Earnings Release | 1Q20

EBE retains a strong cash position for meeting the challenge of the Covid-19 pandemic, and a solid contingency plan ensures a high degree of asset uptime.

Florianópolis, Brazil, June 24, 2020. ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia", "EBE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the First Quarter ending March 31, 2020 (1Q20). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated.

Highlights

- ENGIE Brasil Energia (EBE) closed 1Q20 with R$ 4.2 billion in cash, representing approximately 40% of net revenue for fiscal year 2019.
- EBE reported net operating revenue of R$ 2,594.6 million for the first quarter of 2020 (1Q20), 10.9% (R$ 255.8 million) more than posted in 1Q19.
- Ebitda[1] reached R$ 1,331.9 million in the 1Q20, an increase of 9.8% (R$ 119.1 million) compared to the 1Q19. Ebitda margin was 51.3% in the 1Q20, a 0.6 p.p. reduction in relation to the 1Q19.
- Net income was R$ 512.0 million (R$ 0.6270/share) for the 1Q20, 9.5% (R$ 53.5 million) lower than reported in the 1Q19.
- The average price of energy sales agreements, net of revenue taxes and trading operations was R$ 192.17/MWh in the 1Q20, 2.2% higher than in the 1Q19.
- The volume of energy sold in the 1Q20, excluding trading operations, was 9,473 GWh (4,337 average MW), volume 3.5% higher than commercialized in the 1Q19.
- Several initiatives have been taken to tackle the effects of the Covid-19 pandemic. Among these were: the installation of a Crisis Committee, home office working, acquisition of rapid tests, donations to communities where the Company has operations. In order to conserve cash, EBE has tapped new sources of funding, rolled over existing debt maturities, entered a standstill agreement with the BNDES for certain subsidiaries, reduced the dividend payout for fiscal year 2019, undertaken negotiations with clients etc.
- On March 3, 2020, EBE concluded the operation to acquire the total shares of Sterlite Novo Estado Energia S.A. The acquisition is worth up to R$ 410.0 million, subject to completion of certain contractual conditions precedent.
- Again, in March, Fitch Ratings reaffirmed EBE's National Long-Term credit rating at 'AAA (bra)' with a stable outlook. The Company's international long-term ratings in foreign and local currency were reaffirmed respectively at 'BB' and 'BBB-', albeit, with the revision in sovereign rating in April, downgraded from a stable to a negative outlook.

Subsequent Events

- In the light of events surrounding the Covid-19 outbreak, EBE's management reassessed the proposal for the payout of complementary dividends for fiscal year ending December 31, 2019, proposing the retention of R$ 949.7 million (R$ 1.1640/share) in order to preserve the Company's cash position during the pandemic, a proposal which was approved by the Annual General Meeting (AGM). With this the payout for 2019 will be 56.8%.
- As per the Meeting of the Board of Directors of May 14, the Audit Committee was installed and made up of three independent members, its aim to advise the Board of Directors.
- Financing agreements worth a total R$ 2,724.0 million were signed with the Brazilian Development Bank (BNDES) for the installation of the Campo Largo Wind Complex - Phase II and the Gralha Azul Transmission System.

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated

(In millions of R$)	1Q20	1Q19	Chg.
Net Operating Revenue (NOR)	2,594.6	2,338.8	10.9%
Results from Operations (EBIT)	1,096.5	1,016.6	7.9%
Ebitda [1]	1,331.9	1,212.8	9.8%
Ebitda / NOR - (%) [1]	51.3	51.9	-0.6 p.p.
Net Income	512.0	565.5	-9.5%
Return On Equity (ROE) [2]	33.5	34.7	-1.3 p.p.
Return On Invested Capital (ROIC) [3]	19.3	21.0	-1.7 p.p.
Net Debt [4]	11,084.0	8,322.0	33.2%
Gross Power Production (avg MW) [5]	3,611	5,277	-31.6%
Energy Sold (avg MW) [6]	4,337	4,190	3.5%
Average Net Sales Price (R$/MWh) [7]	192.17	188.07	2.2%
Number of Employees - Total	1,478	1,411	4.7%
EBE Employees	1,462	1,290	13.3%
Employees on Under Construction Plants	16	121	-86.8%

[1] Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization + impairment.
[2] ROE: net equity for the past 4 quarters /shareholders' equity.
[3] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt - cash and cash equivalents - deposits earmarked for debt servicing + SE).
[4] Adjusted amount, net of gains from hedge operations.
[5] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[6] Disregarding sales for quota regime (Jaguara and Miranda HPPs).
[7] Net of taxes and trading operations.

For Immediate Release

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Conference call and webcast:
On 6/25/2020 at 10:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

Further details on Upcoming Events section, available on page 29.

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MESSAGE FROM THE MANAGEMENT

I would like to begin this message with a word of thanks to the entire team at ENGIE Brasil Energia, instrumental in making it possible to continue our operations and report positive results in the midst of the pandemic we are experiencing. We are now enjoying the results of our investment in digitalization begun four years ago and which has enabled us to transfer 70% of our staff to a home office regime. However, we still have 30% in the field, operating plants, building structures and transmission lines, undertaking preventive maintenance and guaranteeing a nationwide uninterrupted supply of electricity to Brazilians, allowing them to observe quarantine requirements in their own homes. For today, more than ever, the supply of energy is essential.

And for the continuity of our operations, our priority above all is to guarantee the health and safety of our employees. Personal protection equipment has been supplied to the entire team which is also subject to medical checkups and monitoring. Again, the teams at the plants and in the offices observe rigid protocols for sanitizing and social distancing. A total of 142,000 face masks have already been distributed. We have acquired and distributed 36,000 Covid-19 rapid test kits and we plan gradually acquire mor tests as needed, which will allow us to comply with a protocol of periodic testing for our entire team, both proprietary employees and our third-party contractors. For those employees in a home office regime, we have endeavored to engage and support them both from professional and personal standpoints, offering everything from medical and psychological support, to distance learning and online gymnastics activities. At ENGIE Brasil Energia, we walk the talk.

From the client point of view, we have a well-balance sales portfolio for 2020, cushioning the impacts of the current decrease in consumption: 49% of our portfolio is sold directly to free clients, 39% to distributors in the regulated environment and 12% sold to other generators or trading companies. All sectors of the economy are being affected to some degree by the Covid-19 pandemic leading free consumers to renegotiate the conditions of their agreements and these are being evaluated on a case-by-case basis in the light of the magnitude of impacts on these customers, the commercial relationship and in line with the principle of good faith and respect of the agreements. In all negotiations there was no reduction in the established contractual amounts but rather the postponement of settlement of a portion of the agreed values against the collection of market interest. Meanwhile, in relation to the distributors, electricity sector agents including Aneel, have worked jointly to draw up a short-term plan of assistance for the distributors, avoiding any eventual default contaminating the remainder of the value chain, resulting in the publication of Provisional Measure 950, regulated by Decree No. 10,350.

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“We are now enjoying the results of our investment in digitization which we began four years ago, enabling us to transfer 70% of our staff to a home office regime. However, we still have 30% in the field, operating plants, building structures and transmission lines, undertaking preventive maintenance and guaranteeing a nationwide uninterrupted supply of electricity to Brazilians, allowing them to observe quarantine requirements in their own homes.”

In 1Q20, EBE’s net operating revenue increased 10.9%, totaling R$ 2.6 billion, with an Ebitda 9.8% up at R$ 1.3 billion. The Company posted a net income of R$ 512.0 million, a year-on-year decrease of 9.5%. We concluded the first quarter with a comfortable cash position of approximately R$ 4.2 billion to support us for the duration of the crisis. In spite of all the expansion in the last few years at EBE consolidating its position as a supplier of power infrastructure in Brazil, our net debt/Ebitda ratio continues at 2.1x. In the light of the pandemic, we have chosen to pursue a conservative strategy and have rolled over all our short-term maturities. The Company continues to enjoy various lines of credit at its disposal and approved with a range of different banks while having recourse to the standstill agreement with the Brazilian Development Bank (BNDES) for some subsidiaries. In mid-March, Fitch Ratings reaffirmed ENGIE Brasil Energia’s National Long-Term credit rating at ‘AAA (bra)’, with stable outlook.

Further, to ensure the Company’s liquidity and as a contingency in the light of the Covid-19 pandemic, EBE’s management reassessed the basis and assumptions for allocation of 2019 earnings, proposing the retention of complementary dividends for fiscal year ending December 31, 2019 amounting to R$ 949.7 million (R$ 1.1640/share), a proposal which was approved by the Annual General Meeting (AGM) of April 28, 2020. However, the final payout for 2019 still reached 56.8%, and therefore above the minimum payout of 55% enshrined in our indicative dividend policy. We would like to register our appreciation to our shareholders for their trust and understanding of the priorities of the moment.

From the point of view of our support for the community, we have risen to the occasion and in this it could not be any different. EBE has joined a further five companies in the electricity sector to raise resources for the Fundação Instituto Oswaldo Cruz’s (Fiocruz) emergency fund for increasing the output of Covid-19 diagnostic tests, donating R$ 1.5 million. The project is coordinated by Instituto Acende Brasil. We are also encouraging our employees to make donations with ENGIE Brasil Energia contributing a matching amount, thereby doubling the donation. The campaign has been responsible for collecting R$ 150 thousand. A total of 731 employees took part, contributions going to support institutions located throughout Brazil. In the light of the continuing impacts of the pandemic, we have embarked on the second phase of the campaign allocating more than R$ 300,000.00 in the form of donations. A further R$ 900,000.00 was also donated to the communities surrounding the Company’s operations for the acquisition of the basic basket of goods, PPEs and cleansing products. In partnership with Hospital Albert Einstein, ITUs have been equipped at two public hospitals in São Paulo (SP). Also worthy of mention is the donation of R$ 50,000.00 for a start-up involved in developing a new type of Covid-19 testing. In addition to these initiatives, the “Máscara para Todos” (A Mask for Everyone) involved the donation of two thousand face masks, using a workforce of seamstresses from low income communities, stimulating employee participation so that for every mask acquired, EBE donated three more to the “Our District Project” (Projeto Nosso Bairro) in Florianópolis. A total of 5,000 face masks have been donated under the scheme.

The Company continue to pursue its growth strategy despite the challenging scenario and based on the view that power generation must be maintained. We have further increased our footprint in the transmission segment, concluding the acquisition of Sterlite Novo Estado Energia in its entirety, the latter holding the concession for the construction of approximately 1,800 km of transmission lines in the states of Pará and Tocantins, together with a new substation and the expansion of a further three at a total investment estimated at R$ 3.0 billion. These transmission lines will improve the distribution of output from hydroelectric power plants as well as wind power complexes in the Northeast region of Brazil.

As for the Gralha Azul Project, work has been taking place along four fronts since the beginning of the year in different regions of the state of Paraná for the construction of the 15 transmission lines which will link ten substations, five of them brand new units and another five, extensions. Despite the pandemic, work here is proceeding on schedule.

In January, construction of foundations for the wind turbines began at the Campo Largo Wind Complex - Phase 2, to prepare the structure for the delivery and assembling of the first wind turbine components. With its conception directed to the free energy market, Campo Largo 2 will be EBE's largest wind complex consisting of 86 wind turbines distributed among 11 separate wind farms with a total installed capacity of 361.2 MW. Important to highlight that since work began, a million-man hours have been completed without accidents requiring time off work – in other words six months with a high degree of occupational safety. Even with a temporary interruption for the lockdown imposed in the municipality of Umburanas (BA), we estimate the original schedule will be unaffected by the stoppage.

We are living through times of much uncertainty, many doubts and changes, including those of a regulatory nature. In addition to measures for assistance and liquidity under discussion, various fronts are under consideration for the modernization of the electricity sector at federal government level. Never has it been more necessary to forge ahead with reforms to increase the sector's sustainability, combining this with a reduction in energy costs in readiness for when the economy begins to recover.

We continue to work at ENGIE Brasil Energia with just one certainty: our commitment to the employees, clients, investors, communities and other remaining stakeholders.



Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer



Marcelo Cardoso Malta
Financial Officer

BREAKDOWN OF ASSETS

Energy Generation Assets

ENGIE Brasil Energia is part of the largest independent power producer group in the country and, at the end of the 1Q20 had 8,710.5 MW of installed capacity and operates a generating complex with 10,431.2 MW, comprised of 60 plants (11 hydro, four thermal and 45 complementary energy source plants — biomass, SHP, wind powered and solar), 56 of which are wholly-owned by the Company and four (the Itá, Machadinho and Estreito Hydro Power Plants and the biomass-fired Ibitiúva Bioenergética co-generation plant) jointly-owned through consortia with other companies.

ENGIE Brasil Energia's Generating Complex – in March 31, 2020

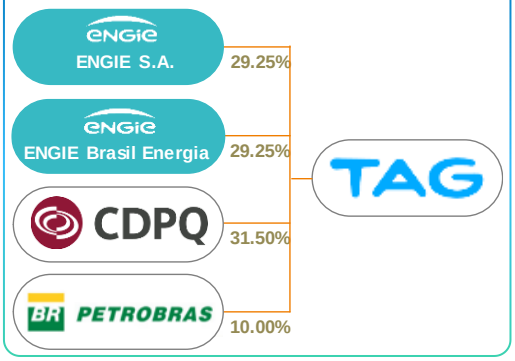
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	733.3
Machadinho	Hydro	Uruguai River (SC and RS)	1,140.0	403.9	Jul/32	165.3
Estreito	Hydro	Tocantins River (TO/MA)	1,087.0	435.6	Nov/37	256.9
Salto Osório	Hydro	Iguaçu River (PR)	1,078.0	1,078.0	Sep/28	502.6
Cana Brava	Hydro	Tocantins River (GO)	450.0	450.0	Aug/33	260.8
Jaguara	Hydro	Grande River (MG)	424.0	424.0	Dec/47	341.0
Miranda	Hydro	Araguari River (MG)	408.0	408.0	Dec/47	198.2
São Salvador	Hydro	Tocantins River (TO)	243.2	243.2	Apr/37	148.2
Passo Fundo	Hydro	Passo Fundo River (RS)	226.0	226.0	Sep/28	113.1
Ponte de Pedra	Hydro	Correntes River (MT)	176.1	176.1	Sep/34	133.6
Total - Hydro			**8,102.3**	**6,391.7**		**3,417.7**
Jorge Lacerda Complex[1]	Thermal	Capivari de Baixo (SC)	857.0	857.0	Sep/28	649.9
Pampa Sul	Thermal	Candiota (RS)	345.0	345.0	Mar/50	323.5
Total - Thermal			**1,202.0**	**1,202.0**		**973.4**
Umburanas Complex[2]	Wind Farm	Umburanas (BA)	360.0	360.0	Aug/49	213.3
Campo Largo Complex[3]	Wind Farm	Umburanas (BA)	326.7	326.7	Jul/50	166.5
Trairi Complex[4]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	100.8
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	12.0
Assú V	Solar	Assú (RN)	30.0	30.0	Jun/51	9.2
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	16.5
Rondonópolis	SHP	Ribeirão Ponte de Pedra (MT)	26.6	26.6	Dec/32	14.0
José Gelazio da Rocha	SHP	Ribeirão Ponte de Pedra (MT)	24.4	24.4	Dec/32	11.9
Nova Aurora	Solar	Tubarão (SC)	3.0	3.0	not applicable[5]	0.0
Tubarão	Wind Farm	Tubarão (SC)	2.1	2.1	not applicable[5]	0.0
Total - Complementary			**1,126.9**	**1,116.8**		**579.8**
Total			**10,431.2**	**8,710.5**		**4,970.9**

[1] Complex comprised of three power plants.
[2] Complex comprised of 18 power plants.
[3] Complex comprised of 11 power plants.
[4] Complex comprised of 8 power plants.
[5] For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

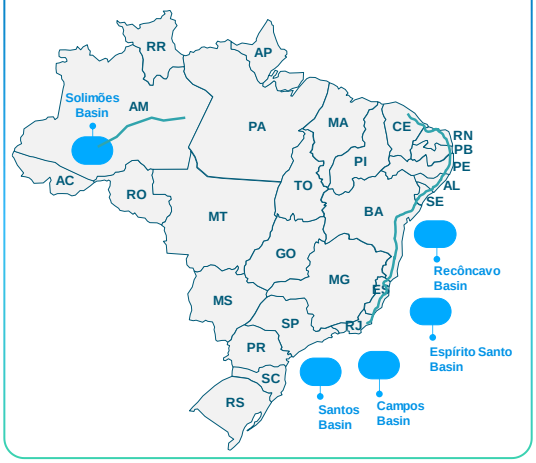
Gas Transportation Assets

Transportadora Associada de Gás S.A. – TAG (TAG) is the largest natural gas transportation operation in Brazil, with an infrastructure of 4,500 km of high pressure gas pipelines extending along the country's southeastern and northeastern seaboards as well as a further section of line between Urucu and Manaus, in the state of Amazonas, crossing 10 Brazilian states and 181 municipalities.

Corporate Structure



TAG Gas Pipelines Location



The gas pipeline network has several interconnection points, among them, 10 gas distributors, 13 active gas entry points (including two Liquified Natural Gas (LNG) terminals) and a further 90 gas exit points as well as 11 compressor stations for supplying refineries, fertilizer plants and thermoelectric power plants.

EBE`s presence into the natural gas segment in Brazil is in line with the Group`s global strategy of being a leader in the energy transition. This requires large scale and sophisticated infrastructure such as TAG`s gas pipelines, contributing to the diversification and decarbonization of the Brazilian energy mix.

TAG is significantly contracted (~99%) for an average term of approximately 10 years through current agreements with Petróleo Brasileiro S.A. (Petrobras).

Contracts Breakdown

Gas Pipelines	Size (km)	Contract Maturity	Authorization Term Expiration Date	Volumes Contracted (MM m³/day)	% Projected of Net Operating Revenue*
Gasene	1,400	Nov-33	Mar-39	30.3	36.9%
Malha NE	2,000	Dec-25	Mar-39	21.6	24.0%
Pilar-Ipojuca	200	Nov-31	Nov-41	15.0	6.6%
Urucu-Coari-Manaus	800	Nov-30	Nov-40	6.7	32.5%
Lagoa Parda-Vitória	100	Under negotiation	Mar-39	0.7	0.0%
Total	**4,500.0**			**74.3**	**100.0%**

* Differences in the representativity of revenues between contracts may occur.

Distributed Solar Generation

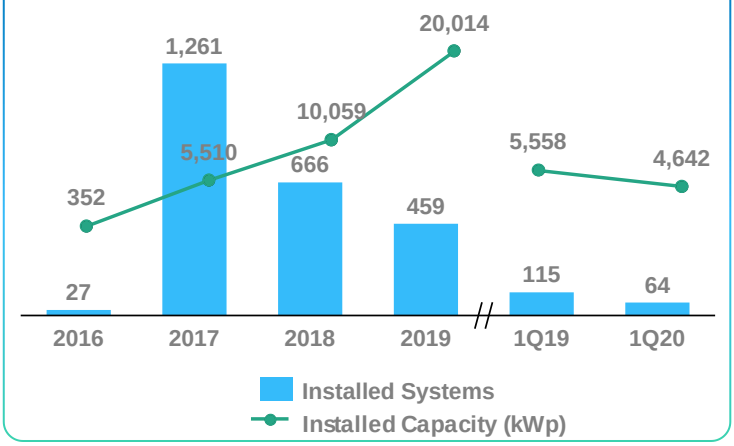
ENGIE Geração Solar Distribuída. The Company has operated in the distributed generation market since 2016 through ENGIE Geração Solar Distribuída S.A. (EGSD), the acquisition of the total capital stock of which being concluded in August 2018. The investments in the distributed solar energy segment contributes to a more dynamic energy matrix, one closer to the end consumer.

The B2B (business-to-business) segment strengthens the Company's relationship with leading corporations responsible for projects with higher installed capacities and representing 66.9% of total commercialized capacity in the 1Q20 (4.4 MWp). Total sales are distributed throughout the country, 20.3% in the Southeast, 45.1% in the South and 34.6% in the Central-Western region.



System installed by EGSD.

Number of systems and installed capacity



In 1Q20, 64 systems were deployed with an installed capacity of 4,642 kWp, a decrease of 16.5% compared with the 5,558 kWp registered in 1Q19, equivalent to 115 installed systems. Towards the end of the quarter under review, there was a deceleration in commercial activities due to measures taken to slow the spread of the Covid-19 pandemic.

Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,477 systems with an installed capacity of 40.577 kWp. Worthy of note however is the increase in the average installed power of the installed systems from 44 kWp in 2019 to 72 kWp in 1Q20, largely due to the company's greater focus on large customers.

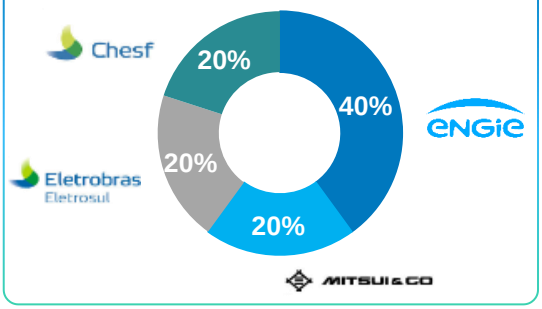
Expansion

Jirau. Energia Sustentável do Brasil (ESBR), is responsible for the maintenance, operation and sale of energy generated by the Jirau Hydroelectric Power Plant, located in the Madeira River, in the city of Porto Velho, state of Rondônia.

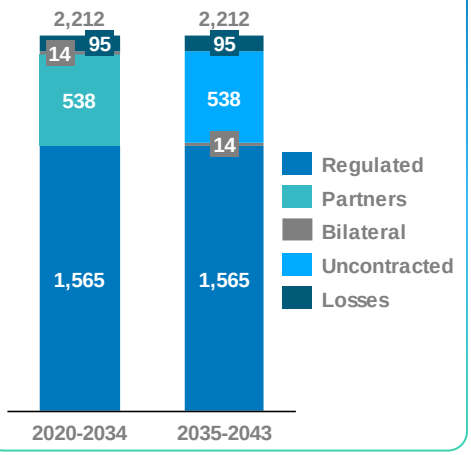
Since November 2016, Jirau HPP has 50 generating units in operation, representing a total installed capacity of 3,750 MW. The plant was unveiled on December 16, 2016.

In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (ESBRpar) – holder of 100% of the capital stock of ESBR – and the 100% participation in Geramamoré Participações e Comercializadora de Energia Ltda. The transfer assessment has put on hold, awaiting more favorable conditions for the discussions to resume.

ESBR – Corporate Structure



ESBR PPA's Portfolio
Average MW



In 1Q20, the plant generated 3,358.5 average MW, 23.4% above than the 2,722.4 average MW for 1Q19, while the National Electrical System Operator Uptime Ratio (FID) was 99.7% (data subject to final Electric Energy Trade Board (CCEE) booking).

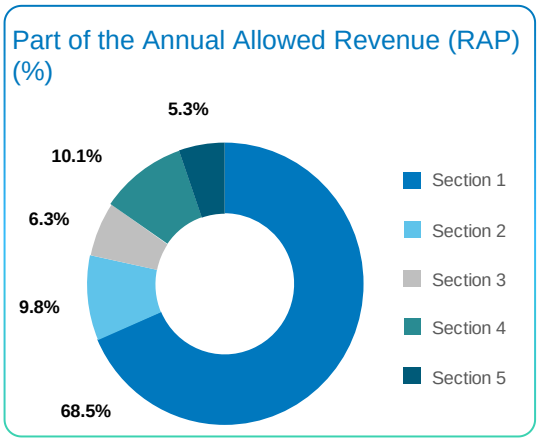
In January 2020, Jirau HPP broke the record for monthly generation of energy since its entry into commercial operations. The volume reached 3,540.6 average MW, 60.1% over the plant's physical guarantee of 2,211.6 average MW.

Gralha Azul Transmission System. On December 15, 2017, the Company made a successful bid for Lot 1 of Aneel Transmission Auction 02 for a stretch of about 1,000 kilometers in the state of Paraná (PR), marking EBE's debut into the energy transmission sector in Brazil. The project also includes the installation of five new substations and expansion of another five existing ones. The concession term for the public utility transmission service, including the licensing, the construction, assembly and the operation and maintenance of the transmission line installations will be 30 years as from signature date of the concession agreement.

The stipulated cut-off date for startup in operations of the transmission line is March 9, 2023. The estimated reduction in investment relative to that stipulated by Aneel remains at approximately 15%.

Lot	Location	Contracted RAP (RS million)	Estimated Capex (R$ million)*
1	Paraná (PR)	231.7	1,700.0
Total		**231.7**	**1,700.0**

Value as of December 2017





Ponta Grossa Substation – general view

From the environmental licensing point of view, all Installation Licenses, agreements with the National Heritage Institute (Instituto de Patrimônio Histórico e Artístico Nacional - IPHAN) as well as other agreements necessary for the installation of the project have been issued and concluded. As to land ownership issues, negotiations with property owners have already been concluded amicably or submitted for court ajudication with 82% of rights of way liberated for installation work to begin. The inclusion of rights of way in property documentation and legal actions pursued in cases where no amicable agreement has been possible are currently underway.

The main feature of the transmission system, work on the Ponta Grossa substation began in September 2019 with the earth moving phase already concluded and civil works in progress. Similarly, work on the other substations has begun together with the increase in capacity as per the scope of the project.

Work on the installation of the 525KV and 230KV transmission lines is also in progress with brush clearance, execution of foundations and delivery of equipment in loco.

The executive project and procurement also continue according to plan with approval of the projects by the concessionaires, signature of supply agreements and a start made on the manufacture of the principal equipment.

It should be pointed out that despite the Covid-19 pandemic, work on the project continues apace, with no changes in planned schedules, albeit with certain restrictions due to mitigating initiatives designed to preserve the health and safety of employees, outsourced personnel and the surrounding communities.

Novo Estado Transmissora de Energia. In December 2019, through its subsidiary, ENGIE Transmissão de Energia Participações S.A., the Company signed a purchase and sale agreement for the purchase of stock, the issue of Sterlite Novo Estado Energia S.A., held by Sterlite Brasil Participações S.A., as the successful bidder for Lot 3 of Aneel Transmission Auction 002/2017, held in December 2017.

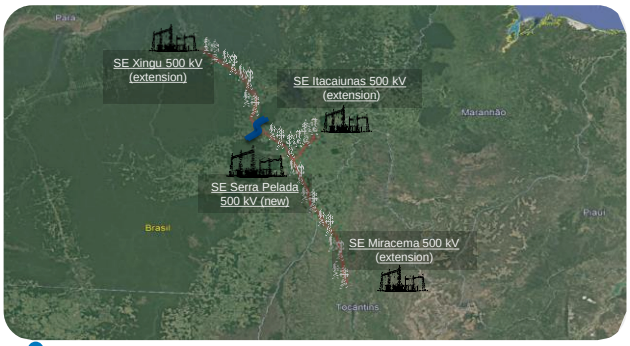
The operation closed on March 3, 2020 at a price of up to R$ 410.0 million, of which a payment of R$ 360.0 million was made on the same date, with the remaining R$ 50.0 million subject to the meeting of certain contractual conditions precedent.

The object of the concession is the construction, operation and maintenance of approximately 1,800 kilometers of transmission lines, a new substation and upgrades to a further three existing substations in the states of Pará and Tocantins, for a term of 30 years. The installation license of the project has already been issued by the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama) and construction started in April 2020 with brush clearence activities.

The cutoff date for the transmission line to go into operation is March 9, 2023, but EBE's forecast is to reduce this period to April 2022.

Lot	Location	Contracted RAP (RS million)	Estimated Capex (R$ million)*
3	Pará (PA) e Tocantins (TO)	313.1	3,000.0
Total		**313.1**	**3,000.0**

Base March 2020, excluding acquisition cost



Substation location

Project under Construction

Power plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Campo Largo Complex - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	361.2	361.2	-	201.0
Total			**361.2**	**361.2**		**201.0**

Campo Largo Wind Complex – Bahia (Phase II). Activities are underway to implement the Campo Largo Wind Complex – Phase II, located in the muncipalities of Umburanas and Sento Sé, approximately 420 km distant from the state capital, Salvador. **Phase II represents 361.2 MW of installed capacity** and 201.0 average MW of assured energy with investments of about R$ 1.6 billion. Operations are scheduled to complete early in 2021.



Wind turbine foundation - Campo Largo Wind Complex

The Project will enjoy the benefits of the synergies with existing structures such as the substation and transmission line, installed by the Company to support both the Campo Largo – Phase I and Umburanas – Phase I wind complexes with a total of 686.7 MW of installed capacity. With the installation of the second phase of Campo Largo, EBE's total installed wind capacity will surpass the mark of 1 gigawatt (GW) in the region. Power output from Campo Largo – Phase II will be sold entirely in the Free Contracting Environment (ACL).

In the first quarter of 2020, civil works involving accesses and assembly platforms proceded apace while a start was made on the wind turbine foundations. Work also continued on the installation of medium voltage networks connecting in the wind turbines to the collector substation. With respect to substation expansion, civil work reported significant progress during the quarter, while the manufacture and delivery of most of the principal equipment were concluded.

All installations for the eleven wind farms comprising the project were obtained, thus enabling activities in all areas of the project to proceed without restriction.

Work in the municipality of Umburanas was suspended by the municipal authority between March 23 and April 19 and again from May 22, 2020 related by political issues related with the outbreak of the Covid-19 pandemic. However, to the present date there has been no change in scheduled dates for entry into commercial operations.

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Santo Agostinho Complex	Wind Farm	Lajes and Pedro Avelino (RN)	800.0	800.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	300.0	300.0
Campo Largo Complex - Phase III	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	120.0	120.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**1,560.0**	**1,560.0**

Santo Agostinho Wind Complex – Rio Grande do Norte. The Complex is made up of 24 Specific Purpose Companies (SPEs), each one responsible for the development of a wind generation project. All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. In June 2016, the state of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable. The project now has all the documentation necessary to participate in the energy auctions, and/or to the free market. The increase of the nominal capacity of the wind turbines allowed the revision of its **total installed capacity reaching 800 MW**.

Umburanas Wind Complex – Bahia (Phase II). The environmental licensing for the Second Phase has been issued with energy under this second phase to be harnessed by EBE in due course alongside the Campo Largo Wind Complex, thus maximizing synergies during implementation and subsequent commercial operations. The project now has all the documentation necessary to participate in the energy auctions. Like the Santo Agostinho Complex, Umburanas II also had the nominal capacity of the wind turbines revised, reaching **300 MW of total installed capacity**.

Campo Largo Wind Complex – Bahia (Phase III). The Company intends to add about **250 MW of installed capacity** to the Campo Largo Wind Complex with the development of its third phase. The project is in the environmental licensing process, regularizing land aspects and will be further developed by EBE next to Phases 1 and 2 of Campo Largo Wind Complex, capturing synergies especially during the commercial operation.

Assú Photovoltaic Complex. Located in the Municipality of Assú, state of Rio Grande do Norte, the Complex will have a total **installed capacity of approximately 150 MW**, consisting of five projects, among them Assú V. Assú V went into commercial operations in December 2017. The other solar energy plants under development are also qualified to participate in opportunities in both free and regulated markets.

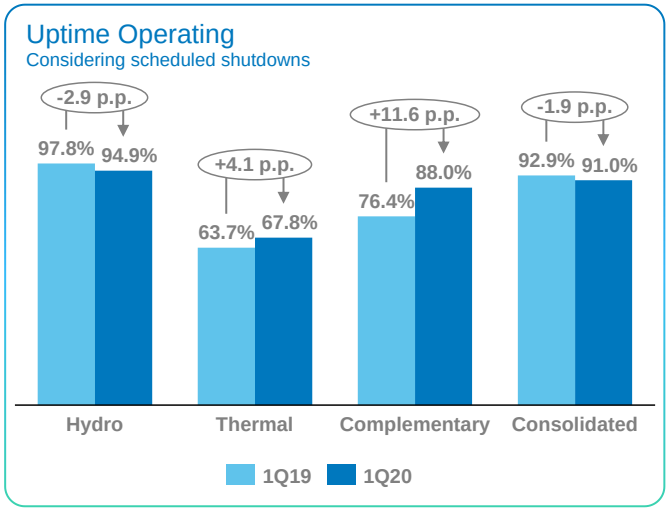
Alvorada Photovoltaic Complex. ENGIE Brasil Energia has acquired a site in the state of Bahia, – a region with potential for generating solar energy – for the development of three projects comprising the **Alvorada Photovoltaic Complex**. The projects, which **will have a total installed capacity of 90 MW.** The projects are at the development phase and qualify to participate in opportunities in both the free and regulated markets.

Besides the abovementioned projects, the Company is also examining the potential for photovoltaic solar energy generation in areas where it is installing its wind farms. In addition, it is also analyzing partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

OPERATING PERFORMANCE

Energy Generating Park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **96.8% in 1Q20, ignoring scheduled stoppages**: 99.9% for the hydroelectric plants, 79.1% for the thermoelectric plants and 93.4% with respect to the plants fired from complementary energy sources, namely SHPs, biomass, wind and photovoltaics.



If all scheduled shutdowns are taken into account, the aggregate uptime in the 1Q20 was 91.0%: 94.9% for the hydroelectric plants, 67.8% for the thermoelectric and 88.0% for plants operating with complementary energy sources.

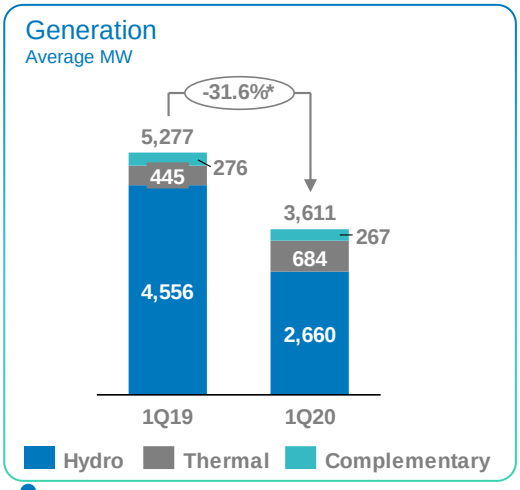
There was a small decline (2.9 p.p.) in hydroelectric power plant uptime during the first quarter relative to the same period in 2019, this principally due to the modernization of the number 5 Generation Unit at the Salto Osório Hydroelectric Power Plant.

As to the thermoelectric power plants, although greater than the same period in 2019 (4.1 p.p.), uptime was impacted by corrective maintenance work on the Jorge Lacerda A and Pampa Sul Thermoelectric Power Plants.

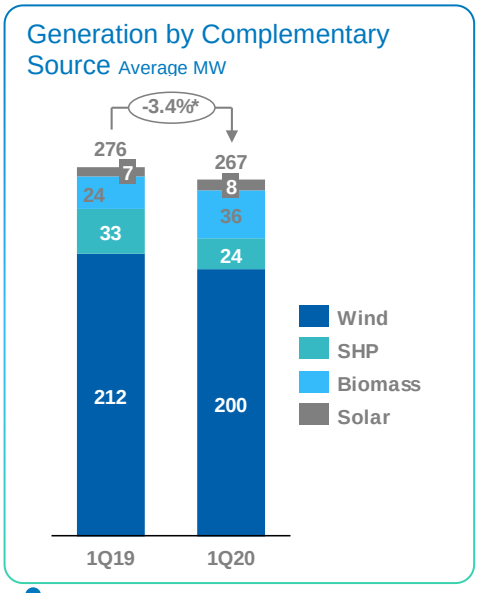
In the case of plants operating with complementary power sources, there was a significant year-on-year increase of uptime (11.6 p.p.), mainly in the light of reduction in the need of interventions to solve the pending matters with respect to the new wind power projects.

Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 7,886 GWh (3.611 average MW) in 1Q20. This result is **30.8% less** than production for 1Q19. Total output breaks down as follows: hydroelectric plants, 5,809 GWh (2,660 average MW), thermoelectric plants 1,494 GWh (684 average MW) and the complementary sourced units 583 GWh (267 average MW). Results point to reduction of 41.0% and 2.4% on the hydro and complementary energy sources, respectively, and increase of 55.5% on termoelectric energy sources, in relation to 1Q19.



(*) The variation between the percentage calculated in GWh and average MW occurs due to 2020 is a leap year.



(*) The variation between the percentage calculated in GWh and average MW occurs due to 2020 is a leap year.

A decline in generation from the Company's hydroelectric power plants in 1Q20 was due largely to extremely unfavorable hydrological conditions prevailing in the hydrographic basins in the southern region of Brazil where a large part of EBE's plants are located.

There was increased dispatch from the thermoelectric plants by order of merit, concentrated in January due to the high marginal costs of the operation. In addition, in 1Q20, there was an increase in generation from the Pampa Sul Thermoelectric Power Plant, this entering commercial operations in June 2019 and accounting for 27% of all thermal operations in the quarter under review.

Meanwhile, the reduction in power output from the plants operating with complementary sources was due to periods when wind speeds are lower – notably in the case of the wind farms situated in the state of Ceará – as well as unfavorable hydrological conditions for SHP operations.

In addition, in the light of measures taken to prevent the spread of Covid-19 at the end of March 2020, the National Interconnected System (SIN) mandated a reduction in total generation from the Company's plants, more particularly those dispatched by the National Electrical System Operator (ONS) leading to the thermoelectric plants being disconnected from the gird.

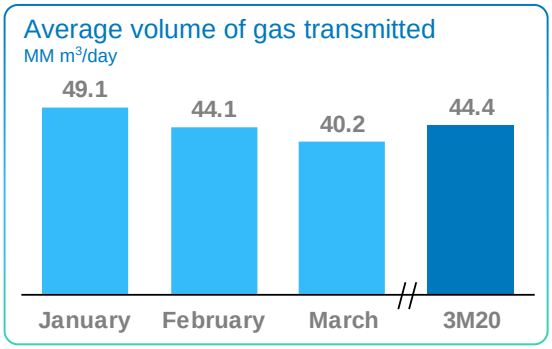
In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance due to the adoption of the Energy Reallocation Mechanism (MRE), which defrays the risks of hydro generation among its participants.

As to the Company's thermal generation, its increase might reduce (as a function of the Company's level of contracting) exposure to the Price for the Settlement of Differences (PLD), the opposite being the case when there is a decrease, all other variables being equal.

Gas Transportation

Transportadora Associada de Gás - TAG receives natural gas daily at gathering points along its pipeline network and delivers it to the carrier Petrobras at entry points known as city gates, in return being remunerated for the transportation service, comprising a portion for the effective transportation of the natural gas molecule and also a charge for unutilized capacity (ship-or-pay).

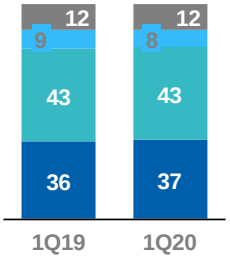
In 1Q20, TAG transmitted an average volume of gas of 44.4 million m^3/day.



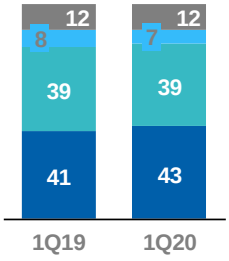
Electric Energy Sales Portfolio

In 1Q20, the free consumer share of the Company's portfolio was 42.7% of total physical sales and 38.5% of the total net operating revenue (except CCEE and other revenues), decreases of 0.7 p.p. and 0.4 p.p., respectively in relation to the same quarter in 2019.

Breakdown of Customers by Physical Sales (%)



Breakdown of Customers in Contracted Sales Comprising Net Operating (%)



Distribution Companies | Free Customers | Trading Companies | Trading Operations

Commercialization Strategy of Electric Energy

The Company pursues a commercial strategy of gradual sales of future energy availability for any given year as a means of mitigating the risk of exposure to spot prices (Price for Settlement of Differences — PLD) for that particular year. Electric energy sales are made during windows of opportunity that open when the market shows a greater buying propensity. ENGIE Brasil Energia's energy balance based on proprietary commercial capacity and power purchasing agreements outstanding as at **March 31, 2020** is as follows:

Energy Balance

(Average MW)

	2020	2021	2022	2023	2024	2025	**Auction** **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,700	4,847	4,919	4,915	4,915	4,923				
+ Purchases for Resale	1,599	849	644	422	271	177				
= Total Resources (A)	**6,299**	**5,696**	**5,563**	**5,337**	**5,186**	**5,100**				
Government Auction Sales[1]	2,010	2,010	2,010	2,010	2,005	2,005				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	236.6	212.5
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	259.6	233.2
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	271.0	243.5
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	244.0	219.2
Proinfa	19	19	19	19	19	19	147.8	Jun-04	286.6	276.2
1st Reserve Energy Auction	12	12	12	12	12	12	158.1	Aug-08	296.1	285.3
Auction Mix (New Energy / Reserve / DG)	14	14	14	14	9	9	-	-	279.1	268.9
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	260.0	233.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	272.3	262.3
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	184.0	167.0
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	233.1	211.6
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	372.4	338.0
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	184.3	167.3
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	148.4	141.6
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	167.4	159.7
+ Bilateral Sales	3,519	3,020	2,673	2,086	1,301	802				
= Total Sales (B)	**5,529**	**5,030**	**4,683**	**4,096**	**3,306**	**2,807**				
Balance (A - B)	**770**	**666**	**880**	**1,241**	**1,880**	**2,293**				
Sales average **net** price (R$/MWh) [2, 3]:	191.3	192.7	192.2							
Purchases average **net** price (R$/MWh) [4]:	181.1	179.7	173.6							

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

[2] Sales price, including trading operations, is net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not considered.

[3] Desconsidering sales for quota regime (Jaguara and Miranda HPPs).

[4] Purchase net price, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.

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

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**

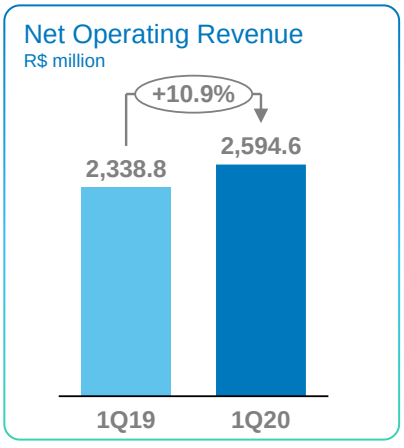
The Company's financial result is not allocated by segment since Management administers the cash flow on a corporate basis.

[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.

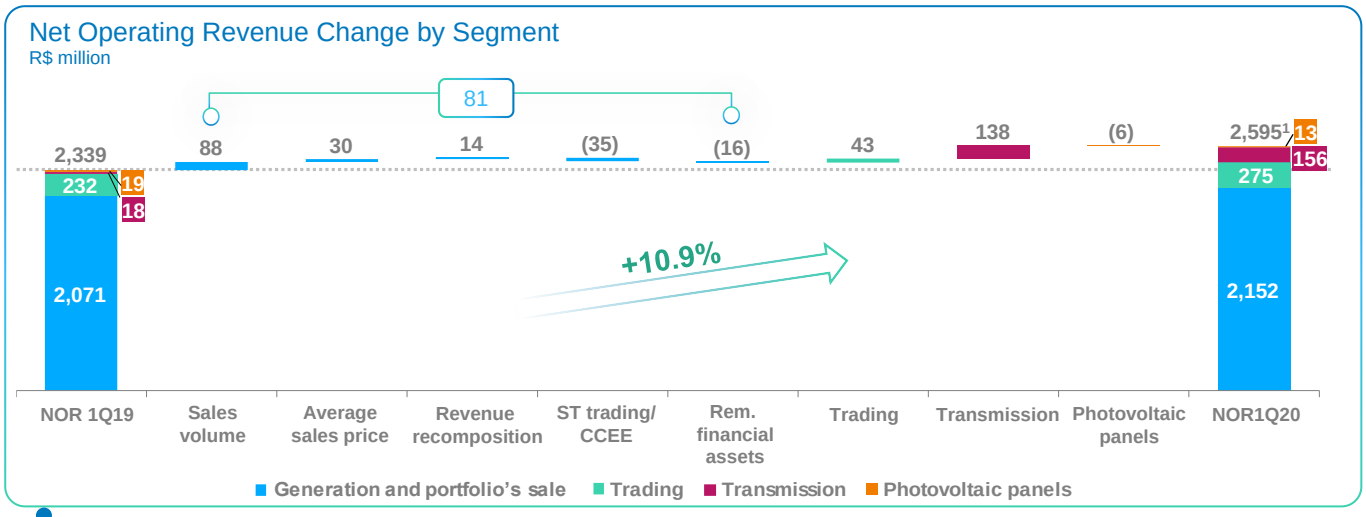


Of the variations in items (ii.i), (ii.ii) and (ii.v), R$ 182.8 million were generated from the Umburanas Wind Complex – Phase I (Umburanas – Phase I) and Pampa Sul Thermoelectric Power Plant (Pampa Sul), the start up in commercial operations at these plants taking place during the first four months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

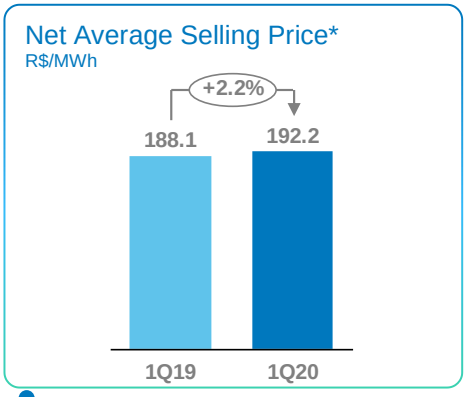
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

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.

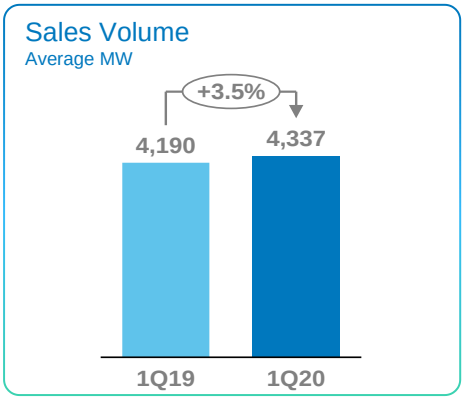


* Net of taxes and trading operations.

➢ 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.

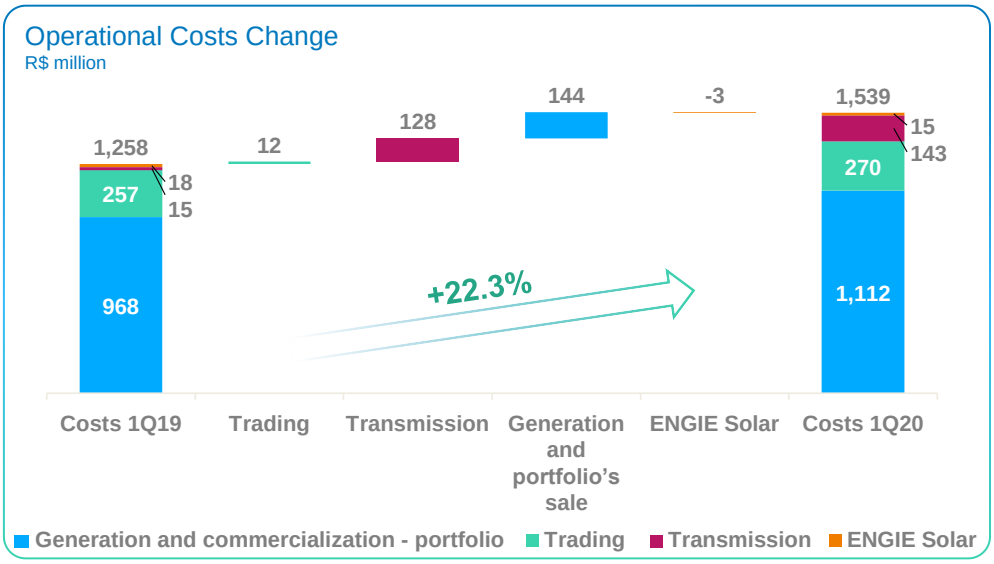
Operational Costs

	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:

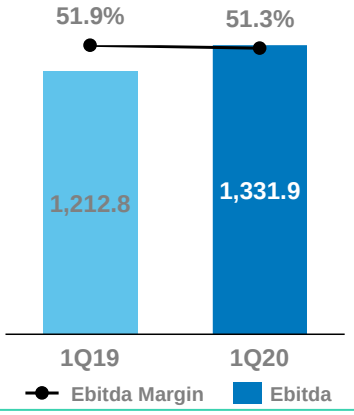
Ebitda – in R$ million	1Q20	
	100%	Company's share
TAG (29.25%)		
Income before financial result and taxes	**836.0**	**244.5**
Depreciation and amortization	382.9	112.0
Ebitda	**1,218.9**	**356.5**

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.

Ebitda[1] and Ebitda Margin



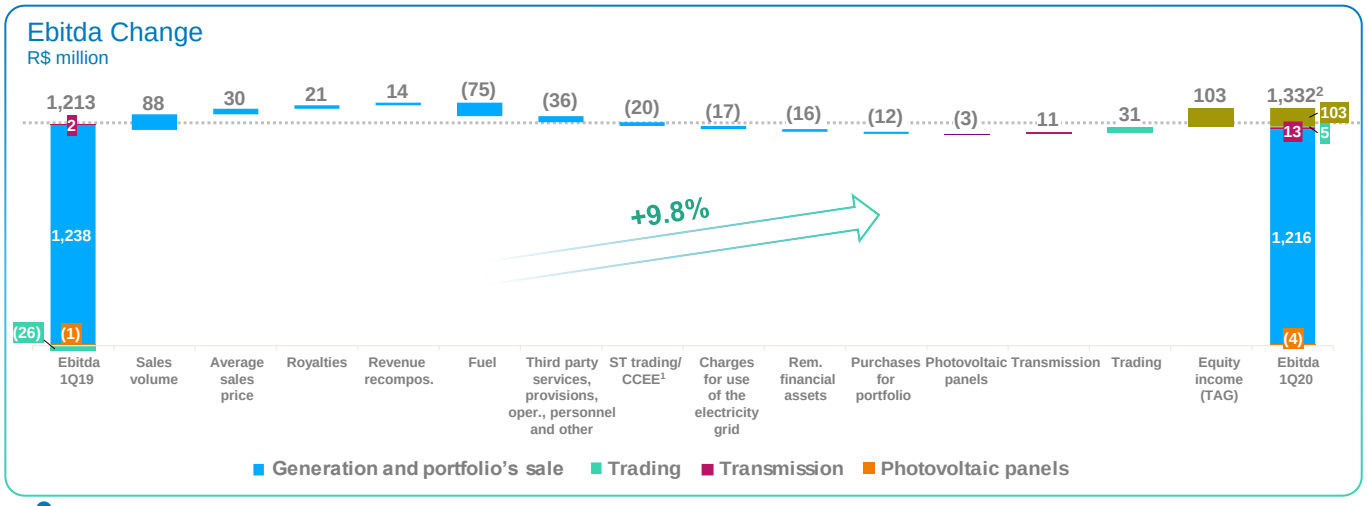
[1] Ebitda: net income + income tax and social contribution and financial expenses, net + depreciation and amortization + impairment.

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.

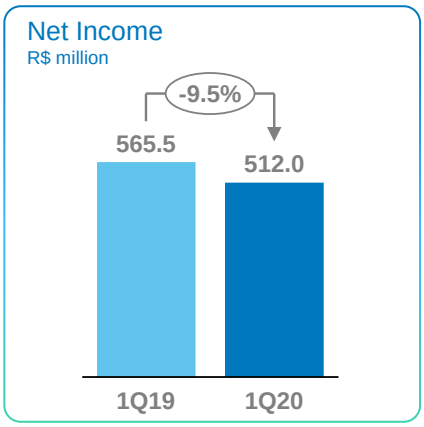
Financial expenses: expenses in 1Q20 were R$ 436.4 million, R$ 195.2 million or 80.9% more than reported for the same quarter in 2019 of R$ 241.2 million. Key variations were: (i) an increase of R$ 125.3 million in interest and R$ 53.9 million in monetary restatement and in the adjustment of fair value 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.

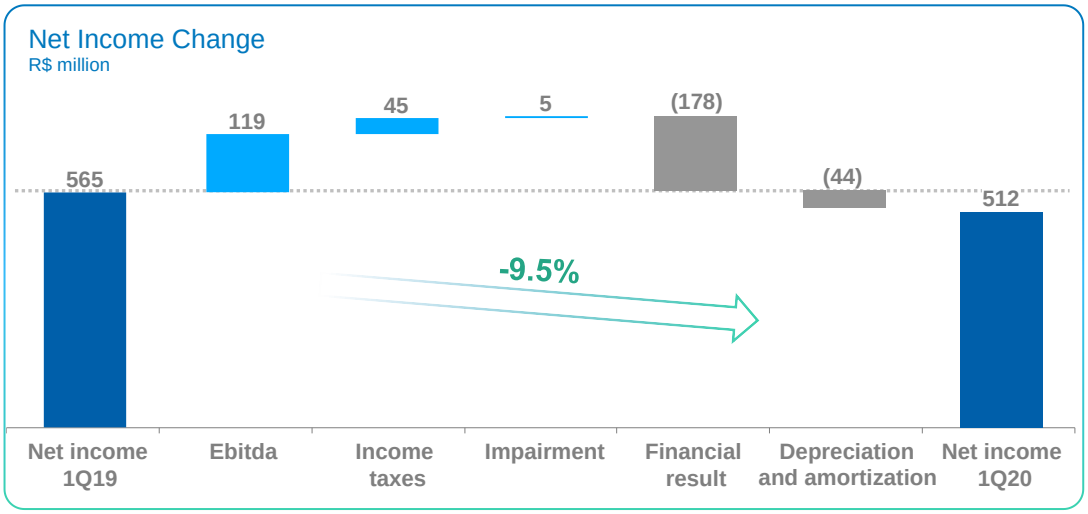
Income Tax and Social Contribution

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.

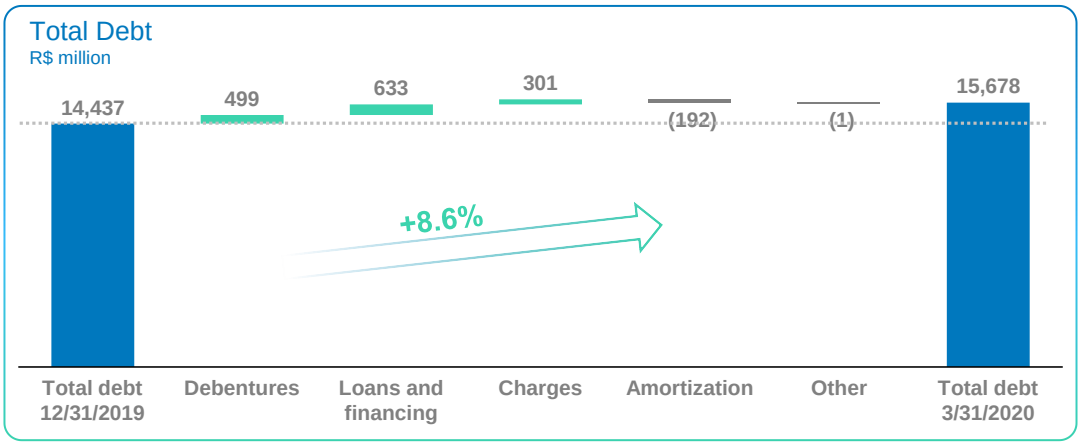


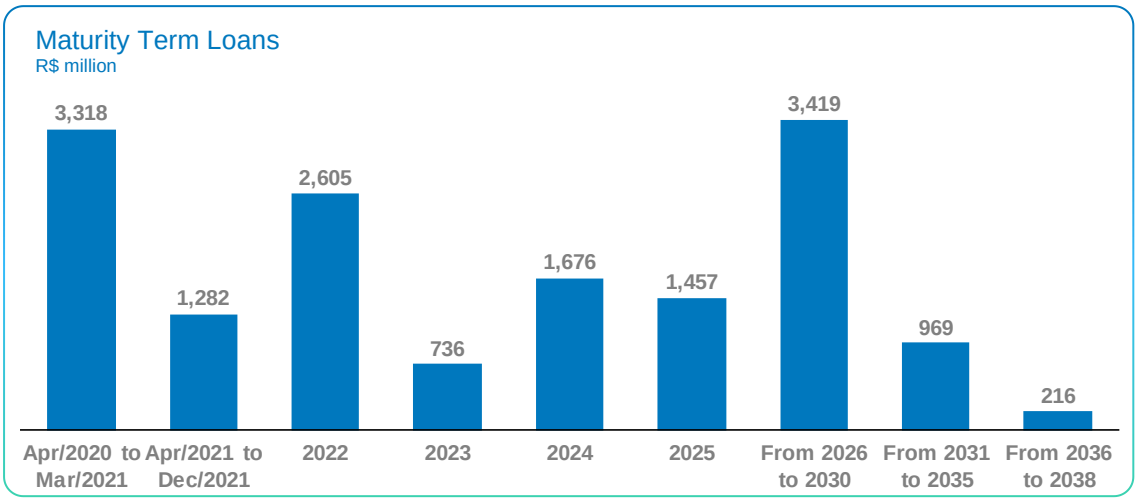


Debt

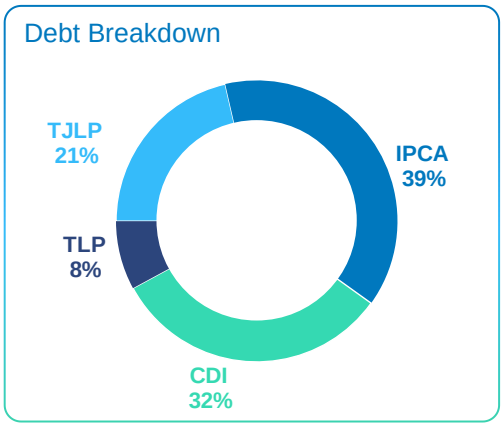
The Company's **total gross consolidated debt** as at March 31, 2020, represented mainly by loans, financing and debentures, net of the effects of hedge operations, **totaled R$ 15,678.2 million, an increase of 8.6%** (R$ 1,241.5 million) compared to the position as at December 31, 2019.

The variation in the Company's debt is related essentially to a combination of the following events during the 1Q20: (i) the issue of debentures for R$ 499.1 million with the purpose of providing working capital to finance the implementation of the Company's transmission projects; (ii) raising of loan amounting to R$ 633.2 million from overseas financial institution, totally protected by swap operation for safeguarding future cash flows; (iii) generation of R$ 301.4 million in charges incurred to be paid and monetary restatement; and (iv) R$ 191.9 million in amortization of loans and financing.





The **average weighted nominal cost of debt** at the end of the 1Q20 was **6.1%** (9.1% at the end of the 1Q19).



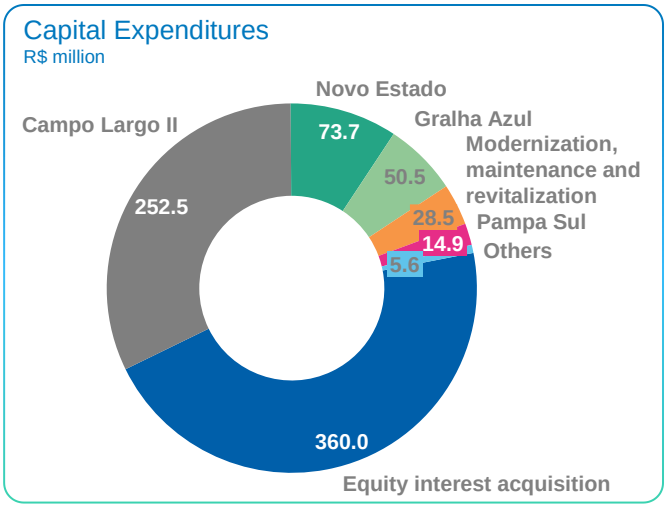
On March 31, 2020, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 11,084.0 million**, **an increase of 8.8%** compared with the end of 2019.

Net Debt
R$ million

	3/31/2020	12/31/2019	Chg. %
Gross debt	16,926.3	14,763.1	14.7
Result of derivatives operations	(1,248.0)	(326.3)	282.4
Deposits earmarked for the payment of debt	(406.2)	(374.7)	8.4
Cash and cash equivalents	(4,188.1)	(3,870.3)	8.2
Total net debt	**11,084.0**	**10,191.8**	**8.8**
Net debt x Ebitda	**2.1x**	**2.0x**	

Capital Expenditures

ENGIE Brasil Energia's **total investments in 1Q20 were R$ 785.7 million**, of which: (i) R$ 360.0 million for the acquisition of 100% of Novo Estado Transmissora de Energia equity interest, a project to be implemented in the states of Pará and Tocantins, out of a total up to R$ 410.0 million, the difference to be settled once contractual conditions precedent are satisfied; (ii) R$ 397.2 million was invested in construction of new projects: (ii.i) R$ 252.5 million concentrated in the Campo Largo Wind Complex – Phase II; (ii.ii) R$ 73.7 million in the Novo Estado Transmissora de Energia; (ii.iii) R$ 50.5 million in the Gralha Azul Transmission Line; (ii.iv) R$ 14.9 million in the construction of Pampa Sul TPP; and (ii.v) R$ 5.6 million in other investments; (iii) R$ 24.3 million were allocated in the maintenance and revitalization projects of the generating complex; and (iv) R$ 4.2 million was dedicated to modernization in the Salto Osório Hydroelectric Power Plants.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

All plants under the Company's responsibility adhere to ENGIE Brasil Energia Sustainable Management Policy, which covers the areas of Quality, Energy Management, Environment, Climate Change, Occupational Health and Safety, Social Responsibility and Engagement of Related Parties. On March 31, 2020, out of the 60 plants installed in 13 states of Brazil's five regions, 12 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards, with an aggregate capacity of 77.9% of the total operated by the Company. The Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

In addition to the Sustainable Management Policy mentioned above, other commitments to sustainable development can be accessed from Company's website, covering such themes as Human Rights and Ethics. The Sustainability Reports are published annually according to the recommendations of the Global Reporting Initiative (GRI) and the framework of International Integrated Reporting Council (IIRC).

Sustainability Forum

ENGIE Brasil Energia Sustainability Forum was set up in 2007 and is currently made up of 12 members drawn from different areas, more especially those related most closely to stakeholders, such as shareholders, clients, suppliers, employees, the media and communities. Coordination is the responsibility of the Administrative Director's Office while one of the Committee members is the Board employees' representative. Among others, the Forum has as its objectives to:

- Contribute towards maintaining the balance of interests of the different stakeholders in relation to the Company;
- Develop awareness programs to propagate concepts and practices of sustainability among both internal and external audiences;
- Contribute to the use of best corporate governance practices; and
- Propose, obtain approval from the Management Board and work on a coordinated basis with the organizational units to achieve the annual corporate sustainability goals ("ENGIE Brasil Energia Sustainability Goals"). These goals are based on four Programs — Cultural Development, Environmental Improvement, Social Inclusion and Education for Sustainability —, with initiatives linked to indicators and weightings so permitting an evaluation at the end of each year.

Highlights of the Quarter

- Between January 28 and 31, an audit was conducted at the Estreito Hydroelectric Power Plant to verify compliance with criteria under the Equator ´Principles. The criteria are based on International Finance Corporation's (IFC) benchmarks for the Performance Standards on Environmental and Social Sustainability and on the World Bank Group's General Environmental, Health and Safety Guidelines (EHS Guidelines).
- On January 28, 2020, ENGIE Brasil Energia joined the Movimento Mulher 360 (360 Woman's Movement). This movement consists of a group of more than 60 companies committed to promoting diversity and expanding the participation of women in the corporate world.

- The leading event in tennis in South America, this year held in the second half of February, the Rio Open was for the first time CO2 neutral thanks to EBE's donation of carbon credits together with other actions on the part of the event's organization. This partnership compensated approximately 1,000 tons greenhouse gas emissions and equivalent to planting 6.6 thousand trees annually.
- Between, March 10 and 13, a training session was held for teachers, principals and pedagogues from approximately 130 municipal schools surrounding the Salto Santiago and Salto Osório Hydroelectric Power Plants. The aim of the training session was to present the Sustainable Development Goals (SDGs), published by the United National Organization, and to announce the conditions for participation in the TransformAção 2020 project and part of the Visiting Program. TransformAção seeks to provide visibility and recognition to projects related to the SDGs conducted by the schools themselves in their communities. In 2019, we were able influence in some way more than twenty-thousand people throughout the region
- Banco Itaú renewed its partnership for a further year with the ENGIE Group with the purchase of carbon credits from the Lages Cogeneration Unit, whereby the bank will offset its greenhouse gas emissions.

Sustainability Indices

Since 2012, it has been standard practice of the Company to include the principal sustainability indicators for each period in its quarterly and annually results presentations. The following table shows the indicators for 1Q20 X 1Q19, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index[3]	Material themes	GRI disclosure[4]	1Q20	1Q19	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Managemen	102-7, EU1	60	55	5
2		Installed capacity		102-7, EU1	10,431	9,996	4.4%
3		Proprietary capacity		102-7, EU1	8,710	8,275	5.3%
4		Number of certified plants		102-16, EU6	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	77.9%	81.3%	-3.4 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,229	9,139	1.0%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.5%	91.4%	-2.9 p.p.
9		Energy generation (GWh)		EU2	7,886	11,399	-30.8%
10		Certified energy generation		102-16, EU6	6,065	9,842	-38.4%
11		Certified energy generation in relation to the total		102-16, EU6	76.9%	86.3%	-9.4 p.p.
12		Energy generation from renewable sources (GWh)		EU2	6,392	10,437	-38.8%
13		Energy generation from renewable sources in relation to the total		EU2	81.1%	91.6%	-10.5 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	96.8%	97.2%	-0.4 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	91.0%	92.9%	-1.9 p.p.
16	Environment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Emissions Management - Boost of prosperity on local communities - Biodiversity	304-2, 413-1	15,857	122,972	-87.1%
17		Number of visitors at the plants		413-1	1,659	8,925	-81.4%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.952	0.945	0.7%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.180	0.080	126.4%
20	Occupatio-nal Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[5]	- Teams and community safety - Foster good social and environmental practices between suppliers and customers.	403-2	0.000	0.000	-
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[6]		403-2	0.000	0.000	-
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5]		403-2	1.610	0.920	↑
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5]		403-2	0.000	0.410	↓
24	Social Responsibi-lity[7]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	268.2	581.7	-53.9%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	596.4	1,298.6	-54.1%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	1,877.5	3,868.7	-51.5%
27		Investments through the Sport Incentive Law		203-2, 413-1	184.0	340.0	-45.9%
28		Investments through National Program of Support to Oncology Care (Pronon)		203-2, 413-1	0.0	0.0	-
29		Investments through the National Care Support Program for People with Special Needs (Pronas/PCD)		203-2, 413-1	0.0	0.0	-
30		Investments through the Municipal Fund for the Elderly		203-2, 413-1	300.8	209.0	43.9%

Notes:
[1] Additional information regarding the sustainability at the Company are available at Sustainability Report (www.engie.com.br/en/investors/financial-information).
[2] Reference: ENGIE Sustainable Management Policy.
[3] Figures at 3/31/2020.
[4] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[5] TF = number of occupational accidents for every million hours of exposure to hazards.
[6] TG = number of days lost due to occupational accidents for every thousand hours of exposure to hazards.
[7] Amounts in thousands of reais.

CORPORATE GOVERNANCE

The Company seeks to regularly improve its management mechanisms, with optimization of control procedures, compliance and transparency. It is a component of the Novo Mercado, the listing segment for companies with the highest level of corporate governance trading their shares on the Stock Exchange. This segment was subject to a revision in 2017 to increase the general requirements of the segment's regulations. Since then, the Company has endeavored to use our best efforts to implement the changes as soon as possible. A multidisciplinary working party was constituted to address the theme and in the light of the first results, an Audit Committee was established with an independent member of the Board of Directors and a further two members who are also independent. The aim of the Committee is to advise the Board of Directors on ethical matters, internal controls, the internal and external audit and risk management. On another related front, the management of corporate compliance procedures was improved, implementing three policies to give greater transparency to the activities and procedures of senior management: Nomination, Remuneration and Evaluation.

Additionally, the Company is a component of the Stock Exchange Sustainability Index (ISE). ENGIE Brasil Energia's Board of Directors comprises nine effective members, one representing the employees while two are independent directors. None of the Board members hold executive positions in the Company and consequently the Chairman of the Board does not occupy the position of Chief Executive Officer. With the exception of the member chosen by the employees, all are elected by the shareholders at the Annual General Meeting.

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Forum responsible for constantly updating the Code and for evaluating ethical issues. **In 2013, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption:** an initiative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch.

ENGIE Brasil Energia's dividend policy establishes a minimum mandatory dividend of 30% of net income for the fiscal year, adjusted pursuant to Law 6,404/76. In addition, the Company policy determines the intention of paying in each calendar year dividends and/or interest on shareholders' equity for a value of not less than 55% of adjusted net income in the form of semi-annual payouts.

With respect to the asset transfer model and other transactions with related parties, ENGIE Brasil Energia and its controlling shareholder understand that its existing corporate governance standards should be raised even further. Among the initiatives implemented stands out the creation, by means of adaptation to the Company's Bylaw, of the Special Independent **Committee for Valuation of Transactions with Related Parties**, a non-permanent body, which, when called, will be composed in its majority by independent directors of the ENGIE Brasil Energia's Board. This Committee was instrumental in the acquisition of the stake in Transportadora Associada de Gás (TAG).

CAPITAL MARKETS

Since its listing on B3's Novo Mercado, ENGIE Brasil Energia has become a component of the Special Corporate Governance Stock Index (IGC) and the Special Tag Along Stock Index (ITAG), incorporating those companies offering greater protection to minority shareholders in the event of the sale of a controlling stake. The Company's shares are also included in the Corporate Sustainability Stock Index (ISE), comprising companies with a recognized commitment to social and corporate responsibility, as well as the Electric Energy Stock Index (IEE), which is a sector index made up of the more significant listed companies in the industry. The Company' shares are also traded on B3's leading stock index – the Ibovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

ENGIE Brasil Energia's shares are traded on the B3 under the **EGIE3** symbol. On the United States Over-The-Counter (OTC) market, the Company's Level 1 American Depositary Receipts (ADR) are traded under the **EGIEY Code**, one ADR being equivalent to one common share.

In December 2018, the 32nd Extraordinary General Meeting of the Company approved the capital increase with the issue of 163,185,548 new common, book entry shares with no par value, distributed to its shareholders in the form of a bonus issue in the proportion of 1 new share for every 4 common shares already held. The benefits of the bonus were extended to the ADRs in the same proportion.

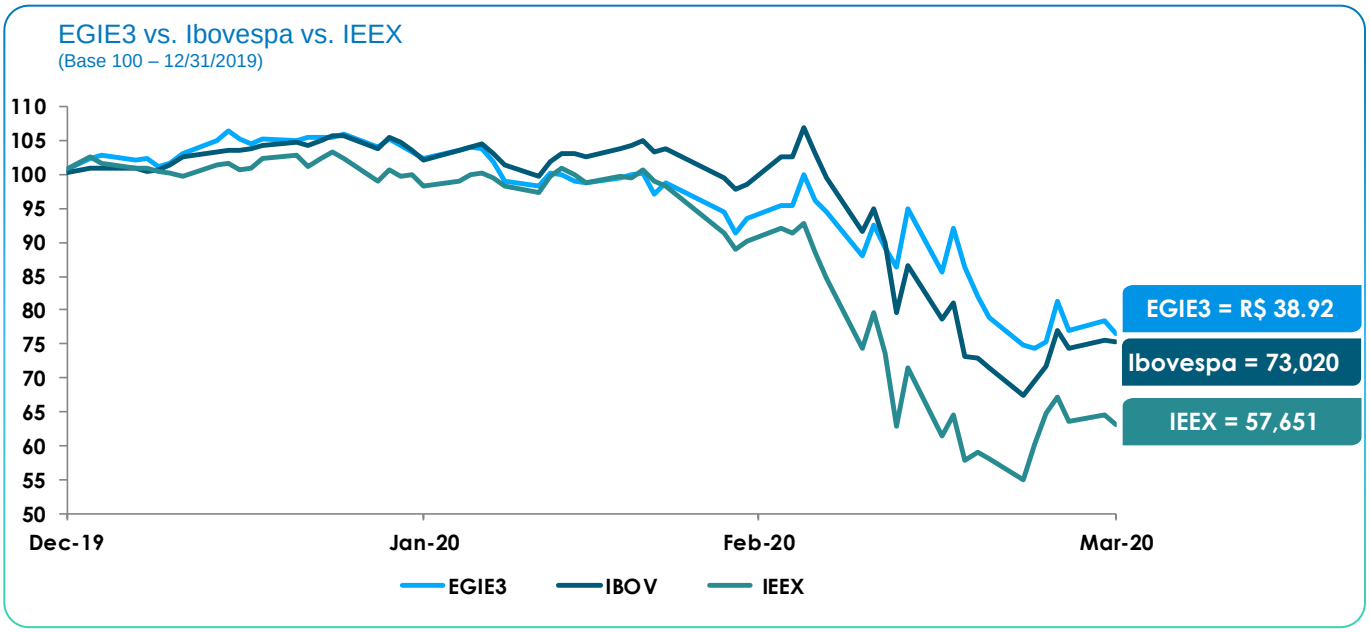
Share Performance – EGIE3

The Brazilian stock exchange reported a decline across the board in the first quarter of 2020, impacted primarily by the effects of the new coronavirus pandemic (Covid-19), the oil price war and by domestic political and economic problems. The Covid-19 inspired recession saw the circuit breaker mechanism activated on several occasions during trading over a short period of time, leading the Brazilian market to leave the threshold of 120 thousand points to reach 64 thousand points. The advancing pandemic coupled with lower oil prices negatively impacted bourses worldwide.

ENGIE Brasil Energia equities reported a depreciation of 23.4% in the first quarter of 2020, similar to the performance of the Electric Energy Stock Index (IEEX), which fell 24.8%, albeit better than the Ibovespa, which lost 36.9%, closing the quarter at 73 thousand points.

EGIE3's average daily trading volume was R$ 91.3 million in 1Q20, 49.5% greater than the R$ 61.1 million in 1Q19.

EBE's shares on the last trading day of March 2020 closed at R$ 38.92/share**, equivalent to a Company market capitalization of R$ 31.8 billion.**



Upcoming Event

ENGIE Brasil Energia will be holding the following events to discuss the earnings results:

Conference call with Webcast
(In Portuguese — simultaneous translation into English)

Date: June 25, 2020
Time: 10:00 a.m. (EDT) / 11:00 a.m. (BRT)

Connection numbers:
Participants in the USA: +1 (516) 300-1066 / 1-866-866-2673 (Toll Free)
Participants in the UK: + 44 (20) 3478-5282
Participants in Brazil: +55 (11) 3127-4971 / (11) 3728-5971
Access code: ENGIE

Webcast

The access links will be found at the company's website (www.engie.com.br), at the Investors section.

A replay will be available from June 25th to July 1st, 2020. Access by dialing: +55 (11) 3127-4999, code: 63674971 (Portuguese) and 22911363 (English).

Important

This release contains information and opinions on future events subject to risks and uncertainties, which are based on current forecasts, projections and tendencies in relation to the Company´s businesses. Innumerous factors can affect the estimates and assumptions on which these opinions are based. For this reason, the estimates and forward looking statements in this release may not become a reality. In the light of these restrictions, shareholders and investors should not adopt any decisions based on estimates, projections and forward looking statements contained in this release.

ATTACHMENT I
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — ASSETS

(In thousands of R$)	3/31/2020	12/31/2019
Current Assets	**7,305,287**	**6,745,671**
Cash and cash equivalents	4,188,050	3,870,261
Accounts receivables from clients	1,479,169	1,451,227
Credit of income tax and social contribution	102,619	166,833
Insurance claim receivable	19	10,719
Inventory	198,491	220,964
Unrealized gains on hedging transactions	361,925	115,131
Unrealized gains on trading transactions	354,987	288,771
Restricted deposits	4,894	4,856
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	298,630	296,232
Non current asset held for sale	4,829	4,829
Other current assets	296,585	300,759
Non Current Assets	**24,093,911**	**23,389,907**
Long Term Assets	**4,732,137**	**3,652,141**
Unrealized gains on hedging transactions	998,137	311,577
Unrealized gains on trading transactions	51,457	42,695
Restricted deposits	455,900	381,064
Deposits in court	104,932	102,878
Renegotiation of hydrological risk to appropriate	111,914	115,686
Concession financial assets	2,421,044	2,411,942
Contractual assets	526,524	217,611
Other non current assets	62,229	68,688
Investments	**2,282,430**	**2,948,920**
Property, Plant and Equipment	**15,393,404**	**15,330,211**
Intangible	**1,526,303**	**1,296,769**
Right of use of leases	**159,637**	**161,866**
Total	**31,399,198**	**30,135,578**

ATTACHMENT II
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED BALANCE SHEET — LIABILITIES

(In thousands of R$)	3/31/2020	12/31/2019
Current Liabilities	**5,865,344**	**5,979,644**
Suppliers	767,785	765,020
Dividends and interest on shareholder´s equity	307,426	1,197,924
Loans and financing	1,887,843	1,637,691
Debentures	1,774,802	1,204,469
Lease liabilities	19,852	19,824
Tax and social contribution obligations payable	32,383	176,395
Other fiscal and regulatory obligations	96,846	104,855
Labor obligations	123,539	106,005
Unrealized losses on trading transactions	326,939	258,305
Concessions payable	162,208	145,136
Provision	7,157	8,579
Obligations related to retirement benefits	42,909	42,909
Other current liabilities	315,655	312,532
Non Current Liabilities	**18,786,312**	**17,157,114**
Loans and financing	8,456,941	7,181,363
Debentures	4,806,665	4,739,535
Lease liabilities	113,369	114,483
Unrealized losses on trading transactions	25,324	20,644
Concessions payable	3,159,000	3,091,354
Provision	287,675	288,301
Obligations related to retirement benefits	364,491	364,253
Deferred income taxes and social contribution	1,097,910	941,468
Other non current liabilities	474,937	415,713
Shareholders' Equity	**6,747,542**	**6,998,820**
Share capital	4,902,648	4,902,648
Net income reserves	2,123,245	2,123,245
Adjustment on fixed asset	(803,319)	(30,739)
Retained earnings	520,840	-
Non controlling interests	4,128	3,666
Total	**31,399,198**	**30,135,578**

ATTACHMENT III
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED INCOME STATEMENT

(Valores em R$ mil)	1T20	1T19	Var. %
Receita Operacional Líquida	**2,594,594**	**2,338,759**	**10.9**
Custos Operacionais	**(1,538,974)**	**(1,257,967)**	**22.3**
Compras de energia	(605,421)	(582,018)	4.0
Transações no mercado de energia de curto prazo	(118,061)	(133,312)	-11.4
Encargos de uso da rede elétrica e conexão	(141,049)	(124,097)	13.7
Combustíveis para geração	(95,174)	(20,266)	369.6
Compensação financeira pela utilização de recursos hídricos (*royalties*)	(17,372)	(38,032)	-54.3
Pessoal	(73,789)	(58,531)	26.1
Materiais e serviços de terceiros	(84,067)	(57,326)	46.6
Depreciação e amortização	(230,244)	(187,192)	23.0
Seguros	(20,091)	(13,698)	46.7
Reversão (Constituição) de provisões operacionais líquidas	7,190	(267)	-2,792.9
Custo da implementação de infraestrutura de transmissão	(142,815)	(15,251)	836.4
Custo da venda de painéis solares fotovoltaicos	(8,993)	(14,956)	-39.9
Outros	(9,088)	(13,021)	-30.2
Lucro Bruto	**1,055,620**	**1,080,792**	**-2.3**
Receitas (Despesas) Operacionais	**(61,997)**	**(64,151)**	**-3.4**
Despesas com vendas, gerais e administrativas	(62,116)	(59,115)	5.1
Provisão para redução ao valor recuperável de ativos	-	(4,900)	-100.0
Outras receitas (despesas) operacionais, líquidas	119	(136)	-187.5
Resultado de Participações Societárias	**102,901**	**-**	**100.0**
Equivalência patrimonial	102,901	-	100.0
Lucro Antes do Resultado Financeiro e Tributos Sobre o Lucro	**1,096,524**	**1,016,641**	**7.9**
Resultado Financeiro	**(392,256)**	**(214,123)**	**83.2**
Receitas financeiras	44,105	27,110	62.7
Despesas financeiras	(436,361)	(241,233)	80.9
Lucro Antes dos Tributos sobre o Lucro	**704,268**	**802,518**	**-12.2**
Imposto de renda	(139,345)	(169,372)	-17.7
Contribuição social	(52,903)	(67,656)	-21.8
Lucro Líquido do Exercício	**512,020**	**565,490**	**-9.5**
Lucro atribuído aos:			
Acionistas da ENGIE Brasil Energia	511,558	565,184	-9.5
Acionista não controlador da Ibitiúva Bionergética S.A.	462	306	51.0
Número de Ações Ordinárias	**815,927,740**	**815,927,740**	
Lucro Líquido por Ação	**0.6270**	**0.6927**	**-9.5**

ATTACHMENT IV
ENGIE BRASIL ENERGIA S.A.
CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of R$)	1Q20	1Q19
Cash Flow from Operating Activities		
Income before taxes on income	704,268	802,518
Reconciliation of net income with operating cash flow:		
Equity loss	(102,901)	-
Depreciation and amortization	235,388	191,227
Impairment	-	4,900
Monetary variation	130,716	71,655
Interests	289,283	155,097
Remuneration of concession assets	(91,490)	(100,154)
Unrealized (losses) gains on trading operations	(1,664)	26,617
Others	(6,575)	2,951
Adjusted Net Income	**1,157,025**	**1,154,811**
Increase (reduction) in assets		
Accounts receivables from clients	(26,303)	(171,697)
Tax credits recoverable	64,381	(1,276)
Inventory	22,473	(66,929)
Deposits in court and restricted deposits	(44,248)	(28,373)
Renegotiation of hydrological risk to appropriate	3,772	3,772
Financial concession asset	70,665	64,367
Insurance claim receivable	10,700	74,780
Contract assets	(146,309)	(15,652)
Other assets	22,427	40,402
Increase (reduction) in liabilities		
Suppliers	(18,057)	24,083
Other fiscal and regulatory obligations	(10,228)	(7,395)
Labor obligations	17,534	13,385
Obligations related to retirement benefits	(6,656)	(7,123)
Fuel to pay to the CDE	(10,813)	(5,046)
Other liabilities	14,491	47,800
Cash Generated from Operating Activities	**1,120,854**	**1,119,909**
Payment of interests on debt, net of hedge	(71,988)	(36,570)
Payment of income tax and social contribution	(135,096)	(131,862)
Net Cash from Operating Activities	**913,770**	**951,477**
Investments Activities	**(598,297)**	**(658,499)**
Payments on investments in companies, net of cash and cash equivalents acquired	(316,776)	-
Used in fixed assets and intangibles	(281,521)	(658,499)
Financing Activities	**2,316**	**(1,758,496)**
Loans and financing contracted	632,153	58,653
Debentures contracted	499,127	-
Payment of loans and financing, net of hedge	(119,899)	(184,809)
Payments of concessions payable	(36,417)	(18,247)
Debt servicing deposits	(27,830)	(43,891)
Payments of dividends and interest on shareholders' equity	(940,155)	(1,535,144)
Payments of leases	(5,143)	(34,236)
Others	480	(822)
Increase (Decrease) in Cash and Cash Equivalents	**317,789**	**(1,465,518)**
Reconciliation of Cash and Cash Equivalents		
Opening balance	3,870,261	2,415,792
Closing balance	4,188,050	950,274
Increase (Decrease) in Cash and Cash Equivalents	**317,789**	**(1,465,518)**
Transactions that do Not Affect Cash and Cash Equivalents		
Offsetting of income tax and social contribution	(1,321)	4,086
Supplier's of fixed assets and intangibles	1,962	(87,221)
Capitalized interest and monetary variation	8,155	95,637
Acquisition of subsidiaries - Novo Estado	136,069	-