	902,933	1,483,714	468,617	207,656	676,273
Bank of Tokyo	450,856	531,404	982,260	337,823	411,087	748,910
HSBC	336,107	518,918	855,025	337,348	509,674	847,022
Charges	85,236	-	85,236	27,728	-	27,728
	1,452,980	**4,109,067**	**5,562,047**	**1,171,516**	**2,775,015**	**3,946,531**
Loans and financing	**1,526,269**	**4,205,879**	**5,732,148**	**1,263,400**	**2,882,714**	**4,146,114**

Balances of loans and financing in the parent company, net of hedge effects, are:

	Parent Company					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,526,269**	**4,205,879**	**5,732,148**	**1,263,400**	**2,882,714**	**4,146,114**
Hedge (swap) effects						
Long position	(355,946)	(998,137)	(1,354,083)	(114,550)	(311,577)	(426,127)
Short position[22]	2,604	74,060	76,664	2,933	76,932	79,865
Loans and financing, net of hedge effects	**1,172,927**	**3,281,802**	**4,454,729**	**1,151,783**	**2,648,069**	**3,799,852**

[22] Hedge short position is presented as part of "Other current liabilities" and "Other non-current liabilities."

	Consolidated					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
Local currency						
BNDES	360,760	3,865,696	4,226,456	374,965	3,911,805	4,286,770
BNDES on lendings (Banks)	12,405	347,309	359,714	19,003	353,335	372,338
BNB[23]	-	83,930	83,930	-	83,923	83,923
Nordic Investment Bank (NIB)	29,099	50,939	80,038	28,634	57,285	85,919
Other	18,083	-	18,083	18,083	-	18,083
Charges	14,516	-	14,516	25,490	-	25,490
	434,863	**4,347,874**	**4,782,737**	**466,175**	**4,406,348**	**4,872,523**
Measured at fair value						
Foreign currency – with hedge						
Scotiabank	-	2,155,812	2,155,812	-	1,646,598	1,646,598
BNP Paribas	580,781	902,933	1,483,714	337,823	411,087	748,910
Bank of Tokyo	450,856	531,404	982,260	468,617	207,656	676,273
HSBC	336,107	518,918	855,025	337,348	509,674	847,022
Charges	85,236	-	85,236	27,728	-	27,728
	1,452,980	**4,109,067**	**5,562,047**	**1,171,516**	**2,775,015**	**3,946,531**
Loans and financing	**1,887,843**	**8,456,941**	**10,344,784**	**1,637,691**	**7,181,363**	**8,819,054**

Balances of loans and financing in the consolidated, net of hedge effects, are:

	Consolidated					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,887,843**	**8,456,941**	**10,344,784**	**1,637,691**	**7,181,363**	**8,819,054**
Hedge (swap) effects						
Long position	(355,946)	(998,137)	(1,354,083)	(114,550)	(311,577)	(426,127)
Short position[24]	2,604	74,060	76,664	2,933	76,932	79,865
Loans and financing, net of hedge effects	**1,534,501**	**7,532,864**	**9,067,365**	**1,526,074**	**6,946,718**	**8,472,792**

[23] Banco do Nordeste do Brasil S.A.

[24] Hedge short position is presented as part of the items "Other current liabilities" and "Other non-current liabilities."

b) Changes in loans and financing

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2019	**1,263,400**	**2,882,714**	**4,146,114**	**1,637,691**	**7,181,363**	**8,819,054**
Additions	-	632,500	632,500	-	632,153	632,153
Interest	50,117	-	50,117	116,746	-	116,746
Monetary variations	473	896	1,369	3,227	21,694	24,921
Capitalized interest and monetary variations	-	-	-	8,155	-	8,155
Exchange variations	236,967	623,755	860,722	236,967	623,755	860,722
Fair value adjustment	(2,870)	77,790	74,920	(2,870)	77,790	74,920
Transfers	11,776	(11,776)	-	79,814	(79,814)	-
Payment of principal	(30,904)	-	(30,904)	(119,899)	-	(119,899)
Repayment of interest	(2,690)	-	(2,690)	(71,988)	-	(71,988)
Balances at 3.31.2020	**1,526,269**	**4,205,879**	**5,732,148**	**1,887,843**	**8,456,941**	**10,344,784**

c) Main transactions in 2020

c.1) Financing in domestic currency

- Payment of debt

In February 2020, the indirect subsidiary Ferrari paid in advance the BNDES loan totaling R$8,954, generating savings of approximately R$195,000 for the Company.

c.2) Loans in foreign currency with hedge

On 5.17.2019, the Company contracted on March 31, 2020 a loan from an overseas financial institution, BNP Paribas, in the amount of US$125 million, equivalent to R$632.5 million, and, at the same time, contracted hedge operations (swap) with the Brazilian subsidiary of the same financial institution in which the loan was contracted, to protect all future cash flows. This loan was taken to preserve cash in view of the Covid-19 pandemic, raise working capital and finance the implementation of the Company's business plan. The main contracting conditions were:

		Contracting conditions	
Companies / Banks	Interest	Due date	Principal and interest
BNP Paribas	2.54% p.a. with swap for CDI + 1.7% p.a.	March 2024	Principal: March 2024 Interest: half-yearly

In addition, the covenants establish that the EBITDA/financial expenses ratio be higher than or equal to 2.0, and gross debt/ EBITDA ratio be lower than or equal to 4.5, calculated on a quarterly basis.

d) Breakdown of borrowings and financing by index and currency

	Parent Company				Consolidated			
	3.31.2020	%	12.31.2019	%	3.31.2020	%	12.31.2019	%
Local currency								
TJLP	85,085	1.5	108,250	2.6	3,356,966	32.4	3,446,892	39.1
IPCA	80,573	1.4	86,506	2.1	1,403,245	13.6	1,402,369	15.9
Not indexed	4,443	0.1	4,827	0.1	22,526	0.2	23,262	0.3
	170,101	**3.0**	**199,583**	**4.8**	**4,782,737**	**46.2**	**4,872,523**	**55.2**
Foreign currency – with hedge								
U.S. dollar – with swap for CDI	4,459,416	77.8	3,115,217	75.1	4,459,416	43.1	3,115,217	35.3
U.S. dollar – with swap for IPCA	1,102,631	19.2	831,314	20.1	1,102,631	10.7	831,314	9.4
	5,562,047	**97.0**	**3,946,531**	**95.2**	**5,562,047**	**53.8**	**3,946,531**	**44.8**
Loans and financing	**5,732,148**	**100.0**	**4,146,114**	**100.0**	**10,344,784**	**100.0**	**8,819,054**	**100.0**

e) Maturity of loans and financing under non-current liabilities

	Parent Company	Consolidated
April to December 2021	1,072,681	1,316,656
2022	2,486,615	2,812,237
2023	14,083	342,043
2024	632,500	963,759
2025	-	331,251
2026 to 2030	-	1,506,511
2031 to 2035	-	968,855
2036 to 2038	-	215,629
Loans and financing	**4,205,879**	**8,456,941**

f) Contract commitments (covenants)

There was no change in the covenants compared to those presented in Note 18 – Loans and financing of the financial statements of December 31, 2019, except for the information presented in the main transactions carried out in 2020. The financial commitments are being entirely fulfilled by the Company and its subsidiaries.

NOTE 16 – DEBENTURES

a) Breakdown

	Parent Company					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
EBE – 5th issue	-	217,808	217,808	-	214,994	214,994
EBE – 6th issue	-	674,431	674,431	-	665,444	665,444
EBE – 7th issue	-	775,561	775,561	-	765,013	765,013
EBE – 8th issue	959,055	-	959,055	956,829	-	956,829
EBE – 9th issue	-	1,618,785	1,618,785	-	1,597,535	1,597,535
Charges	97,223	39,664	136,887	61,348	24,251	85,599
Debentures	**1,056,278**	**3,326,249**	**4,382,527**	**1,018,177**	**3,267,237**	**4,285,414**

	Consolidated					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
EBE – 5th issue	-	217,808	217,808	-	214,994	214,994
EBE – 6th issue	-	674,431	674,431	-	665,444	665,444
EBE – 7th issue	-	775,561	775,561	-	765,013	765,013
EBE – 8th issue	959,055	-	959,055	956,829	-	956,829
EBE – 9th issue	-	1,618,785	1,618,785	-	1,597,535	1,597,535
Jaguara – 1st issue	119,383	916,706	1,036,089	114,710	911,652	1,026,362
Miranda – 1st issue	70,620	563,710	634,330	67,779	560,646	628,425
ETP – 1st issue	499,127	-	499,127	-	-	-
Charges	126,617	39,664	166,281	65,151	24,251	89,402
Debentures	**1,774,802**	**4,806,665**	**6,581,467**	**1,204,469**	**4,739,535**	**5,944,004**
Hedge (swap) effects Short position[25]	8,604	20,798	29,402	5,683	14,237	19,920
Debentures, net of hedge effects	**1,783,406**	**4,827,463**	**6,610,869**	**1,210,152**	**4,753,772**	**5,963,924**

[25] Hedge short position is presented as part of the items "Other current liabilities" and "Other non-current liabilities."

b) Changes in debentures

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2019	**1,018,177**	**3,267,237**	**4,285,414**	**1,204,469**	**4,739,535**	**5,944,004**
Issue of debentures	-	-	-	499,127	-	499,127
Interest rates	39,273	15,054	54,327	66,394	15,054	81,448
Monetary variations	609	42,177	42,786	970	55,582	56,552
Fair value adjustment	-	-	-	7,246	(6,910)	336
Transfers	(1,781)	1,781	-	(3,404)	3,404	-
Balances at 3.31.2020	**1,056,278**	**3,326,249**	**4,382,527**	**1,774,802**	**4,806,665**	**6,581,467**

c) Main transactions in 2020

c.1) 1st issue of debentures by subsidiary ETP

On February 17, 2020, the Company issued unsecured, non-convertible debentures (1st issue) in a single series, in accordance with CVM Instruction 476/2009, in the total amount of R$500,000 (R$499,127, net of funding costs). The financial settlement occurred on March 02, 2020. The debentures were issue to raise working capital and finance the construction of the transmission lines.

The main conditions were:

		Payment Conditions			
	Yield	Charges	Principal	Due date	Guarantee
1st Issue – Single Series	CDI + 0.67% p.a.	On due date	On due date	Nov/2020	No guarantee

In addition, the covenants established for the Parent Company were that the EBITDA/financial expenses ratio be higher than or equal to 2.00, and gross debt/EBITDA ratio be lower than or equal to 4.5, calculated annually.

d) Breakdown of debentures by index

	Parent Company				Consolidated			
	3.31.2020	%	12.31.2019	%	3.31.2020	%	12.31.2019	%
IPCA	3,392,814	77.4	3,308,181	77.2	4,982,825	75.7	4,365,740	73.4
CDI	989,713	22.6	977,233	22.8	989,713	15.0	977,233	16.4
CDI – with swap for IPCA	-	-	-	-	608,929	9.3	601,031	10.2
Debentures	**4,382,527**	**100.0**	**4,285,414**	**100.0**	**6,581,467**	**100.0**	**5,944,004**	**100.0**

e) Maturities of debentures recorded under non-current liabilities

	Parent Company	Consolidated
April to December 2021	85,828	289,388
2022	158,963	375,566
2023	158,963	390,715
2024	473,185	712,490
2025	901,034	1,125,563
2026 to 2029	1,548,276	1,912,943
Debentures	**3,326,249**	**4,806,665**

f) Contractual covenants

There was no change in the covenants compared to those presented in Note 19 – Debentures and promissory notes of the financial statements of December 31, 2019, except for the information presented in the main transactions carried out in 2020. The covenants are being fully met by the Company and its subsidiaries.

NOTE 17 – LEASE OPERATIONS

a) Right of use of leases

		Parent Company					
		3.31.2020			12.31.2019		
	Depreciation period	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings							
Headquarters - EBE	Until 2025	33,145	(6,138)	27,007	33,145	(4,910)	28,235
Other		60	(19)	41	60	(14)	46
		33,205	**(6,157)**	**27,048**	**33,205**	**(4,924)**	**28,281**

		Consolidated					
		3.31.2020			12.31.2019		
	Depreciation period	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings							
Headquarters - EBE	Until 2025	33,145	(6,138)	27,007	33,145	(4,910)	28,235
Headquarters - EGSD	Until 2025	1,759	(261)	1,498	1,759	(182)	1,577
Land							
CLWP – Phase I and II	Until 2063	51,664	(1,435)	50,229	51,664	(1,148)	50,516
Trairí Wind Complex	Until 2047	27,480	(1,776)	25,704	27,480	(1,421)	26,059
Santo Agostinho Wind Complex	Until 2040	2,777	(162)	2,615	2,777	(129)	2,648
Umburanas Wind Complex	Until 2057	47,906	(422)	47,484	47,906	(106)	47,800
Assú	Until 2043	4,739	(242)	4,497	4,739	(194)	4,545
Other		778	(175)	603	623	(137)	486
		170,248	**(10,611)**	**159,637**	**170,093**	**(8,227)**	**161,866**

The change in right of use is presented below:

	Parent	Consolidated
Balances at 12.31.2019	**28,281**	**161,866**
New	-	155
Depreciation	(1,233)	(2,384)
Balances at 3.31.2020	**27,048**	**159,637**

b) Leases payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2019	**6,222**	**11,853**	**18,075**	**19,824**	**114,483**	**134,307**
New	-	-	-	44	111	155
Interest	623	-	623	3,902	-	3,902
Transfers	973	(973)	-	1,225	(1,225)	-
Amortizations	(1,596)	-	(1,596)	(5,143)	-	(5,143)
Balances at 3.31.2020	**6,222**	**10,880**	**17,102**	**19,852**	**113,369**	**133,221**

Leases payable were measured at present value of future payment flows. The average discount rates used to calculate the present value were 8.2% and 10.2% for the headquarters building and the land in which the wind farms and photovoltaic solar facilities are established or will be built, respectively, and represent the incremental financing rate.

c) Recoverable PIS and Cofins

The rental agreements of EBE's headquarters and lease of lands of the CLWP Wind Complexes – Phase I and II and Umburanas are subject to PIS and Cofins recovery and, therefore, have a potential right of recoverable PIS and Cofins embedded in the payment of leases, in accordance with the terms set forth for payment in which the taxable income method is established for these companies. The potential recoverable amounts of PIS and Cofins related to the amounts not deducted and the balance of lease liability for the parent company are R$1,306 and R$1,006, respectively. In consolidated terms, the PIS and Cofins amounts on amounts not deducted and the balance of lease liability are R$2,720 and R$2,185, respectively.

The recognition of PIS and Cofins to be recovered was booked as an offset to depreciation on the right to use leases and interest expense of lease liabilities, in the results for the period. The following table shows the reconciliation of amounts recognized in these items:

	3.31.2020			
	Parent Company		Consolidated	
	Interest	Depreciation	Interest	Depreciation
Gross amounts	623	1,233	3,902	2,384
PIS and Cofins credited	(16)	(76)	(96)	(121)
Net amounts in profit or loss	**607**	**1,157**	**3,806**	**2,263**

d) Maturities of leases payable recorded under non-current liabilities

	Parent Company			Consolidated		
	Amounts not discounted	Embedded interest	Balance of lease liability	Amounts not discounted	Embedded interest	Balance of lease liability
April to December 2021	3,763	(543)	**3,220**	12,403	(1,855)	**10,548**
2022	5,123	(1,141)	**3,982**	16,837	(3,891)	**12,946**
2023	5,235	(1,557)	**3,678**	17,152	(5,377)	**11,775**
2024	-	-	**-**	14,586	(6,729)	**7,857**
2025	-	-	**-**	14,460	(7,336)	**7,124**
2026 to 2030	-	-	**-**	65,135	(38,327)	**26,808**
2031 to 2035	-	-	**-**	62,703	(47,254)	**15,449**
After 2036	-	-	**-**	265,552	(244,690)	**20,862**
Leases payable	**14,121**	**(3,241)**	**10,880**	**468,828**	**(355,459)**	**113,369**

NOTE 18 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Cana Brava Hydroelectric Power Plant	1,499,508	1,440,918	1,499,508	1,440,918
Ponte de Pedra Hydroelectric Power Plant	1,209,085	1,184,801	1,209,085	1,184,801
São Salvador Hydroelectric Power Plant	557,255	555,584	557,255	555,584
Estreito Hydroelectric Power Plant	-	-	55,360	55,187
	3,265,848	**3,181,303**	**3,321,208**	**3,236,490**
Classification in the balance sheet				
Current liabilities	156,047	139,008	162,208	145,136
Non-current liabilities	3,109,801	3,042,295	3,159,000	3,091,354
	3,265,848	**3,181,303**	**3,321,208**	**3,236,490**

b) Changes in concessions payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2019	**139,008**	**3,042,295**	**3,181,303**	**145,136**	**3,091,354**	**3,236,490**
Interest	-	71,703	71,703	-	73,027	73,027
Monetary variations	-	47,636	47,636	-	48,108	48,108
Transfers	51,833	(51,833)	-	53,489	(53,489)	-
Amortizations	(34,794)	-	(34,794)	(36,417)	-	(36,417)
Balances at 3.31.2020	**156,047**	**3,109,801**	**3,265,848**	**162,208**	**3,159,000**	**3,321,208**

c) Maturities of concessions payable disclosed in non-current liabilities

	Parent Company	Consolidated
April to December 2021	141,561	145,811
2022	175,301	180,514
2023	254,444	259,183
2024	357,472	361,780
2025	635,221	639,137
2026 to 2030	1,171,236	1,186,078
2031 to 2035	355,078	364,291
2036 to 2038	19,488	22,206
Concessions payable	**3,109,801**	**3,159,000**

NOTE 19 – PROVISIONS

Provisions are recognized by the Company in amounts considered sufficient to settle the respective liabilities, when according to the legal counsels and Management, they involve probable risk of future disbursement.

a) Breakdown

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Civil				
Expropriations and administrative servitude	46,391	46,062	48,967	48,565
Environmental	12,791	12,476	12,791	12,476
Retirement benefits	2,405	2,995	2,405	2,995
Sundry lawsuits	13,048	12,922	22,250	23,054
	74,635	**74,455**	**86,413**	**87,090**
Tax	**7,391**	**6,767**	**7,725**	**7,100**
Labor	**9,608**	**14,979**	**10,412**	**15,376**
Divestment of generation assets	**-**	**-**	**190,282**	**187,314**
	91,634	**96,201**	**294,832**	**296,880**
Classification in the balance sheet				
Current liabilities	6,153	7,537	7,157	8,579
Non-current liabilities	85,481	88,664	287,675	288,301
	91,634	**96,201**	**294,832**	**296,880**

b) Possible and remote risks

The Company is also a party to lawsuits that, in the opinion of the legal counsels and its Management, do not represent a probable risk of future disbursement, for which reason the amounts related to those lawsuits are not provisioned for.

	3.31.2020			12.31.2019		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax and social security	770,891	261,281	1,032,172	767,016	255,863	1,022,879
Civil	86,236	93,649	179,885	83,956	91,294	175,250
Labor	14,624	136,203	150,827	15,165	136,031	151,196
	871,751	**491,133**	**1,362,884**	**866,137**	**483,188**	**1,349,325**
Consolidated						
Tax and social security	838,107	275,399	1,113,506	847,990	269,914	1,117,904
Civil	104,143	93,784	197,927	98,903	91,429	190,332
Labor	15,294	147,145	162,439	16,323	146,266	162,589
	957,544	**516,328**	**1,473,872**	**963,216**	**507,609**	**1,470,825**

In the 1st quarter of 2020, there were no significant updates in the main lawsuits assessed as possible risk, which are presented in Note 22 – Provisions, of the financial statements of December 31, 2019.

NOTE 20 – RETIREMENT BENEFITS OBLIGATIONS

a) Breakdown

	Consolidated					
	3.31.2020			12.31.2019		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	19,033	156,801	175,834	17,746	159,267	177,013
Current contributions and service costs	20	-	20	19	-	19
Uncontracted deficit	23,856	207,690	231,546	25,144	204,986	230,130
Recorded actuarial liability	**42,909**	**364,491**	**407,400**	**42,909**	**364,253**	**407,162**

Retirement benefits obligations recognized in the balance sheet are partially covered by contracted obligations and/or obligations acknowledged through an instrument for the acknowledgment of debt and agreement entered by the Company with respective Foundations.

Contracted amounts presented in non-current liabilities are expected to be settled as follows:

	ELOS	PREVIG	Total
April to December 2021	11,667	2,930	14,597
2022	16,701	2,332	19,033
2023	17,683	1,592	19,275
2024	14,345	247	14,592
2025	15,181	-	15,181
2026 to 2030	71,899	-	71,899
2031 to 2032	2,224	-	2,224
	149,700	**7,101**	**156,801**

b) Changes in retirement benefit obligations

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS[26]	GC[27]	Total
Liabilities recorded at 12.31.2019	**376,264**	**26,815**	**744**	**3,339**	**407,162**
Contribution and cost of current service	-	32	-	(4)	28
Payment of contracted obligations	(5,531)	(348)	(629)	-	(6,508)
Net interest on net actuarial assets/liabilities	6,230	431	10	47	6,718
Liabilities recorded at 3.31.2020	**376,963**	**26,930**	**125**	**3,382**	**407,400**

[26] Settled Proportional Supplementary Benefit.

[27] Confidentiality Bonus.

NOTE 21 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution assets and liabilities, are presented net, as follows:

a) Breakdown

	Parent Company				
	03.31.2020				12.31.2019
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Unrealized gains on hedge operations	1,303,024	325,756	117,272	443,028	127,016
Accelerated depreciation	866,444	216,611	77,980	294,591	285,505
Property, plant and equipment deemed cost (fair value)	651,609	162,902	58,645	221,547	228,325
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	61,256	15,314	5,513	20,827	21,024
Adjustment to fair value in business combination	31,953	7,988	2,876	10,864	11,051
Other	13,397	3,349	1,206	4,555	4,005
		758,784	**273,163**	**1,031,947**	**713,461**
Assets:					
Tax losses and social contribution tax loss carryforwards	453,168	113,292	40,785	154,077	-
Retirement benefits obligations	230,679	57,670	20,761	78,431	77,958
Estimated losses with doubtful accounts	129,168	32,292	11,625	43,917	43,917
Unrealized losses on hedge operations	120,024	30,006	10,802	40,808	15,916
Fair value adjustment in business combinations	115,024	28,756	10,352	39,108	39,191
Civil, tax and labor provisions	83,733	20,933	7,536	28,469	30,022
Provision for asset impairment	50,124	12,531	4,511	17,042	17,050
Interest on property, plant and equipment in progress (RIC)	32,576	8,144	-	8,144	8,327
Other	41,911	10,478	3,772	14,250	12,554
		314,102	**110,144**	**424,246**	**244,935**
Net total		**444,682**	**163,019**	**607,701**	**468,526**

	Consolidated				
	3.31.2020				12.31.2019
Description of credits	Calculation basis	IR	CSLL	Total	Total
Liabilities:					
Unrealized gains on hedge operations	1,303,024	325,756	117,272	443,028	127,016
Accelerated depreciation	1,233,841	308,461	111,046	419,507	382,002
Interest on concession financial asset	881,237	220,309	79,312	299,621	262,159
Capitalized financial charges	752,885	188,228	67,753	255,981	255,576
Property, plant and equipment deemed cost (fair value)	651,609	162,902	58,645	221,547	228,325
Revenue from implementation of transmission infrastructure	360,608	90,152	32,455	122,607	68,658
Amortization of the difference between tax and book value of intangible asset on the bonus paid for grant	200,869	50,217	18,078	68,295	61,230
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Unrealized gains on trading operations, net	56,411	14,103	5,077	19,180	17,856
Adjustment to fair value in business combination	31,953	7,988	2,876	10,864	11,051
Other	19,376	4,246	1,744	5,990	21,365
		1,399,226	**503,929**	**1,903,155**	**1,471,773**
Assets:					
Revenue from Return of Grant Bonus (RBO)	658,952	164,738	59,306	224,044	200,017
Tax losses and social contribution tax loss carryforwards	510,434	127,608	45,939	173,547	848
Construction costs of transmission line	347,049	86,762	31,234	117,996	66,877
Retirement benefits obligations	231,541	57,886	20,839	78,725	78,245
Unrealized losses on hedge operations	154,563	38,641	13,911	52,552	24,457
Estimated losses with doubtful accounts	131,035	32,759	11,793	44,552	44,552
Fair value adjustment in business combinations	115,024	28,756	10,352	39,108	39,191
Civil, tax and labor provisions	93,767	23,442	8,439	31,881	33,633
Provision for asset impairment	50,124	12,531	4,511	17,042	17,050
Interest on property, plant and equipment in progress (RIC)	32,576	8,144	-	8,144	8,327
Fair value adjustment of property, plant and equipment	27,228	6,807	2,451	9,258	9,478
Other	72,949	18,238	6,501	24,739	21,173
		606,312	**215,276**	**821,588**	**543,848**
Net amount		**792,914**	**288,653**	**1,081,567**	**927,925**
Classification in the balance sheet					
Liabilities		804,930	292,980	1,097,910	941,468
Assets[28]		(12,016)	(4,327)	(16,343)	(13,543)
Total		**792,914**	**288,653**	**1,081,567**	**927,925**

[28] Amount presented under "Other non-current assets"

b) Change in deferred income tax and social contribution, net

	Parent Company	Consolidated
Balance at 12.31.2019	**468,526**	**927,925**
Taxes deferred in profit or loss	139,175	149,828
Acquisition of subsidiaries	-	2,483
Taxes deferred in other comprehensive income	-	1,331
Balance at 3.31.2020	**607,701**	**1,081,567**

c) Expected realization and required payments

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
April to December 2020	192,336	141,525	220,785	192,155
2021	18,865	147,513	54,450	193,510
2022	92,714	273,694	216,255	415,424
2023	11,947	43,785	63,914	112,537
2024	11,494	48,530	28,542	82,286
2025 to 2027	34,743	139,929	78,582	241,034
2028 to 2030	44,271	95,308	74,450	188,701
2031 to 2033	12,699	81,850	34,494	166,701
After 2034	5,177	59,813	50,116	310,807
	424,246	**1,031,947**	**821,588**	**1,903,155**

NOTE 22 – OTHER LIABILITIES

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Reimbursement to distributors	-	-	166,484	136,887
Fuel payable to CDE	-	-	133,954	144,767
Fuels –Aneel Resolution 500/2012	119,430	118,465	119,430	118,465
Unrealized losses in hedge operations	76,664	79,865	106,066	99,930
R&D obligations	55,622	48,934	79,236	70,465
Liabilities linked to acquisition of investments	-	-	63,564	8,179
Advances from clients	7,298	9,293	38,867	54,427
Other accounts payable	47,209	52,056	82,991	95,125
	306,223	**308,613**	**790,592**	**728,245**
Classification in balance sheet				
Current liabilities	171,882	177,941	315,655	312,532
Non-current liabilities	134,341	130,672	474,937	415,713
	306,223	**308,613**	**790,592**	**728,245**

a) Fuels – Aneel Resolution no. 500/2012

Corresponds to the estimate of amounts payable because of the application of Aneel Resolution no. 500/2012 in 2016. Such resolution envisages a reduction in the reimbursement of mineral coal acquired with funds from the Energy Development Account (CDE) due to the energy efficiency of the generating unit.

b) Reimbursement to distributors

The Company has liabilities amounting to R$166,484, related to the reimbursement mechanism envisaged in the electricity agreements signed in the Regulated Contracting Environment (ACR) of plants of the Trairí, Campo Largo - Phase I and Umburanas Wind Complexes - Phase I, Assú V Photovoltaic Plant (Assú V) and Pampa Sul. Of this amount, R$38,608 was recognized during the 1st quarter of 2020, reducing the revenues earned by the distributors, and R$9,011 was effectively paid to the distributors in the period.

The main recognition criteria were:

(i) Pampa Sul – The amount recognized was R$116,732, which was calculated based on the difference between the verified scheduled shutdown and the declared shutdown to calculate the physical guarantee. Such reimbursement is priced considering the amount of the agreement's Cost-Benefit Ratio (BCR), adjusted by IPCA. The calculation for reimbursements will be done by 2021 and settlement will take place in 2022. From 2022 onwards, any differences between generation and maximum contractual availability will be settled monthly at CCEE.

(ii) Trairí, Campo Largo Wind Power Complex – Phase I and Umburanas – Wind Complexes - Phase I – The amount recognized was R$46,744, of which: R$443 correspond to the reimbursement amount pertaining to fiscal year 2019 and will be reimbursed in 2020; R$21,443 correspond to the estimated reimbursement resulting from differences between the generations verified and contracted in the 1st quarter of 2020, which will be reimbursed in 2021; and R$24,858 correspond to the estimated reimbursement to occur in 2024. These plants signed availability agreements, which envisage payment by distributors of a fixed revenue, regardless of the generation verified month by month. The reimbursement calculation considers the difference between generation (electricity delivered), which is affected by the wind scenario, and the contractual amount sold.

(iii) Assú V – In 2019, the amount recognized was R$3,008, of which R$2,578 will be reimbursed during 2020 and R$430 in 2021. The reimbursement calculation is done annually, based on the difference between annual generation and the annual contractual commitment.

c) Energy Development Account (CDE)

On December 19, 2017, Aneel issued a Normative Resolution, in effect from 1.1.2018, which established rules for the reimbursement of the fuel costs for domestic coal thermal power generation, intermediated by the Energy Development Account (CDE).

The resolution determined the mandatory acquisition, on 1.1.2018, of charcoal belonging to CDE under the management of the Jorge Lacerda Thermal Power Complex on the base date of 12.31.2016 for payment in five years from the acquisition. The total amount acquired was 780,712 tons.

d) Obligations associated with acquisitions

As a result of the acquisition of Novo Estado in March 2020, the sum of R$55,313 payable to the former parent company, Sterlite Participações, was recognized, of which R$12,113 is presented under current liabilities and R$43,200 under non-current liabilities. For more information, see Note 10 – Investments.

NOTE 23 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

The Company is authorized to increase its capital stock up to the limit of R$7,000,000, by resolution of Board of Directors, regardless of any amendment to its bylaws. Under the B3's New Market listing regulations, the Company cannot issue preferred shares or founder shares.

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the periods ended 3.31.2020 and 12.31.2019.

b) Subscribed and paid-in capital

At 3.31.2020 and 12.31.2019, the Company's fully subscribed and paid-in capital was R$4,902,648, represented by 815,927,740 registered common shares without par value. The book value of the share in Reais, at 3.31.2020, is R$8.26 (R$8.57 for each share at 12.31.2019).

The Company's ownership structure at 3.31.2020 and 12.31.2019 was as follows:

Shareholders	Tranche of common shares	% of capital
ENGIE Brasil Participações Ltda.	560,640,791	68.71%
Banco Clássico S.A.	80,464,085	9.86%
Other shareholders	174,822,864	21.43%
	815,927,740	**100.00%**

As of 3.31.2020 and 12.31.2019, the Board of Directors, the Board of Executive Officers and the Audit Board held 494,675 and 490,673 shares issued by the Company, respectively.

c) Other comprehensive income

The account records variations of the fair value, net of deferred income tax and social contribution, of the following transactions: (i) obligations with the retirement benefits of defined benefit plans sponsored by the Company; and (ii) cash flow hedges of future commitments in foreign currency signed by the joint venture TAG.

NOTE 24 – RECONCILIATION OF NET OPERATING REVENUE

The table below presents the reconciliation between gross operating income and net operating revenue reported in the income statement.

	Parent Company		Consolidated	
	3.31.2020	3.31.2019	3.31.2020	3.31.2019
Gross operating income				
Electricity distributors	628,445	638,956	984,963	870,196
Free consumers	94,853	93,519	882,674	834,093
Electricity traders	337,811	569,825	156,319	177,443
Transactions in the short-term market	123,267	196,019	218,280	257,411
Trading operations	-	-	272,594	255,088
Services rendered	16,616	12,854	40,266	39,650
Other revenues	15,368	9,385	34,059	26,318
	1,216,360	**1,520,558**	**2,589,155**	**2,460,199**
Deductions from operating income				
PIS and Cofins	(109,011)	(137,417)	(233,145)	(221,944)
ICMS	(4,916)	(3,443)	(10,028)	(3,976)
ISSQN	(850)	(658)	(852)	(658)
Research and development	(10,666)	(9,443)	(15,717)	(10,668)
	(125,443)	**(150,961)**	**(259,742)**	**(237,246)**
Other				
Revenue from construction of transmission infrastructure	-	-	146,309	15,652
Interest on concession financial asset	-	-	91,490	100,154
Unrealized gains on trading operations	-	-	27,382	-
	-	**-**	**265,181**	**115,806**
Net operating revenue	**1,090,917**	**1,369,597**	**2,594,594**	**2,338,759**

NOTE 25 – DETAIL OF OPERATING EXPENSES BY NATURE

a) Energy purchase and short-term transactions in the energy market

	Parent Company		Consolidated	
	3.31.2020	3.31.2019	3.31.2020	3.31.2019
Energy purchases				
Energy purchase for portfolio management	125,411	311,808	343,169	331,565
Trading operations	-	-	236,534	223,836
Unrealized losses on trading operations	-	-	25,718	26,617
	125,411	**311,808**	**605,421**	**582,018**
Transactions in the short-term energy market				
Short-term purchases, including in CCEE	30,588	6,382	110,768	126,656
Trading operations	-	-	7,293	6,656
	30,588	**6,382**	**118,061**	**133,312**
	155,999	**318,190**	**723,482**	**715,330**

b) Other operating costs and costs of services rendered:

	Parent Company		Consolidated	
	3.31.2020	3.31.2019	3.31.2020	3.31.2019
Depreciation and amortization	70,162	69,409	230,244	187,192
Personnel	31,631	29,792	73,789	58,531
Royalties[29]	11,563	30,044	17,372	38,032
Third party materials and services	11,117	11,421	84,067	57,326
Fuel	-	-	95,174	20,266
Insurance	-	-	142,815	15,251
Cost of construction of transmission line	4,637	15,315	30,982	41,942
	129,110	**155,981**	**674,443**	**418,540**
Classification in profit or loss				
Operating costs	122,103	149,723	667,424	412,274
Costs of services provided	7,007	6,258	7,019	6,266
	129,110	**155,981**	**674,443**	**418,540**

c) Selling, general and administrative expenses

	Parent Company		Consolidated	
	3.31.2020	3.31.2019	3.31.2020	3.31.2019
Personnel	27,790	24,322	28,779	25,309
Third party materials and services	13,329	12,337	15,465	14,446
Management	5,013	6,055	5,905	6,805
Depreciation and amortization	4,771	3,791	5,144	4,035
Contributions and donations	1,670	1,849	3,323	2,774
Pension funds	2,470	2,378	2,470	2,378
Other	675	2,510	1,030	3,368
	55,718	**53,242**	**62,116**	**59,115**
Classification in profit or loss				
Selling expenses	3,962	3,302	5,559	4,764
General and administrative expenses	51,756	49,940	56,557	54,351
	55,718	**53,242**	**62,116**	**59,115**

[29] Financial compensation for the use of water resources.

NOTE 26 – FINANCIAL RESULT

	Parent Company		Consolidated	
	3.31.2020	3.31.2019	3.31.2020	3.31.2019
Financial income				
Income from marketable securities	19,569	10,253	31,335	19,361
Interest on receivables	4,995	2,008	6,700	2,979
Monetary variation on judicial deposits	1,108	1,038	1,168	1,057
Income from restricted deposits	90	136	3,681	3,638
Other financial income	2	24	1,221	75
	25,764	**13,459**	**44,105**	**27,110**
Financial expenses				
Interest and monetary variation on				
Concessions payable	119,339	106,803	121,135	108,773
Loans and financing	51,486	33,990	141,667	49,536
Debentures	97,113	44,687	138,000	51,419
Fair value hedge on loans	3,145	13,175	13,611	11,190
Retirement benefit obligations	6,705	7,168	6,718	7,168
Provisions	2,312	1,606	5,404	1,389
Leases	607	705	3,806	2,828
Other	93	56	1,207	2,123
Exchange variation on				
Loans	860,722	13,712	860,722	13,712
Fair value hedge on loans	(860,722)	(13,712)	(860,722)	(13,712)
Fair value adjustment	1,340	(825)	692	2,641
Other financial expenses	2,077	2,971	4,121	4,166
	284,217	**210,336**	**436,361**	**241,233**
Financial expenses, net	**258,453**	**196,877**	**392,256**	**214,123**

NOTE 27 – INCOME TAXES RECONCILIATION, IN THE INCOME STATEMENT

	Parent Company					
	3.31.2020			3.31.2019		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**650,660**	**650,660**	**650,660**	**745,089**	**745,089**	**745,089**
Standard rates	25%	9%	34%	25%	9%	34%
Tax expense at standard rates	**(162,665)**	**(58,559)**	**(221,224)**	**(186,272)**	**(67,058)**	**(253,330)**
Permanent differences						
Equity in net income of subsidiaries	60,860	21,910	82,770	46,128	16,606	62,734
Tax incentives	72	-	72	11,739	-	11,739
Other	(601)	(119)	(720)	(929)	(119)	(1,048)
	(102,334)	**(36,768)**	**(139,102)**	**(129,334)**	**(50,571)**	**(179,905)**
Breakdown of taxes in the income statement						
Current	73	-	73	(128,307)	(50,267)	(178,574)
Deferred	(102,407)	(36,768)	(139,175)	(1,027)	(304)	(1,331)
	(102,334)	**(36,768)**	**(139,102)**	**(129,334)**	**(50,571)**	**(179,905)**
Effective rate	**15.7%**	**5.7%**	**21.4%**	**17.4%**	**6.8%**	**24.1%**

	Consolidated					
	3.31.2020			3.31.2019		
	IR	CSLL	Total	IR	CSLL	Total
Income before taxes	**704,268**	**704,268**	**704,268**	**802,518**	**802,518**	**802,518**
Standard rates	25%	9%	34%	25%	9%	34%
Tax expense at standard rates	**(176,067)**	**(63,384)**	**(239,451)**	**(200,630)**	**(72,227)**	**(272,857)**
Permanent differences						
Equity income	25,725	9,261	34,986	-	-	-
Goodwill amortization	(1,176)	(423)	(1,599)	(1,176)	(423)	(1,599)
Tax incentives	6,800	-	6,800	17,997	-	17,997
Variation between the calculation base of taxable and presumptive profit tax regimes	5,831	1,681	7,512	12,700	4,199	16,899
Other	(458)	(38)	(496)	1,737	795	2,532
	(139,345)	**(52,903)**	**(192,248)**	**(169,372)**	**(67,656)**	**(237,028)**
Breakdown of taxes in the income statement						
Current	(29,074)	(13,346)	(42,420)	(148,469)	(60,198)	(208,667)
Deferred	(110,271)	(39,557)	(149,828)	(20,903)	(7,458)	(28,361)
	(139,345)	**(52,903)**	**(192,248)**	**(169,372)**	**(67,656)**	**(237,028)**
Effective rate	**19.8%**	**7.5%**	**27.3%**	**21.1%**	**8.4%**	**29.5%**

NOTE 28 – TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with related parties, which are detailed in Note 31 – Transactions with related parties, of the financial statements of December 31, 2019. The main transactions are:

- Purchase and sale of energy;

- Operation and maintenance;

- Administrative services;

- Guarantees;

- Sureties; and

- Loan between Ibitiúva and Andrade Açúcar e Álcool S.A.

There was no significant change in the transactions with related parties in the three-month period ended March 31, 2020.

a) Amounts recognized in balance sheet accounts – Parent Company

	ASSETS			LIABILITIES		
	Accounts receivable			Supplier		IOE[30]
	Energy	Services and other	Dividends	Energy	Other	Dividends
3.31.2020						
EBC	113,446	14,856	-	3,070	-	-
Pampa Sul	59,827	9	15,604	-	-	-
ECV	9,413	11	-	1,667	-	-
ECP and subsidiaries	2,169	8,931	5,834	-	-	-
Jaguara	935	600	167,792	11,059	-	-
Miranda	334	418	106,701	7,432	-	-
ENGIE Participações	-	7,814	-	-	-	206,755
Itasa	-	1,780	-	10,083	-	-
Diamante	-	574	-	-	-	-
Other	-	5,136	4,995	5,996	206	-
Total	**186,124**	**40,129**	**300,926**	**39,307**	**206**	**206,755**
12.31.2019	**198,003**	**47,038**	**300,926**	**55,351**	**570**	**820,629**

b) Amounts recognized in the income statement – Parent Company

	Revenue			Cost	Expense
	Sale of energy	O&M Services	Administrative services	Energy purchase	Third party services
1st quarter of 2020					
EBC	271,428	-	107	5,106	-
Pampa Sul	54,293	-	107	-	-
ECV	35,136	-	35	1,513	-
Diamante	6,999	-	2,412	33,679	-
Jaguara	6,294	-	102	33,352	-
Miranda	763	-	102	17,310	-
Ceste	-	5,371	-	-	-
Itasa	-	4,772	-	26,862	-
ESBR[31]	-	-	-	3,472	-
ECP and subsidiaries	-	-	1,415	-	-
CEE	-	-	107	-	-
Other	-	-	992	-	2,062
Total	**374,913**	**10,143**	**5,379**	**121,294**	**2,062**
1st quarter of 2019	**526,417**	**9,570**	**2,308**	**242,404**	**790**

c) Remuneration of key management personnel

The remuneration of key Management personnel, composed of the Board of Executive Officers established by the Bylaws, Board of Directors and Audit Board, was approved at the AESM held on April 28, 2020, and the amounts recorded in the results of the 1st quarter of 2020 and 2019 are presented below:

	1st quarter	
	2020	2019
Fixed compensation	2,623	2,259
Variable compensation	1,438	2,868
Payroll charges	666	650
Other	286	278
	5,013	**6,055**

[30] Interest on equity.

[31] Energia Sustentável do Brasil.

NOTE 29 – INFORMATION BY SEGMENT

The information by segment refers to the periods ended March 31, 2020 and 2019 is presented in a consolidated manner in the tables below:

	3.31.2020					
	Electric energy					
	Generation	Trading	Transmission	Solar panels	Gas transportation	Consolidated
NET OPERATING INCOME	**2,151,624**	**274,761**	**155,633**	**12,576**	**-**	**2,594,594**
Operating costs	(1,111,474)	(269,545)	(142,843)	(15,112)	-	(1,538,974)
GROSS PROFIT (LOSS)	**1,040,150**	**5,216**	**12,790**	**(2,536)**	**-**	**1,055,620**
Operating income (expenses)						
Selling, general and administrative expenses	(59,337)	(858)	(23)	(1,898)	-	(62,116)
Other operating income, net	119	-	-	-	-	119
	(59,218)	**(858)**	**(23)**	**(1,898)**	**-**	**(61,997)**
Equity income	**-**	**-**	**-**	**-**	**102,901**	**102,901**
PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS	**980,932**	**4,358**	**12,767**	**(4,434)**	**102,901**	**1,096,524**

	3.31.2019				
	Electric energy				
	Generation	Trading	Transmission	Solar panels	Consolidated
NET OPERATING INCOME	**2,070,631**	**231,492**	**17,568**	**19,068**	**2,338,759**
Operating costs	(967,536)	(257,110)	(15,251)	(18,070)	(1,257,967)
GROSS PROFIT (LOSS)	**1,103,095**	**(25,618)**	**2,317**	**998**	**1,080,792**
Operating income (expenses)					
Selling, general and administrative expenses	(56,255)	(614)	(36)	(2,210)	(59,115)
Provision for impairment of assets	(4,900)	-	-	-	(4,900)
Other operating expenses, net	(136)	-	-	-	(136)
	(61,291)	**(614)**	**(36)**	**(2,210)**	**(64,151)**
PROFIT (LOSS) BEFORE FINANCIAL AND TAX RESULTS	**1,041,804**	**(26,232)**	**2,281**	**(1,212)**	**1,016,641**

NOTE 30 – INSURANCE

a) Operating and lost profit risks

The Company is covered by the international insurance policy for Property Damage and Business Interruption (PDBI) of the corporate insurance program of its parent company ENGIE. The PDBI policy is valid until 5.31.2020 and the risk coverage amount is R$14,068,816 in the parent company and R$33,782,412 in the consolidated statements, namely:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	10,196,817	3,821,654	14,773,163	4,337,046
Thermal power plants	-	-	5,051,842	2,707,076
Complementary plants (wind, solar, biomass and SHPP)	49,291	1,054	5,480,601	1,432,684
	10,246,108	**3,822,708**	**25,305,606**	**8,476,806**

The maximum combined limit of indemnification for material damages and loss of profits is R$2,659,800 per event.

b) Engineering risks

The Company has an insurance policy for Campo Largo Wind Power Complex - Phase II whose caps are: R$1,393,182 for pecuniary damages and R$170,827 for loss of profits. During the first quarter of 2020, an insurance policy was taken for the Gralha Azul Transmission System project with the following compensation limits: R$1,000,000 for pecuniary damages and R$170,827 for loss of profits.

c) Other coverages

The Company has insurance to cover national and international transportation risks, civil liability of the directors, officers and management, political violence and terrorism extended to its subsidiaries, as well as group life insurance for its employees and officers.

NOTE 31 – LONG-TERM COMMITMENTS

The Company has long-term agreements, which are detailed in Note 33 – Long-term commitments, of the financial statements of December 31, 2019.

The main long-term commitments of the Company are:

- Contracts for connection to the power grid;
- Contract for the Use of the Transmission and Distribution System (CUST and CUSD);
- Operation and maintenance contracts;
- Bilateral contracts for purchase and sale of electricity;
- Agreements for modernization of plants;
- Agreements for constructions in progress; and
- Renegotiation of hydrological risk.

As described in Note 1 – Operations, the acquisition of 100% interest in Novo Estado was concluded in the 1st quarter of 2020. The project is in the construction phase, with most of its suppliers contracted. The future commitment is estimated at R$2,776,131.

Other than this acquisition, there was no significant change in the long-term commitments in the first three months of 2020.

NOTE 32 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash low transactions were as follows:

	Parent Company		Consolidated	
	3.31.2020	12.31.2019	3.31.2020	12.31.2019
Suppliers of fixed and intangible assets	452	1,475	1,962	(87,221)
Income tax and social contribution credit	(2,151)	3,660	(1,321)	4,086
Dividends from subsidiaries	-	116,617	-	-
Transfer of property, plant and equipment to other non-current assets	-	(2,926)	-	(2,926)
Capitalized interest and monetary variation	-	-	8,155	95,637
Acquisition of subsidiaries – Novo Estado	-	-	136,069	-

NOTE 33 – SUBSEQUENT EVENTS

a) Contracting of debts

The Board of Directors approved on March 10, 2020 the borrowing of loan from BNDES through the indirect subsidiary Gralha Azul Transmissão de Energia S.A. ("Gralha Azul") in the amount of R$1,480,617. The Company signed the agreement with BNDES on March 30, 2020, which establishes IPCA + 3.82% p.a. and maturity on March 15, 2044. Currently, the precedent conditions are being fulfilled for the withdrawal of the loan, which is expected to begin in the 2nd quarter of 2020.

On April 1, 2020, the Board of Directors approved the borrowing of a loan from BNDES by the subsidiaries making up the Campo Largo Wind Complex – Phase II, in the amount of R$1,243,000, under the following conditions: IPCA + 4.23% p.a. and maturity on December 15, 2039. On April 24, 2020, the Company signed the agreement with BNDES and is awaiting the scrutiny of the documentation to withdraw the funds, which is expected to begin in the 3rd quarter of 2020.

On April 14, 2020, the Company took a loan from an overseas financial institution, BNP Paribas, in the amount of US$100 million, equivalent to R$518 million, for a term of three years and simultaneously contracted a swap with the Brazilian subsidiary of the same institution in order to protect all future cash flows. This transaction is the rollover of the loan taken on April 5, 2018, from the same financial institution to preserve cash in light of the pandemic, ensure working capital and finance the implementation of the Company's business plan, which expired in April 2020.

The Board of Directors approved on June 12, 2020, the borrowing of loan from BNDES by the indirect subsidiary Novo Estado Transmissora de Energia S.A. ("Novo Estado"), in the amount of R$2,510,000. The Company is currently in the phase of fulfilment of the conditions precedent to sign the financing agreement. The first release of funds is expected in the 3rd quarter of 2020, after the fulfillment of the conditions precedent set forth in the agreement.

b) Resolution on allocation of net income from 2019

Due to the worsening coronavirus pandemic (Covid-19) and its possible impacts on the Brazilian economy, the energy sector and the Company, the Management deemed it necessary to reassess the facts and assumptions used to allocate the net income from fiscal year 2019. As such, on April 16, 2020, the Company informed its shareholders and the market of the approval, by the Board of Directors, of the updated proposal for the allocation of net income from 2019, proposing the retention of the amount previously approved as supplementary dividends in 2019 (R$949,744 thousand), based on the capital budget. This retention is aimed at being one of the sources of funds to be directly invested in the maintenance of the generation facilities and in other projects. The resolution was approved at the Annual Shareholders Meeting held on April 28, 2020.

c) Definition of the date of payment of interest on equity

On April 28, 2020, the Company informed its shareholders and the market that July 1, 2020, has been defined as the date for the payment of interest on equity for the period from January 1, 2019 to December 31, 2019, in the gross amount of R$354,000, corresponding to R$0.4338619496 per share.

d) Changes in the rating of the Company and subsidiaries

On April 29, 2020, the credit rating agency Fitch Ratings affirmed and removed the long-term national rating of 'AAA(bra),' with a stable outlook, for the first issue of debentures of the Company's subsidiaries Jaguara and Miranda, for commercial reasons, as per the Indenture, which does not require the update of the initial rating of the debentures.

In addition, on May 7, 2020, due to the recent revision of the sovereign rating outlook to negative, Fitch Ratings also revised the outlook of long-term international ratings in foreign and local currency of EBE to negative, reaffirming them to 'BB' and 'BBB-,' respectively, which remain one level above the sovereign rating.

The Company's long-term national rating on a local scale remained 'AAA(bra),' with a stable outlook.

According to Fitch, the revision of Brazil's sovereign rating outlook from stable to negative reflects the deterioration of the economic and tax outlook for Brazil and the negative risks of both, given the renewed political uncertainty, including tensions between the executive and legislative branches, as well as uncertainties about the duration and intensity of the new coronavirus pandemic.

e) Participation in the process of acquisition of 10% of TAG

On May 14, 2020, the Board of Directors of the Company approved its participation in the process of acquiring 10% of the capital stock of TAG, held by Petrobras, in partnership with another investor from the ENGIE Group and third parties that make up the Investor Group. On the date of this Quarterly Information, the process was still in progress.

f) Execution of the deficit settlement and unification agreement with ELOS

On May 17, 2020, the Company signed with ELOS the agreement for settling the technical deficit assessed in fiscal year 2018 of the BD Plan, in the total amount of R$19,103, as well as the 3rd amendment to the agreement for the unification and consolidation of debt for the constitution of guarantee of the BD Plan.

g) Exclusion of ICMS from the PIS and Cofins calculation base

In 2007, the Company filed a lawsuit seeking to exclude the ICMS from the PIS and Cofins calculation base, in connection with the non-cumulative regime. The final and unappealable decision was handed over on May 18, 2020, guaranteeing the Company the right to be reimbursed, through offset, the amounts already paid and not time-barred, duly adjusted for inflation. Hence, the understanding of the Federal Regional Court of the 4th Region, favorable to the Company, became final, which recognized the unconstitutionality of the inclusion of ICMS in the PIS and Cofins calculation base and expressly setting that the ICMS be excluded from the PIS and Cofins calculation base is the one identified in the invoice and not the one paid. In addition, the Brazilian Supreme Court will analyze the effects of modulation related to the amounts recoverable. The Company is analyzing the contents of the appellate decision to calculate the amount of PIS and Cofins credits that it is entitled to.

h) Insurance against operational risks and loss of profits

The Company is covered by the insurance policy for Property Damage and Business Interruption (PDBI) of the corporate insurance program of its parent company ENGIE. The PDBI policy was renewed until May 31, 2021, and the risks covered amount to R$13,941,216 in the parent company and R$32,952,360 in the consolidated. The cap of compensation for pecuniary damages and lost profits is R$3,760,260 per event.

Comments on Business Projections

Identification of projections

a. Purpose of projection

Investments in equity interest, maintenance, revitalization and expansion of the generation facilities.

The Company's investment statements segregate values in two groups:

• Investments financed with own capital, including acquisitions, and

• Investments financed with debts, including debts assumed in the acquisitions.

Both projection models are included in item "d" below.

The projections made are estimates deemed reasonable by the Company, which usually depend on future events, thus cannot be regarded as a promise to perform by the Company and its managers.

b. Period projected and projection term

ENGIE Brasil Energia quarterly discloses to the market its investment projections for the current year and the two subsequent years, valid until its realization or replacement by another projection.

c. Prospect assumptions, indicating which ones can be influenced by the Company's management

The Company's projections for investment are mainly based on the following assumptions:

• Schedule for maintenance of the generating units;

• Diagnosis of equipment;

• Regulatory obligations; and

• Strategic initiatives.

The amounts informed, projected and actual, do not consider interest on construction (interest on loan capital).

The Management can influence all assumptions, except for the regulatory obligations that are beyond its control.

In case of a significant change in the foregoing assumptions, the projections can be reviewed.

d. Value of the indicators that are the subject matter of the projection

The estimated and actual amounts for the quarter ended 3.31.2020 are presented below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

d.1 First quarter of 2020

Estimate for the years 2020, 2021 and 2022, announced in the 4th quarter of 2019:

Description \ Projection period	2020	2021	2022
Financed with debt	2.981	516	40
Financed with own capital[1]	(520)	614	207
Total	**2.461**	**1.130**	**247**

Estimate for the years 2020, 2021 and 2022, announced in the 1sr quarter of 2020:

Description \ Projection period	2020	2021	2022
Financed with debt	6.324	-	-
Financed with own capital[1]	(1.868)	2.451	247
Total	**4.456**	**2.451**	**247**

Changes in the estimates informed for the years 2020, 2021 and 2022 between the 4th quarter of 2019 and 1st quarter of 2020:

Description \ Projection period	2020	2021	2022
Financed with debt	3.343	(516)	(40)
Financed with own capital	(1.348)	1.837	40
Total	**1.995**	**1.321**	**-**

Analysis of material changes:

Changes in relation to the last reporting period were largely due to the acquisition of 100% interest in Novo Estado Transmissora de Energia S.A. ("Novo Estado") and the costs estimated for the construction of Novo Estado Energy Transmission System.

The updated forecasts mainly refer to:

- 2020: the acquisition of ownership interest in Novo Estado, the construction of the Novo Estado and Gralha Azul Energy Transmission System and the Campo Largo Wind Power Complex – Phase II, the conclusion of the Pampa Sul Thermal Power Plant, the modernization of Salto Osório HPP and the maintenance of the Company's generation park;
- 2021: the construction of the Novo Estado and Gralha Azul Energy Transmission System and Campo Largo Wind Complex – Phase II, the modernization of Salto Osório Hydroelectric Power Plant and the maintenance of the Company's generation park;
- 2022: the construction of the Gralha Azul Energy Transmission System and the maintenance of the Company's generation park.

[1] The negative amounts presented under "Financed with own capital" refer to the reimbursement using third-party funds of the own capital initially invested, due to a change in the schedule of release of financing facilities.

Investments made until the 1st quarter of 2020:

The total investments of ENGIE Brasil Energia in 1Q20 amounted to R$742.5 million, of which (i) R$316.8 million refer to the acquisition of 100% ownership interest in Novo Estado Energia S.A., project to the implemented in the states of Pará and Tocantins; (ii) R$397.2 million invested in the construction of the new projects: R$252.5 million in Campo Largo Wind Complex – Phase II, R$73.7 million in Novo Estado Energy Transmission System, R$50.5 million in Gralha Azul Energy Transmission System, R$14.9 million in Pampa Sul Thermal Power Plant and R$5.6 million in other investments; (iii) R$24.3 million was allocated to maintenance and renovation projects of the generation park; and (iv) R$4.2 million was allocated for modernization of Salto Osório Hydroelectric Power Plant.

Other Relevant Information

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Shareholders and Managers of

Engie Brasil Energia S.A.

Florianópolis - SC

Introduction

We have reviewed the interim, separate and consolidated financial information of Engie Brasil Energia S.A. (“Company”), identified as Parent Company and Consolidated, respectively, contained in the Quarterly Information – ITR Form for the quarter ended March 31, 2020, which comprise the balance sheet as of March 31, 2020 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including other explanatory notes.

The Management of the Company is responsible for the preparation of the parent company and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) – Interim Financial Statements and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission of Brazil - CVM, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the parent company interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with the technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the CVM.

Other matters

Value added statement

The interim financial information referred to above includes parent company and consolidated value added statements for the three-month period ended March 31, 2020, prepared under the responsibility of the Company management and presented as additional information in compliance with international standard IAS 34. These statements were reviewed together with the Quarterly Information (ITR Form) to ensure that they are in compliance with the interim financial information and accounting records, as applicable, and if their form and content are in compliance with the criteria defined in the technical pronouncement CPC 09 – Demonstração do Valor Adicionado. Based on our review, we are not aware of any other event that make us believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in this standard and consistent with the parent company and consolidated interim financial information taken as a whole.

Joinville, June 24, 2020.

DELOITTE TOUCHE TOHMATSU
Independent Auditors
CRC n.º 2 SP-011.609/O-8 F-SC

Fernando de Souza Leite
Accountant
CRC n.º 1 PR-050.422/O-3

Opinions and Statements / Opinion or Summarized Report, if any, of the Audit Committee (statutory or not)

STATEMENT OF THE AUDIT COMMITTEE

The members of the Audit Committee recommend the approval of the Quarterly Information of the Company and agree with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes, as presented in the Special Review Report of the Independent Auditors.

Paulo de Resende Salgado

Coordinator of the Audit Committee

Carla Carvalho de Carvalho

Member of the Audit Committee

Manoel Eduardo Lima Lopes

Member of the Audit Committee

Florianópolis, June 24, 2020.

Opinions and Statements / Statement of the Executive Officers on the Financial Statements

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Quarterly Information (parent company and consolidated) and also, agrees with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Generation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Júlio César Lunardi

Chief Administrative Officer

Florianópolis, June 24, 2020.

Opinions and Statements / Statement of the Executive Officers on the Independent Auditors' Report

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

The Company's management declares that it has examined, discussed and reviewed all information contained in the Company's Quarterly Information (parent company and consolidated) and also, agrees with the opinion of the independent auditors of the Company, Deloitte Touche Tohmatsu Auditores Independentes as presented in the Special Review Report of the Independent Auditors.

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Generation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Júlio César Lunardi

Chief Administrative Officer

Florianópolis, June 24, 2020.