ENGIE Brasil Energia focuses efforts on mitigating impacts of the Covid-19 pandemic.

Ebitda and net income reached R$ 1,431.6 million and R$ 765.8 million, respectively.

Approved, payout of R$ 677.7 million in interim dividends, equivalent to 55% of the distributable net income reported for first half 2020.

Highlights

- EBE reported net operating revenue of R$ 2,686.5 million for the second quarter of 2020 (2Q20), 23.4% (R$ 510.0 million) higher than posted in 2Q19.
- Ebitda[1] reached R$ 1,431.6 million in the 2Q20, an increase of 36.1% (R$ 379.6 million) compared to the 2Q19. Ebitda margin was 53.3% in the 2Q20, 5.0 p.p. higher than in the 2Q19.
- Net income was R$ 765.8 million (R$ 0.9385/share) for the 2Q20, 98.7% (R$ 380.4 million) higher than reported in the 2Q19.
- The average price of energy sales agreements, net of revenue taxes and trading operations was R$ 195.79/MWh in the 2Q20, 3.1% higher than in the 2Q19.
- The volume of energy sold in the 2Q20, excluding trading operations, was 8,895 GWh (4,073 average MW), volume 1.2% higher than commercialized in the 2Q19.
- Actions taken to tackle the Covid-19 pandemic intensified during the quarter with home office working widely adopted, operational teams working on a shift basis, the use of rapid testing methods, protocols for hygienization as well as joint initiatives with the community.
- The Carbon Credits Project of the Campo Largo Wind Complex – Phase II was registered under the Clean Development Mechanism (CDM) and will contribute to a reduction of approximately 790 thousand tons of CO_2 emissions.
- The Company reported consistent energy sales for delivery in the 2021 to 2025 period, maintaining average net sales price at R$ 190.0/MWh. Uncontracted commercial capacity volume fell by approximately 100 average MW in 2021 and 2022, and more than 150 average MW in the 2023 to 2025 period.

Subsequent Events

- The new E-conomiza product was launched in July and designed to help companies migrate to the Free Market for energy.
- On July 20, EBE signed an agreement to acquire additional 3.25% interest in Transportadora Associada de Gás (TAG), out of the remaining 10% minority stake Petrobras still held, for the amount of R$ 327.2 million.
- The Board of Directors approved the payout of R$ 677.7 million in the form of interim dividends (R$ 0.8305737385/share), equivalent to 55% of the distributable net income reported for the first half of 2020. The shares will trade ex-dividend from August 10, 2020, payout to be made on a date to be decided by the Management Board.

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated

(In millions of R$)	2Q20	2Q19	Chg.	6M20	6M19	Chg.
Net Operating Revenue (NOR)	2,686.5	2,176.5	23.4%	5,281.1	4,515.2	17.0%
Results from Operations (EBIT)	1,198.8	848.4	41.3%	2,295.3	1,865.1	23.1%
Ebitda [1]	1,431.6	1,052.0	36.1%	2,763.5	2,264.8	22.0%
Ebitda / NOR - (%) [1]	53.3	48.3	5.0 p.p.	52.3	50.2	2.1 p.p.
Net Income	765.8	385.4	98.7%	1,277.8	950.9	34.4%
Return On Equity (ROE) [2]	35.5	30.4	5.1 p.p.	35.5	30.4	5.1 p.p.
Return On Invested Capital (ROIC) [3]	19.1	17.5	1.7 p.p.	19.1	17.5	1.7 p.p.
Net Debt [4]	10,771.9	11,371.2	-5.3%	10,771.9	11,371.2	-5.3%
Gross Power Production (avg MW) [5]	2,190	4,446	-50.7%	2,901	4,859	-40.3%
Energy Sold (avg MW) [6]	4,073	4,025	1.2%	4,205	4,107	2.4%
Average Net Sales Price (R$/MWh) [7]	195.79	189.87	3.1%	193.92	188.96	2.6%
Number of Employees - Total	1,645	1,413	16.4%	1,645	1,413	16.4%
EBE Employees	1,575	1,386	13.6%	1,575	1,386	13.6%
Employees on Under Construction Plants	70	27	159.3%	70	27	159.3%

[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.

Florianópolis, Brazil, July 30, 2020. ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia", "EBE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the Second Quarter ending June 30, 2020 (2Q20). 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.

For Immediate Release

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Conference call and webcast:
On 7/31/2020 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

While we were adapting to home office working during the second quarter 2020, ENGIE Brasil Energia continued committed to, and focused on, its long-term strategy. During this period, we remained both diligent and proactive. While work on new assets proceeded, we launched new products and proceeded apace with the process of aquiring an additional stake in Transportadora Associada de Gás S.A. (TAG). And all this at the same time that we remained vigilent in preserving the wellbeing of our employees, our operations and the communities in which we operate.

> "... we launched E-conomiza, a solution for companies endeavoring to reduce their energy bills through the simplified channel for migration to the Free Market."

EBE reported net operating revenues of R$ 2.7 billion, (+23.4% vs 2Q19), totaling R$ 5.3 billion in 1H20 (+17,0% vs 2H19). Ebitda recorded an increase of 36.1%, reaching R$ 1.4 billion in 2Q20, equivalent to an Ebitda Margin of 53.3% and accumulating R$ 2.8 billion for the year to date (+22.0% vs 1H19). Meanwhile, the Company posted an increase in Net Income of 98.7% in relation to the same quarter in 2019, reaching R$ 765.8 million in 2Q20 and R$ 1.3 billion in 1H20, a positive showing and reflecting the increase in installed capacity, average net selling price, larger energy sales volumes, equity income from TAG and last but not least, the non-recurring effects from successul legal actions together with indemnity payments for delays in the conclusion of construction work.

On the debt front, we also raised loans with the Brazilian Development Bank (BNDES) for work on the installation of the Campo Largo Wind Complex - Phase II, Gralha Azul Transmission System and Novo Estado Transmissora de Energia. In the case of the Campo Largo - Phase II and Gralha Azul projects, initial disbursements have already taken place. In relation to Novo Estado, we are in the process of complying with conditions precedent before drawing the first tranche. In spite of fresh debt, our net debt/Ebitda ratio was 1.9x, a slight reduction in relation to preceding periods.

As for the commercial area, we registered consistent sales during the quarter, thus allowing us to pare back uncontracted commercial capacity by about 100 average MW in 2021 and 2022, and more than 150 average MW from 2023 through 2025, at the same time maintaining average sales prices. As part of our search for new avenues as a retail trader in the Free Energy Market, we launched E-conomiza, a solution for companies endeavoring to reduce their energy bills through the simplified channel of migration to the Free Market. The focus of E-conomiza is on companies with monthly energy expenditure of at least R$ 40 thousand or alternatively those companies where the sum total of all their consumer units surpasses this amount. Our energy specialists handle the entire migration process as well as the direct agreements with the Electric Power Trade Board (CCEE), obviating the need for direct company association. E-conomiza further encourages the search for free consumers with lower energy requirements.

The Company also saw progress in governance, in May, the Board of Directors installing the Audit Committee, comprised of three independent members for advising the Board of Directors on the management of risk, ethical issues, internal controls, compliance and internal and external audits, and aligned to best Novo Mercado governance practice.

In the social field, two of ENGIE's sustainable development projects were selected by the Economic Commission for Latin America and the Caribbean (CEPAL) as cases of transformational investments towards a sustainable economy. Both projects are located in southern of Brazil: Sistema Agroflorestal Cambona 4, developed in partnership with the Machadinho Consortium, responsible for improving the productivity of yerba mate cultivation for the local communities, generating income and employment; and the Lages Co-Generation Unit, exemplifying the transformational potential of the circular economy, using waste from the local timber industry for generating electricity and steam. Both will feature in a special publication and will be shown at events throughout the country. This selection of case studies is aimed at raising the visibility of experiences and innovations which are producing concrete results in advancing sustainable development.

We wish to thank all – employees, clients, investors, communities and other stakeholders – for their efforts during the quarter. Our energy has not stopped since today more than ever, energy cannot stop.



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 2Q20 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 June 30, 2020

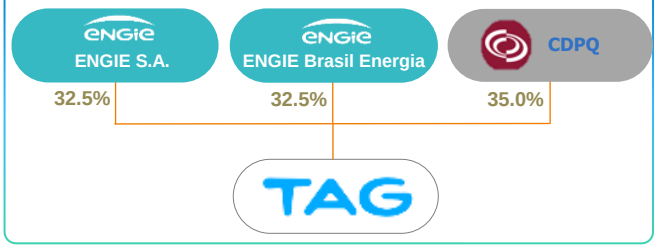
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28	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.

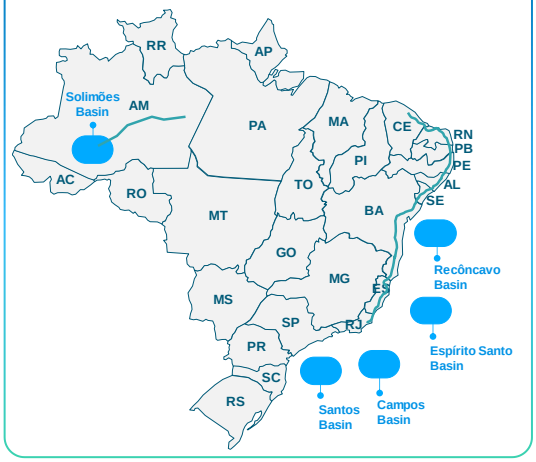
Gas Transportation Assets

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.

Jointly with the existing partners, a subsidiary of ENGIE S.A. and Caísse de dépôt et placement du Quebec (CDPQ), in July EBE acquired the remaining 10% minority stake still in the hands of Petrobras and worth R$ 1,006.7 million, so that the Company now holds a total of 32.5% of TAG's shares.

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.

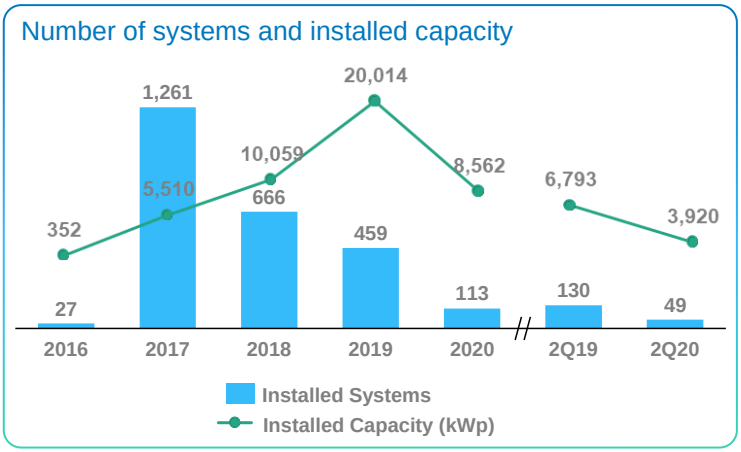
Distributed Solar Generation

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.



System installed by EGSD.

The B2B (business-to-business) segment strengthens the Company's relationship with leading corporations responsible for projects with higher installed capacities and representing 86.3% of total commercialized capacity in the 2Q20 (5.1 MWp). Total sales are distributed throughout the country, 12.4% in the Southeast, 17.8% in the South and 69.8% in the Central-Western region, and particularly in this latter region where the trademark is increasingly consolidating its penetration in the Brazilian agro-industrial sector.



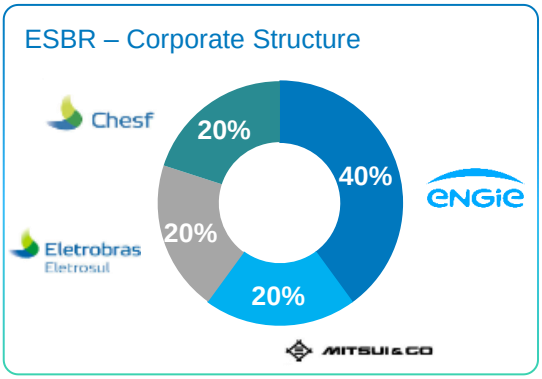
In 2Q20, 49 systems were deployed with an installed capacity of 3,920 kWp. However, there was also a deceleration in commercial activities, principally in the light of the Covid-19 pandemic.

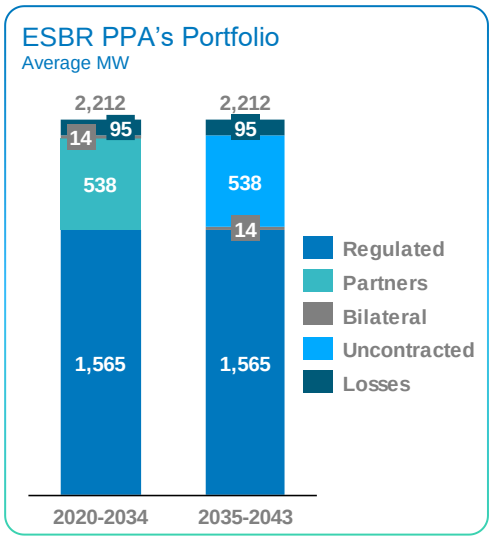
Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,526 systems with an installed capacity of 44,497 kWp. Worthy of note however is the increase in the average installed power of the installed systems from 44 kWp in 2019 to 75 kWp in 2020, largely due to the company's 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.

In 2Q20, the plant generated 2,199.2 average MW, 27.7% lower than the 3,040.5 average MW for 2Q19, while the National Electrical System Operator Uptime Ratio (FID) was 99.6% (data subject to final Electric Energy Trade Board (CCEE) booking). The decline in generation was due to limitations imposed by the National Electric System Operator (ONS), principally during periods when load was down due to the Covid-19 pandemic related reduction in demand.

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, but EBE estimates to reduce this deadline to September 2021, an anticipation of 18 months. The estimated reduction in investment relative to that stipulated by Aneel remains at approximately 15%.

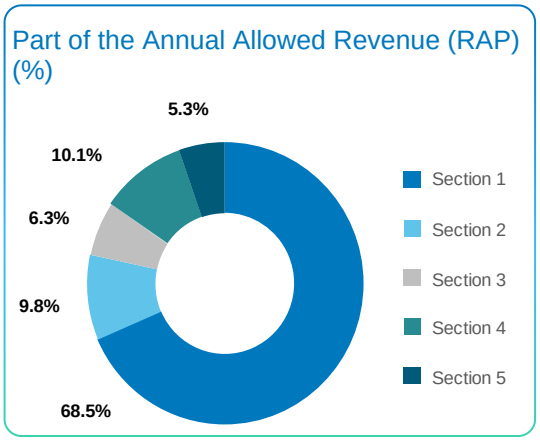
The project's financing contract was signed with the Brazilian Development Bank (BNDES) on March 30, 2020.

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



First transmission tower of Gralha Azul



From the environmental licensing standpoint, the necessary authorizations have already been issued for work on installation to begin. As to activities involving property rights, all land-related issues have been negotiated amicably or through the courts, with 84% of rights of way released for work to be executed. Processes for incorporating the rights of way in land registry documentation and the judicial processes where an amicable agreement has not been possible, continue to advance.

Begun in September, 2019, civil work on the Ponta Grossa substation, the main investment in the project, continues to progress. Likewise, work continues on the remaining substations (União da Vitória, Guarapuava, Irati Norte and Castro Norte) and on substation expansions included in the scope of the project.

Work on installing the 525KV and 230KV transmission lines also proceeds apace and involving brush clearance, execution of work on foundations and pre-assembly of the metallic structures.

The executive project is 95% concluded and supply at an advanced stage in relation to the baseline, hundreds of items of equipment having already been delivered to the work site including: circuit breakers, switches, concrete and metallic structures, wind turbine towers, power and earthing cables, among others.

Finally, it is worth noting that despite the pandemic, work on the project progresses with no alteration to conclusion date, albeit with some restrictions in place in the light of mitigating actions to preserve the health and safety of the employees, outsourced personnel and the 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 and on May 29, 2020, the First Amendment Instrument to the respective Concession Agreement was signed, consolidating transfer of ownership.

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). The leading contractors began mobilizing on March 16, 2020, construction beginning in April with activities at the construction sites. On May 18, a start was made on the civil work itself.

On June 26, 2020, a project financing agreement was signed with the BNDES.

The cutoff date for the transmission systems to go into operation is March 9, 2023, but EBE's forecast is to reduce this period to December 2021.

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	-	192.5
Total			**361.2**	**361.2**		**192.5**

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 192.5 average MW of assured energy with investments of about R$ 1.6 billion. Operations are scheduled to complete early in 2021.



Unloading the T1 section of the tower on the CL XIV – 02 platform

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).

During the second quarter 2020, work stopped on three separate occasions due to decisions by the local municipal government. The most recent municipal ordinance has permitted a gradual resumption of operatios at the site as from July 8, 2020.

Civil work continued during the quarter. Medium voltage networks are being installed, those interlinking the wind turbines to the collector substation, together with work on expansion of the latter, proceeding as well as a start on the manufacture and delivery of the wind turbines. The two elevator transformers for the substation expansion work have already been delivered onsite.

All the installation licences for the eleven wind farms comprising the project have been issued thus allowing activities to proceed in all areas of the project. Requests for operating licenses for the first wind farms have already been filed. The agreement for financing the project was signed with the BNDES on April 27, 2020.

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
Campo Largo Solar Complex	Solar	Umburanas e Sento Sé (BA)	400.0	400.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	250.0	250.0
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			**1,910.0**	**1,910.0**

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, with a **total installed capacity reaching 800 MW**. 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 and in June 2020, a request for the installation license was filed with Idema. The first phase of the project is at an advanced stage, installed capacity being close to 434 MW. Once the development stages are concluded, we shall endeavor to ensure that work begins in the first half of 2021 and the energizing of the machinery, by the end of 2022.

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 and Umburanas – Phase I Wind Complexes, thus maximizing synergies during implementation and subsequent commercial operations. The project now has all the documentation necessary to participate in energy auctions. **The currently installed capacity planned for the project is approximately 250 MW**, taking advantage of the best wind resources in the region.

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 I and II 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.

Campo Largo Photovoltaic Complex. Situated in the same area as the Campo Largo Wind Complex (Bahia State), the photovoltaic project is to have 12 photovoltaic solar energy plants, these totaling a **potential installation capacity of 400 MW**. The projects are at the development phase but a preliminary license from the local environmental protection agency has already been obtained.

Besides the abovementioned projects, the Company is also examining opportunities in areas with hight photovoltaic potential, as well as 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.

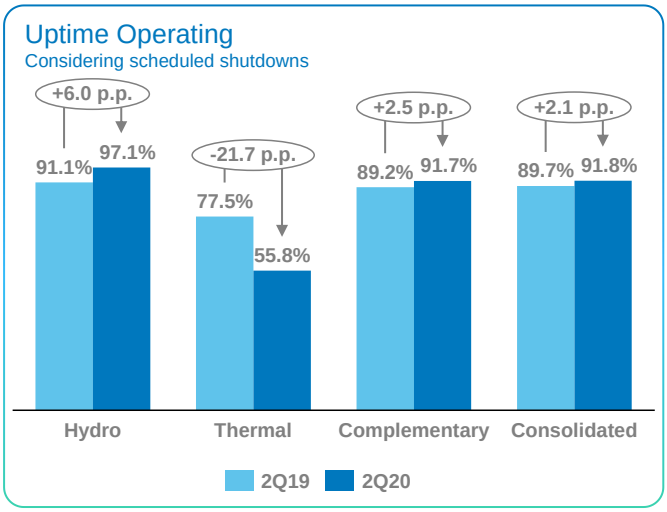
OPERATING PERFORMANCE

Energy Generating Park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **96.7% in 2Q20, ignoring scheduled stoppages**: 99.7% for the hydroelectric plants, 78.6% for the thermoelectric plants and 94.4% 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 2Q20 was 91.8%: 97.1% for the hydroelectric plants, 55.8% for the thermoelectric and 91.7% for plants operating with complementary energy sources.

Uptime at the hydroelectric plants during the quarter, considering all scheduled stoppages, reported an increase (6.0 p.p.) due to maintenance work on the Jaguara and Estreito Hydroelectric Power Plants as well as modernization at the Itá Hydroelectric Power Plant, carried out in the 2Q19.



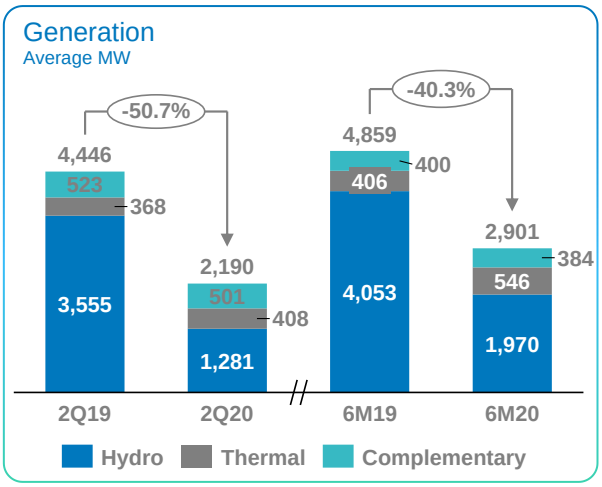
In relation to the thermoelectric plants, there was a considerable reduction in uptime ratios (21.7 p.p.) relative to 2Q19, reflecting corrective, preventive and predictive stoppages at the plants in the Jorge Lacerda Thermoelectric Complex and also the conclusion of pending and corrective work on the Pampa Sul Power Plant which went into commercial operations in late 2Q19.

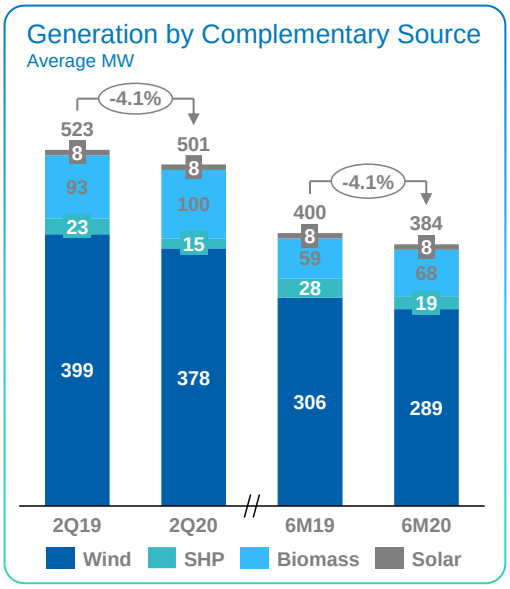
Plants using complementary energy sources recorded uptime ratios practically unchanged in relation to 2Q19, albeit reporting a slight uptick (2.5 p.p.), principally due to improvements in operational processes at the new wind farms post entry into commercial operations.

Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 4,784 GWh (2,190 average MW) in 2Q20. This result is **50.7% lower** than production for 2Q19. Total output breaks down as follows: hydroelectric plants, 2,798 GWh (1,281 average MW), thermoelectric plants 891 GWh (408 average MW) and the complementary sourced units 1,094 GWh (501 average MW). Results point, respectively, to reductions of 64.0% and 4.1% on the hydro and complementary energy sources, and increase of 10.9% on termoelectric energy sources, in relation to 2Q19.

The reduction in total generation at the hydroelectric plants in 2Q20 compared to 2Q19, is partially due to less favorable hydrological conditions in the hydrographic basins where the Company's plants are situated, the greatest impact being in the southern subsystem. The National Interconnected System (SIN) also registered a year-on-year reduction in global load due to the Covid-19 pandemic.





On the other hand, the increase in generation from the Company's thermal power plants was due in large part to the increase in average generation from Pampa Sul Thermal Power Plant compared to the same quarter 2019, when the plant was operating on a test basis only.

There was a small reduction in generation from the complementary power plants, mainly due to wind variability but also to the decline in global load through the national grid system, largely the impact of the Covid-19 pandemic.

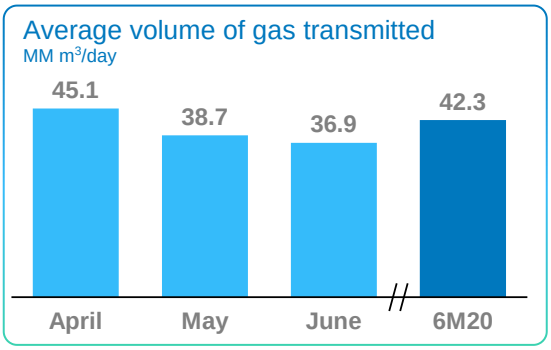
In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance 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).

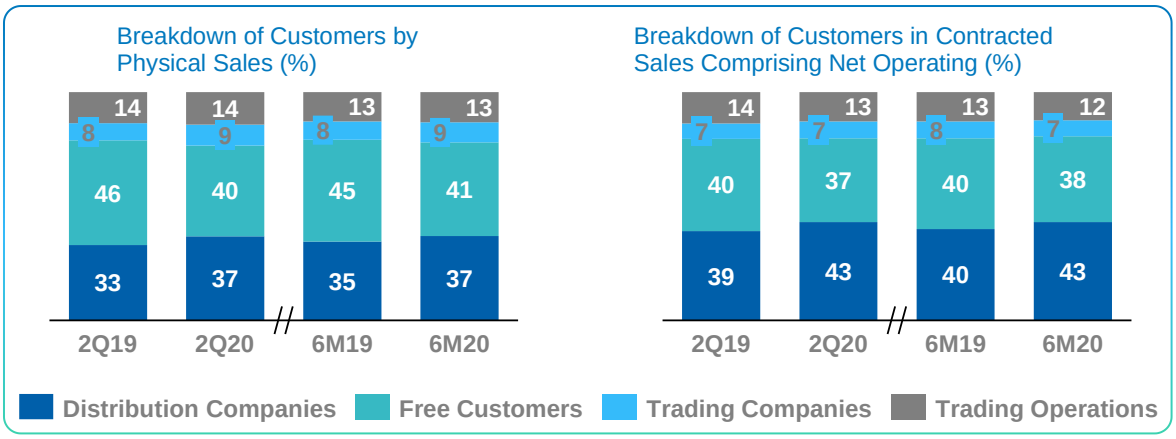
In 2Q20, TAG transmitted an average volume of gas of 40.2 million m^3/day.



Electric Energy Sales Portfolio

In 2Q20, the free consumer share of the Company's portfolio was 39.7% of total physical sales and 36.7% of the total net operating revenue (except CCEE and other revenues), decreases of 6.1 p.p. and 3.7 p.p., respectively in relation to the same quarter in 2019.

The year-on-year reduction in free consumer participation in total physical sales and in net operating revenue, was essentially due to reduced consumption by industrial clients, again a reflection of the Covid-19 pandemic, unconsumed energy volumes being settled through the Electric Power Trade Board (CCEE).



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 **June 30, 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$/MWh)
Own Resources	4,699	4,844	4,913	4,909	4,909	4,907				
+ Purchases for Resale	1,623	917	785	561	338	294				
= Total Resources (A)	**6,322**	**5,761**	**5,698**	**5,470**	**5,247**	**5,201**				
Government Auction Sales[1]	2,010	2,010	2,010	2,010	2,005	2,005				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	239.3	215.0
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	263.1	236.4
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	274.2	246.4
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	247.0	222.0
Proinfa	19	19	19	19	19	19	147.8	Jun-04	305.3	294.2
1st Reserve Energy Auction	12	12	12	12	12	12	158.1	Aug-08	296.1	285.3
Auction Mix (New Energy / Reserve / DG)	14	14	14	14	9	9	-	-	288.9	278.4
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	260.0	233.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	271.5	261.6
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	184.0	167.0
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	233.1	211.6
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	356.3	323.3
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	184.3	167.3
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	148.4	141.6
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	167.4	159.7
+ Bilateral Sales	3,504	3,180	2,923	2,372	1,584	1,067				
= Total Sales (B)	**5,514**	**5,190**	**4,933**	**4,382**	**3,589**	**3,072**				
Balance (A - B)	**808**	**571**	**765**	**1,088**	**1,658**	**2,129**				
Sales average **net** price (R$/MWh) [2, 3]:	190.0	190.3	190.4							
Purchases average **net** price (R$/MWh) [4]:	180.1	177.3	171.7							

[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 – 2Q20 x 2Q19 (in R$ million)					
	Electric energy					
	Generation[1]	Transmission[2]	Trading	Solar panels	Gas transportation	Consolidated
2Q20						
Net operating revenue	1,990.1	433.8	254.1	8.5	-	2,686.5
Operational costs	(907.3)	(413.2)	(250.8)	(11.1)	-	(1,582.4)
Gross income (loss)	**1,082.8**	**20.6**	**3.3**	**(2.6)**	**-**	**1,104.1**
Selling, general and administrative expenses	(64.7)	(0.2)	(0.6)	(1.1)	-	(66.6)
Other operating expenses, net	(0.2)	-	-	-	-	(0.2)
Equity income	-	-	-	-	161.5	161.5
Income (loss) before financial results and taxes	**1,017.9**	**20.4**	**2.7**	**(3.7)**	**161.5**	**1,198.8**
2Q19						
Net operating revenue	1,862.2	22.4	268.6	23.3	-	2,176.5
Operational costs	(933.0)	(19.6)	(268.9)	(22.4)	-	(1,243.9)
Gross income (loss)	**929.2**	**2.8**	**(0.3)**	**0.9**	**-**	**932.6**
Selling, general and administrative expenses	(55.0)	(0.1)	(1.0)	(1.6)	-	(57.7)
Other operating revenues, net	0.4	-	-	-	-	0.4
Equity income	-	-	-	-	(26.8)	(26.8)
Income (loss) before financial results and taxes	**874.6**	**2.7**	**(1.3)**	**(0.7)**	**(26.8)**	**848.5**
Variation						
Net operating revenue	127.9	411.4	(14.5)	(14.8)	-	510.0
Operational costs	25.7	(393.6)	18.1	11.3	-	(338.5)
Gross income (loss)	**153.6**	**17.8**	**3.6**	**(3.5)**	**-**	**171.5**
Selling, general and administrative expenses	(9.7)	(0.1)	0.4	0.5	-	(8.9)
Other operating revenues (expenses), net	(0.6)	-	-	-	-	(0.6)
Equity income	-	-	-	-	188.3	188.3
Income (loss) before financial results and taxes	**143.3**	**17.7**	**4.0**	**(3.0)**	**188.3**	**350.3**

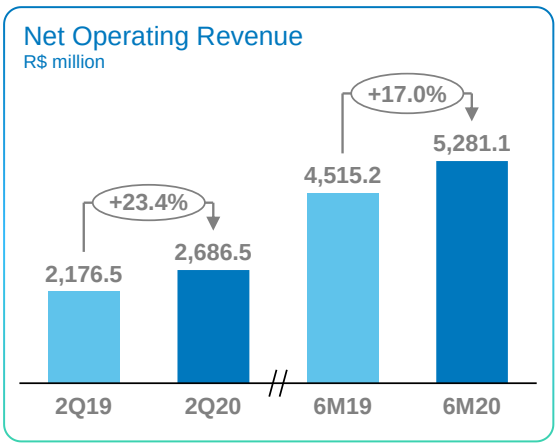
The Company's financial result is not allocated by segment since Management administers the cash flow on a corporate basis.

[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.

Net Operating Revenue

	Operating revenue by segment – 2Q20 x 2Q19 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
2Q20					
Distribution companies	860.8	-	-	-	860.8
Free consumers	732.9	-	-	-	732.9
Construction revenue	-	423.2	-	-	423.2
Energy trading operations	-	-	257.6	-	257.6
Trading companies	147.9	-	-	-	147.9
Remuneration of concession financial assets	53.0	10.6	-	-	63.6
Transactions in the short-term market	58.7	-	1.7	-	60.4
Services rendered revenue	30.1	-	-	-	30.1
Unrealized gains on trading operations[3]	-	-	(5.2)	-	(5.2)
Gain of lawsuit	79.9	-	-	-	79.9
Other revenues	26.8	-	-	8.5	35.3
Net operating revenue	**1,990.1**	**433.8**	**254.1**	**8.5**	**2,686.5**
2Q19					
Distribution companies	756.7	-	-	-	756.7
Free consumers	780.8	-	-	-	780.8
Construction revenue	-	20.0	-	-	20.0
Energy trading operations	-	-	264.0	-	264.0
Trading companies	131.3	-	-	-	131.3
Remuneration of concession financial assets	89.6	2.4	-	-	92.0
Transactions in the short-term market	68.8	-	4.6	-	73.4
Services rendered revenue	27.8	-	-	-	27.8
Other revenues	7.2	-	-	23.3	30.5
Net operating revenue	**1,862.2**	**22.4**	**268.6**	**23.3**	**2,176.5**
Variation					
Distribution companies	104.1	-	-	-	104.1
Free consumers	(47.9)	-	-	-	(47.9)
Construction revenue	-	403.2	-	-	403.2
Energy trading operations	-	-	(6.4)	-	(6.4)
Trading companies	16.6	-	-	-	16.6
Remuneration of concession financial assets	(36.6)	8.2	-	-	(28.4)
Transactions in the short-term market	(10.1)	-	(2.9)	-	(13.0)
Services rendered revenue	2.3	-	-	-	2.3
Unrealized gains on trading operations	-	-	(5.2)	-	(5.2)
Gain of lawsuit	79.9	-	-	-	79.9
Other revenues	19.6	-	-	(14.8)	4.8
Net operating revenue	**127.9**	**411.4**	**(14.5)**	**(14.8)**	**510.0**

In 2Q20, net operating revenue increased 23.4% (R$ 510.0 million) compared to 2Q19 from R$ 2,176.5 million to R$ 2,686.5 million. This increase reflected mainly the following factors:



Generation and sale of energy from the portfolio: an increase of R$ 127.9 million (6.9%), substantially due to increases of (i) R$ 79.9 million non-recurring revenue from tax recovery; (ii) R$ 37.2 million corresponding to the increase in net average sales price; (iii) R$ 35.6 million due to the greater amount of energy sold; (iv) R$ 20.2 million relating above all to booking in 2Q20 of revenue from indemnity payments for delays in the conclusion of construction work and a contractual penalty fee for plant downtime – included under the "Other Revenues" line; and (v) R$ 2.3 million of Generation Asset Management (GAG) revenue from the Jaguara and Miranda Hydroelectric Power Plants; partially attenuated by the following decreases: (vi) R$ 36.6 million in remuneration of the financial assets for the portion of the payment for the Jaguara and Miranda concessions grant applying to energy delivered under the Regulated Contracting Environment (ACR) due to lower inflation between quarters; and (vii) R$ 10.1 million from transactions conducted on the short-term market, principally the CCEE.

[3] In 2Q20, the Company recorded a reduction in unrealized gains in trading operations through the subsidiary ENGIE Brasil Energia Comercializadora Ltda ("EBC").

Of the variations registered under items (ii), (iii) and (vii), R$ 147.7 million came from activities of the Pampa Sul Thermoelectric Power Plant (Pampa Sul), which went into commercial operations on June 28, 2019.

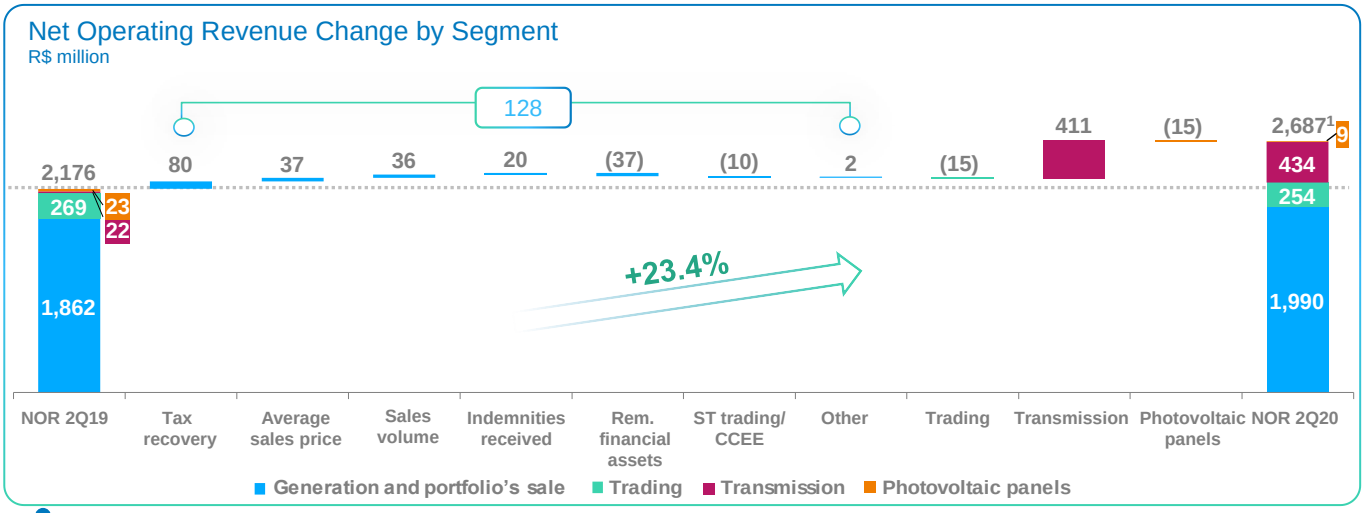
If the effects involving Pampa Sul and the non-recurring effect of the lawsuit ruled in favor of the Company, mentioned in item (i) are not considered, then net operating revenue from the generation and sale of electric energy segment from the Company's portfolio would have reported a reduction of R$ 99.7 million (5.4%) in 2Q20 compared to 2Q19. This reduction was largely driven by the following elements: (i) retraction of consumption on the part of free consumers, in turn reflecting fallout from the Covid-19 pandemic triggering the contractual flexibility clause permitting a reduction in contracted energy, partially compensated by the increase in average price of energy sold; (ii) reduction of average price and volume in the revenues with the distribution companies; (iii) decrease in remuneration of concession assets; (iv) an increase in revenues from indemnity payments for delays in concluding work and the collection of a contractual fine for plant downtime; and (v) an increase in revenues with trading companies.

Transmission: increase of R$ 411.4 million due to the acquisition and the start on work at Novo Estado Transmissora de Energia (Novo Estado) and progress made in work on the Gralha Azul Transmission System (Gralha Azul). Worthy of mention here is that this book revenue from the construction of transmission assets is a reflection of the application of CPC 47 Accounting Pronouncements – Revenue Recognition due to Client Contracts.

Trading: a reduction of R$ 14.5 million (5.4%) arising from reduced revenue from operations and the negative result following marking to market of future sales.

Solar panels: a decline of R$ 14.8 million (63.5%) in sales and installation of solar panels due to the retraction in this market during ther second quarter.

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.

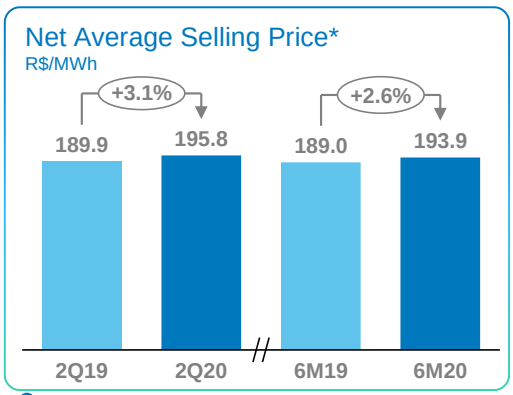
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

The average selling price of energy, net of charges on revenue, was **R$ 195.79/MWh in 2Q20, 3.1% higher** than reported in 2Q19, when the price stood at R$ 189.87/MWh.

The increase in price was driven largely by monetary restatement of current agreements, by the average selling price of energy generated from Pampa Sul – higher than the average for the other existing purchase agreements with distributors -, and by the increase in average price for free consumers, in turn due to new agreements with prices higher than those already in force. However, these effects were partially offset by new agreements with traders at prices lower than the average for existing or expired agreements.

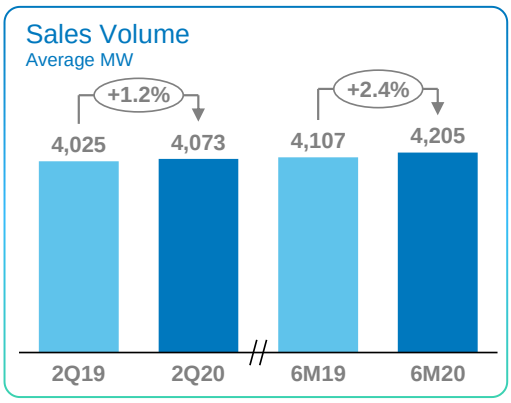


* Net of taxes and trading operations.

➢ Sales Volume

Energy sales volume under agreements increased from 8,790 GWh (4,025 average MW) in 2Q19 to **8,895 GWh (4,073 average MW) in 2Q20**, an increase of 105 GWh (48 average MW) between comparative periods (1.2%).

The increase in sales volume is mainly the result of the entry into commercial operations of Pampa Sul which sold 293 average MW in the quarter as well as fresh transactions with trading houses, but partially attenuated by a reduction in free consumer demand principally reflecting the economic downturn caused by the Covid-19 pandemic, by agreements expiring in 2019 within the scope of the Electric Energy Commercialization Agreement in the Regulated Environment (CCEAR), and by operations under the Surplus and Deficit Compensation Mechanism (MCSD).



➢ Revenue from Sale of Electric Energy

• Distribution Companies:

Revenue from sale to distributors reached R$ 860.8 million in 2Q20, R$ 104.1 million (13.8%) higher than R$ 756.7 million recorded in 2Q19. This increase was driven by the following factors: (i) R$ 102.6 million — an increase of 454 GWh (208 average MW) in sales volume; and (ii) R$ 1.5 million — an increase of 0.2% in the net average price of sales.

The increase in sales volume was the result mainly of the entry into commercial operations of Pampa Sul, power output and earmarked for fulfilling supplies under the new energy auctions. This resulted in revenues of R$ 149.8 million, partially attenuated by contractual reductions via MCSD and the booking reimbursements under agreements in the regulated environment.

The increase in the average net sales price was substantially motivated by the average price in the sale of energy from Pampa Sul, higher than the average of existing contracts, attenuated by lower average prices for agreements involving energy sales closed with Umburanas – Phase I.

• Free Consumers:

Net sales revenue from free consumers decreased by R$ 47.9 million (6.1%) between the comparative quarters, falling from R$ 780.8 million in 2Q19 to R$ 732.9 million in 2Q20. The following events contributed to this variation: (i) R$ 97.2 million — a reduction of 546 GWh (250 average MW) in energy sales volume; and (ii) R$ 49.3 million — a growth of 6.3% in net average price of sales.

The reduction in energy sales volume is again a reflection of the Covid-19 pandemic and the prevailing uncertainties surrounding the recovery in the economy with a corresponding impact on energy demand caused by reduced consumption of industrial clients in line with the limits under agreement flexibility clauses. As a result, energy volume unsold to free consumers was settled on the CCEE. This decrease was partially offset by new agreements in 2Q20 and profile changes from trading companies to free consumers.

Higher prices are due largely to new agreements with average prices higher than the average for existing or expired agreements. There was also the impact of monetary restatement on existing agreements.

• Trading Companies:

In 2Q20, sales revenue from trading companies was R$ 147.9 million, R$ 16.6 million (12.6%) more than the R$ 131.3 million in 2Q19. This growth reflects a combination of the following aspects: (i) R$ 30.2 million — an increase of 197 GWh (90 average MW) in energy volume sold; and (ii) R$ 13.6 million — a decrease of 10.4% in the net average price of sales.

Year-on-year growth in volume is due principally to new agreements closed in 2020, in turn reflecting portfolio management strategy, partially attenuated by migration of part of the clients that had previously acquired their energy through trading companies, subsequently transferring to the free consumer profile between 2019 and 2020.

The reduction in prices is basically the result of new agreements at lower prices than the average for existing or expired agreements as well as a decline in prices in the National Interconnected System in 2020 with the onset of Covid-19, partially attenuated by monetary restatement of prevailing agreements.

➢ 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) in the case of 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$ 89.6 million in 2Q19 to R$ 53.0 million **in 2Q20, a reduction of R$ 36.6 million (40.8%)**. 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.

➢ Transactions in the Short-term Energy Market

In 2Q20, revenues reported from transactions in the short-term market were R$ 58.7 million, while in 2Q19, these same revenues amounted to R$ 68.8 million, a **reduction of R$ 10.1 million (14.7%)** between the two compared quarters. Additional explanations on these operations and related variations are to be found under “Details of short-term operations”.

➢ Lawsuit Ruled in Favor of the Company – Tax Recovery

On May 18, 2020, the Company received a favorable decision res judicata that guaranteed the Company the right to reimbursement, either by compensation or restitution, federal tax credits, duly restated at the Selic basic rate of interest. In the light of this event, the Company booked R$ 79.9 million in 2Q20. The amount in question was restated monetarily with a R$ 72.9 million impact on the financial result for 2Q20. The Company will take steps to recover the tax credits according to the legal provisions laid down by the Brazilian Internal Revenue Service and is using its best efforts to raise the necessary substantiating documentation for delivery to the fiscal authorities when requested.

➢ Solar Panels

Revenue from solar panel sales and installation by the ENGIE Geração Solar Distribuída S.A. (EGSD) subsidiary between the quarters under analysis, **posted a decline of R$ 14.8 million (63.5%)** from R$ 23.3 million in 2Q19 to **R$ 8.5 million in 2Q20**. In 2Q20, EGSD installed a total of 49 systems with an installed capacity of 3,920 kWp, compared to 6,793 kWp registered in 2Q19 and corresponding to a total of 130 installed systems. The year-on-year deceleration of commercial activities was principally due to the Covid-19 outbreak in Brazil.

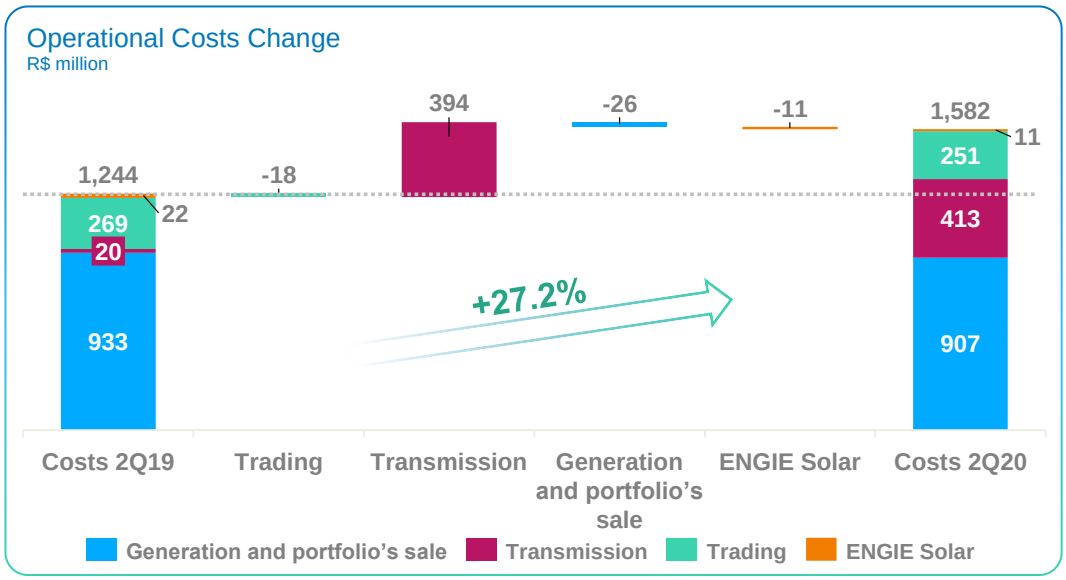
Operational Costs

	Costs by segment – 2Q20 x 2Q19 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
2Q20					
Electric power purchases	337.2	-	241.7	-	578.9
Construction costs	-	413.2	-	-	413.2
Depreciation and amortization	227.9	-	-	-	227.9
Charges for the use of and connection to the power grid	136.4	-	-	-	136.4
Materials and third-party services	71.5	-	-	3.3	74.8
Personnel	64.3	-	-	2.4	66.7
Transactions in the short-term market	57.4	-	-	-	57.4
Insurance	18.5	-	-	-	18.5
Unrealized losses on trading operations	-	-	9.1	-	9.1
Cost of selling solar panels	-	-	-	5.4	5.4
Royalties	3.7	-	-	-	3.7
Fuel for generation	(10.5)	-	-	-	(10.5)
Operating provisions, net	(12.8)	-	-	-	(12.8)
Other operational costs, net	13.7	-	-	-	13.7
Operational costs	**907.3**	**413.2**	**250.8**	**11.1**	**1,582.4**
2Q19					
Electric power purchases	371.0	-	261.8	-	632.8
Construction costs	-	19.6	-	-	19.6
Depreciation and amortization	199.5	-	-	-	199.5
Charges for the use of and connection to the power grid	123.0	-	-	-	123.0
Materials and third-party services	55.1	-	-	4.7	59.8
Personnel	62.8	-	-	2.3	65.1
Transactions in the short-term market	49.5	-	-	-	49.5
Insurance	20.5	-	-	-	20.5
Unrealized losses on trading operations	-	-	7.1	-	7.1
Cost of selling solar panels	-	-	-	14.9	14.9
Royalties	27.5	-	-	-	27.5
Fuel for generation	19.2	-	-	-	19.2
Operating provisions, net	(3.2)	-	-	-	(3.2)
Other operational costs, net	8.1	-	-	0.5	8.6
Operational costs	**933.0**	**19.6**	**268.9**	**22.4**	**1,243.9**
Variation					
Electric power purchases	(33.8)	-	(20.1)	-	(53.9)
Construction costs	-	393.6	-	-	393.6
Depreciation and amortization	28.4	-	-	-	28.4
Charges for the use of and connection to the power grid	13.4	-	-	-	13.4
Materials and third-party services	16.4	-	-	(1.4)	15.0
Personnel	1.5	-	-	0.1	1.6
Transactions in the short-term market	7.9	-	-	-	7.9
Insurance	(2.0)	-	-	-	(2.0)
Unrealized losses on trading operations	-	-	2.0	-	2.0
Cost of selling solar panels	-	-	-	(9.5)	(9.5)
Royalties	(23.8)	-	-	-	(23.8)
Fuel for generation	(29.7)	-	-	-	(29.7)
Operating provisions, net	(9.6)	-	-	-	(9.6)
Other operational costs, net	5.6	-	-	(0.5)	5.1
Operational costs	**(25.7)**	**393.6**	**(18.1)**	**(11.3)**	**338.5**

Operational costs increased by R$ 338.5 million (27.2%) between comparative quarters from R$ 1,243.9 million in 2Q19 **to R$ 1,582.4 million in 2Q20**. This increase reflects the following elements: (i) the increase of R$ 393.6 million (2,008.2%) in transmission segment costs; (ii) a reduction in 2Q20 of R$ 25.7 million (2.8%) in relation to 2Q19 in costs of the generation and sale of electric energy segment from the Company's portfolio; (iii) decrease of R$ 18.1 million (6.7%) in the costs of energy trading operations; and (iv) a fall of R$ 11.3 million (50.4%) in solar panel sales and installation costs.

As to the variation in item (ii), of particular note was the increase of R$ 88.9 million due to the entry into commercial operations of Pampa Sul. If this factor is ignored, the operational costs for the generation and sale of electric energy segment from the Company's portfolio in 2Q20 would have fallen by R$ 114.6 million (12.4%) in relation to 2Q19. The principal reasons behind this reduction were: (i) greater reimbursement of fuel costs for generation at the Jorge Lacerda Thermolectric Power Plant; (ii) a reduction in energy purchases; and (iii) a decrease in royalty overheads.

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 2Q19 and 2Q20 there was a reduction of R$ 33.8 million (9.1%) in purchase operations for energy portfolio management operations due to: (i) R$ 27.3 million — a decrease of 145 GWh (66 average MW) in purchase volume and (ii) R$ 6.5 million — a decrease of 1.9% in the net average purchase price, which includes the short term purchases, which was R$ 188.41/MWh in 2Q19 falling to R$ 184.82/MWh in 2Q20.

The reduction in purchase volume between comparative periods was primarily due to the Company requiring to purchase energy as a result of the delay in the completion of construction at Pampa Sul in the first half of 2019. The Company reduced purchases with the entry into commercial operations of the plant at the end of June 2019. The decrease in the average purchase price is a reflection largely of the reduction in the Differences Settlement Price (PLD) between the two quarters given that 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$ 28.4 million (14.2%) between comparative quarters above all due to the entry into commercial operations of Pampa Sul, the impact of which was R$ 27.8 million. If the effect of Pampa Sul's entry into commercial operation is not considered, then the increase in these costs would have been R$ 0.6 million (0.3%) in 2Q20 compared with 2Q19.

» **Charges for use of and connection to the electricity grid:** an increase of R$ 13.4 million (10.9%) between the two quarters due above all to the entry into commercial operations of Pampa Sul, the impact of which was R$ 5.1 million. If this effect is discounted, the increase would have been R$ 8.3 million (7.0%), by and large reflecting the annual tariff readjustment for the transmission and distribution segments.

» **Material and third-party services:** an increase of R$ 16.4 million (29.8%) in 2Q20 in relation to the same quarter in 2019, resulting mainly from the increase of R$ 16.1 million in the costs of operations and maintenance due to new agreements following the entry into operations of Pampa Sul. If this effect is ignored, then costs with material and third-party services would have seen an increase of R$ 0.3 million (0.5%) between the compared quarters.

» **Personnel:** an increase of R$ 1.5 million (2.4%) in 2Q20 compared with the same quarter in 2019, the result of new hiring at Pampa Sul, this pushing up personnel costs by R$ 1.7 million on a year-on-year comparative basis. Discounting the effect of Pampa Sul, there would have been a reduction of R$ 0.2 million (0.3%) in 2Q20 compared with 2Q19.

» **Transactions in the short-term energy market:** on a 2Q19 X 2Q20 comparative basis, the costs with these transactions were R$ 7.9 million (16.0%) higher. This impact would have been R$ 6.2 million (12.5%) had it not been for the delays in bringing Pampa Sul on stream, the latter recording purchases of R$ 1.7 million in 2Q20. Greater explanations for these operations and on variation can be found under "Details of Short-Term Operations".

» **Insurance:** reduction of R$ 2.0 million (9.8%) between comparative quarters, substantially due to the reduction of R$ 7.4 million in the insurance premium at the Jorge Lacerda Thermoelectric Power Plant and the Jaguara Hydroelectric Power Plant following on a reevaluation of risks at these two plants. However, this reduction was partially offset by the inclusion of Pampa Sul and the Umburanas – Phase I and Campo Largo – Phase I wind complexes in the Company's insurance policy, and inflating premium costs by R$ 2.4 million, R$ 1.9 million and R$ 1.0 million, respectively.

» **Financial compensation for use of hydro resources (Royalties):** reduction of R$ 23.8 million (86.5%) between the comparative quarters due largely to lower generation from the hydroelectric plants between the quarters under review in turn principally caused by the reduction in consumption and drought conditions in the South of Brazil in 2Q20, but partially attenuated by the annual readjustment.

» **Fuels for the generation of electricity:** a decrease of R$ 29.7 million (154.7%) on a 2Q19 x 2Q20 comparison basis, due basically to the following effects: (i) R$ 51.7 million reduction in costs with proprietary coal at the Jorge Lacerda Thermoelectric Power Plant, in turn due to the decrease in generation volume between compared quarters, partially attenuated by the monetary restatement effect; and (ii) to the consumption of fuel with the entry into commercial operations of Pampa Sul, in June 2019, and amounting to R$ 21.1 million.

» **Operational provisions net:** a positive effect on results of R$ 9.6 million (300.0%) in 2Q20 in relation to the same quarter in 2019, resulting largely due to the reversal of provisions for losses on estimated doubtful accounts of R$ 12.3 million in 2Q20, in the light of a legal agreement between the Company and a client whereby the amount in question will be received over the next few months. In 2Q19, there was a reversal in provisions with the decommissioning of Charqueadas Thermal Power Plant, in the amount of R$ 3,1 million.

➢ Solar Panels

Comparing the two quarters, there was a reduction of R$ 11.3 million (50.4%) for this segment, mainly due to the decrease in costs of selling and installing solar panels, of R$ 9.5 million (63.8%) and R$ 1.4 million (29.8%) in the costs with materials and outsourced services, in turn a reflection of the downturn in sales in 2Q20 relative to 2Q19.

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 the quarters under analysis increased R$ 3.6 million (1,200.0%) from a loss of R$ 0.3 million in 2Q19 to a profit of R$ 3.3 million in 2Q20. This growth reflects the following effects: (i) R$ 13.7 million due to an increase in gross results from energy purchase and sale transactions; (ii) a R$ 7.2 million negative impact from marking to market — the difference between contractual and market prices — of the net contracted operations pending as at June 30, 2020 x 2019; and (iii) a reduction of R$ 2.9 million in the result of 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 Systems – work on installation of which began in the second half of 2018 - and Novo Estado, 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 corresponding to the implementation of transmission infrastructure over the period of installation for an amount reflecting 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 received as from the entry into commercial operations of the Transmission System. Consequently, resources from the operational activity are only received from this point on.

➢ Transmission Revenue

Revenue from the energy transmission segment increased in 2Q20, compared with 2Q19, **by R$ 411.4 million** of which: (i) R$ 403.2 million corresponds to the increase in revenue from the installation of transmission infrastructure; and (ii) R$ 8.2 million due to increased remuneration of the infrastructure.

Both increases are a consequence of the acquisition and start of work on 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$ 393.6 million driven by advances in the execution of work on the Gralha Azul and Novo Estado transmission systems.

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 2Q20 and 2Q19, **net results** (difference between revenues and costs — less tax) from short-term transactions — particularly those executed through the CCEE — **were positive at R$ 3.0 million** and R$ 23.9 million, respectively. This translated into a reduction of **R$ 20.9 million between the two compared quarters**, R$ 18.0 million being generated from the result of transactions in the generation and sale of electric energy segment from the Company's portfolio and R$ 2.9 million from the result for energy trading transactions.

This variation arose mainly from the following effects: (i) reduction in MRE revenue due to the lower hydro generation in the 2Q20; (ii) the negative impact of the Energy Reallocation Mechanism's (MRE) Adjustment Factor (GSF) — already deducted for the effects of the renegotiation of hydrology risk; (iii) positive effect arising from the difference of prices between the North/Northeast and the Southeast/Central-West submarkets in 2Q19; (iv) reductions in the financial impact of short-term operations and the long position on the CCEE in 2Q20 compared to 2Q19, due to the reduction of the average PLD between periods; and (v) increased thermoelectric generation between the two periods analyzed.

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	2Q20	2Q19	Avg. (%)
South	75.47	131.37	(42.6%)
Southeast/Center-West	75.47	131.37	(42.6%)
Northeast	49.40	57.27	(13.7%)

The 14.6% reduction in PLD was driven by the decline in average consumption comparing the periods when social isolation was in effect (March 21 to June 30) due to the Covid-19 pandemic and the average of 20 days immediately prior to the restrictive measures (March 01 to 20), as disclosed by the CCEE.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased from R$ 57.7 million in 2Q19 to R$ 66.6 million in 2Q20, R$ 8.9 million higher (15.4%) when comparing the quarters in analysis. This is a combination of the following items: (i) an increase of R$ 9.7 million (17.6%) in the generation and sale of electric energy segment from the Company's portfolio, a reflection of the following increases: R$ 8.0 million in expenses with materials and outsourced services (51.9%) of which the most important items are the acquisition of materials for preventive activities in the light of the Covid-19 outbreak; and (ii) R$ 0.9 million in payroll expenses (3.2%), mainly due to the annual wage adjustment. These increases were partially offset by reductions of R$ 0.5 million (31.3%) and R$ 0.4 million (40.0%), in the case of the solar panel sales/installation and the energy trading segments, respectively.

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.

The Company booked a positive result via equity income of R$ 161.5 million in 2Q20, from the jointly-owned TAG subsidiary and a reflection of a combination of the following effects: (i.i) R$ 351.8 million relative to the positive Ebitda; (i.ii) R$ 112.0 million in depreciation and amortization costs of which R$ 66.3 million relate to the amortization of the *mais-valia* result from the reverse incorporation of Aliança; (i.iii) R$ 101.3 million in financial expenses, net, impacted by loans raised by Aliança prior to the incorporation: (i.iv) R$ 72.0 million representing a non-recurring effect with respect to the booking of hitherto unused tax incentives with respect to operations in the Sudene development area; and (i.v) R$ 49.0 million relative to income tax and social contribution on net income.

In 2Q19, the Company booked a negative equity income in the jointly own subsidiary, Aliança for R$ 26.8 million as recognition of expenses covering the development of the project for acquisition of TAG, of R$ 44.7 million; and of the positive financial result in Aliança of R$ 13.9 million, largely a reflection of the FX translation effect on currency denominated debt.

In 2Q20, the jointly controlled subsidiary TAG, booked extemporaneous tax incentive credits to its accounts for the period from January 2017 to August 2019. During this period, TAG had not availed itself of Sudene (Superintendence for the Development of the Northeast) tax credits with a 75% reduction in income tax payable by five of its production units due to the absence of ratification by the Brazilian Internal Revenue Service (RFB) for irregularities identified in Debt Clearance Certificate (CND) and Credit Information Register (CADIN). In February 2020, the RFB approved the use of the tax incentives also indicating the possibility of making their use retroactive. TAG expects to begin using the credits from July 2020 to offset against PIS and Cofins charge outstandings payable.

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

DRE – in R$ million	2Q20	
	100%	Company's share
TAG (29.25%)		
Net operational revenue	1,414.2	413.6
Costs of services provided	(563.0)	(164.7)
Gross income	**851.2**	**248.9**
General and administrative expenses	(31.1)	(9.1)
Income before financial result and taxes	**820.1**	**239.8**
Financial result	(346.4)	(101.3)
Income before taxes	**473.7**	**138.5**
Income tax and social contribution	(167.7)	(49.0)
Extemporaneous credits with respect to tax incentives	246.2	72.0
TAG's net income for the 2Q20	**552.2**	**161.5**
Equity income – TAG	**161.5**	

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

Ebitda – in R$ million	2Q20	
	100%	Company's share
TAG (29.25%)		
Income before financial result and taxes	**820.1**	**239.8**
Depreciation and amortization	383.0	112.0
Ebitda	**1,203.1**	**351.8**

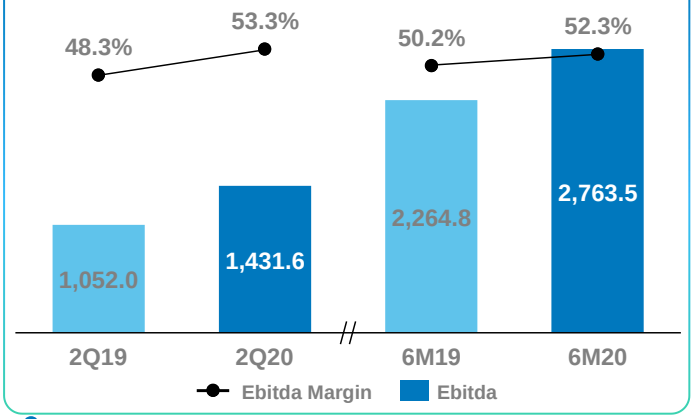
Ebitda and Ebitda Margin

	Ebitda by segment – 2Q20 x 2Q19 (in R$ million)					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
2Q20						
Income (loss) before financial results and taxes	1,017.9	20.4	2.7	(3.7)	161.5	1,198.8
Depreciation and amortization	232.6	-	-	0.2	-	232.8
Ebitda	**1,250.5**	**20.4**	**2.7**	**(3.5)**	**161.5**	**1,431.6**
Ebitda Margin	**62.8%**	**4.7%**	**1.1%**	**(41.2%)**	**-**	**53.3%**
2Q19						
Income (loss) before financial results and taxes	874.6	2.7	(1.3)	(0.7)	(26.8)	848.5
Depreciation and amortization	203.3	-	-	0.2	-	203.5
Ebitda	**1,077.9**	**2.7**	**(1.3)**	**(0.5)**	**(26.8)**	**1,052.0**
Ebitda Margin	**57.9%**	**12.1%**	**(0.5%)**	**(2.1%)**	**-**	**48.3%**
Variation						
Income (loss) before financial results and taxes	143.3	17.7	4.0	(3.0)	188.3	350.3
Depreciation and amortization	29.3	-	-	-	-	29.3
Ebitda	**172.6**	**17.7**	**4.0**	**(3.0)**	**188.3**	**379.6**
Ebitda Margin	**4.9 p.p.**	**(7.4 p.p.)**	**1.6 p.p.**	**(39.1 p.p.)**	**-**	**5.0 p.p**

Ebitda includes the equity income result from the jointly held subsidiary, TAG, given that the latter is expected to distribute dividends frequently and recurrently.

Between 2Q20 and 2Q19, the Company posted an increase of R$ 379.6 million (36.1%) in Ebitda, from R$ 1,052.0 million in 2Q19 to R$ 1,431.6 million in 2Q20. The variation reflects a combination of the following **positive effects**: (i) R$ 188.3 million (702.6%) due to an improved result from corporate stakes in jointly held subsidiaries, mainly TAG; (ii) an increase of R$ 172.6 million (16.0%) in the generation and sale of electric energy segment from the Company's portfolio; (iii) R$ 17.7 million from the energy transmission segment; and (iv) R$ 4.0 million from the energy trading segment – of which R$ 11.2 million originated from executed transactions and from operational expenses, partially attenuated by the negative impact of R$ 7.2 million due to the effects of marking to market. The foregoing positive impacts were attenuated by the decrease of R$ 3.0 million (600.0%) in the solar panel segment business.

Ebitda[1] and Ebitda Margin



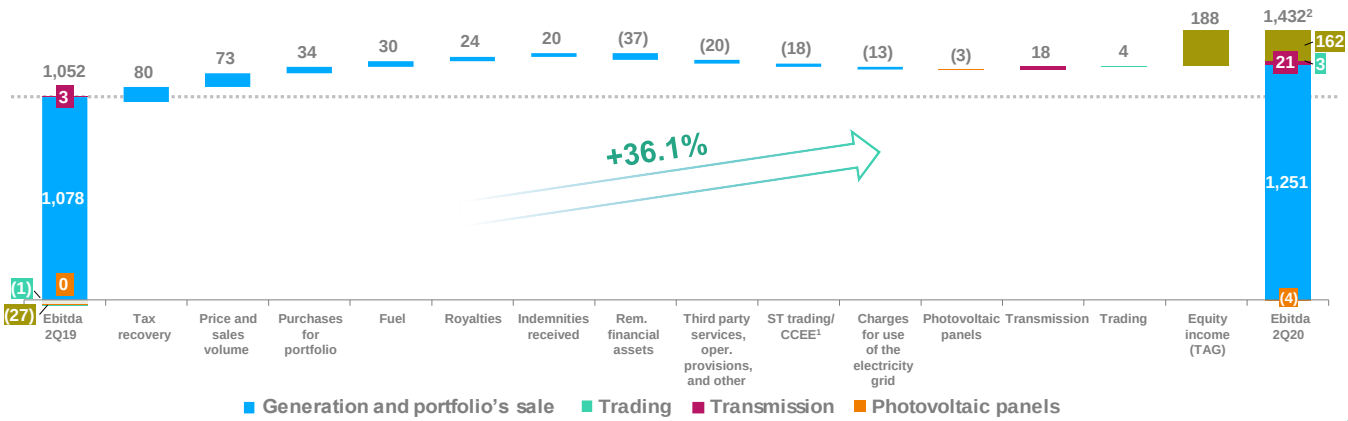
[1] Ebitda: net income + income tax and social contribution and financial expenses, net + depreciation and amortization + impairment.

The consolidated Ebitda margin reported an increase of 5.0 p.p., from 48.3% in 2Q19 to 53.3% in 2Q20. It should be noted in this context 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 slimmer than operations elsewhere in the Company.

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 (ii), the principal effects of which are described as follows: (i) R$ 79.9 million with respect to tax recovery; (ii) R$ 37.2 million as a result of the increase in net average price for energy sales; (iii) R$ 35.6 million increase in sales volume; (iv) R$ 33.8 million reduction in energy purchases; (v) R$ 29.7 million decrease in fuel costs; (vi) R$ 23.8 million reduction in the costs of royalties; (vii) R$ 20.2 million increase in revenue arising out of claims and penalty fines for downtime; and (viii) R$ 9.6 million due to the reduction in costs with operational provisions. These positive effects were partially attenuated by the following negative impacts: (i) decrease of R$ 36.6 million in revenue from remuneration and monetary restatement on Jaguara and Miranda hydroelectric plants concessions; (ii) a reduction of R$ 18.0 million in the result for transactions executed in the short-term market; (iii) increase of R$ 16.4 million of costs with outsourced materials and services; (iv) increase of R$ 13.4 million in charges for use of the electricity network and connection; and (v) an increase of R$ 12.8 million of other revenues, costs and operational expenses.

In 2Q20, the Company and the jointly controlled subsidiary TAG, booked non-recurring events related to tax recovery for R$ 79.9 million and R$ 72,0 million (Company's interest), respectively. Net of the aforementioned non-recurring effects, Ebitda would have been R$ 1,279.7 million in 2Q20 and R$ 1,052.0 million in 2Q19, with an increase of R$ 227.7 million (21.6%) between the quarters under analysis, and the Ebitda margin in 2Q20 would have been 49.1% and in 2Q19, 48.3%, thus indicative of a year-on-year increase of 0.8 p.p.

Ebitda Change
R$ million



[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$)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Net income	765.8	385.4	98.7	1,277.8	950.9	34.4
(+) Income tax and social contribution	264.5	172.8	53.1	456.8	409.8	11.5
(+) Net financial result	168.5	290.3	-42.0	560.8	504.4	11.2
(+) Depreciation and amortization	232.8	203.5	14.4	468.1	394.8	18.6
Ebitda	**1,431.6**	**1,052.0**	**36.1**	**2,763.5**	**2,259.9**	**22.3**
(+) Impairment	0.0	0.0	-	0.0	4.9	-100.0
Adjusted Ebitda	**1,431.6**	**1,052.0**	**36.1**	**2,763.5**	**2,264.8**	**22.0**

Financial Result

Financial income: in 2Q20, financial revenue was R$ 111.1 million, R$ 69.5 million or 167.0% higher than the R$ 41.6 million recorded for the same quarter of 2019, due largely to a combination of the following factors: (i) an increase of interest on taxes and social contributions in the amount of R$ 72.9 million, with respect to the financial restatement of the amount involved with the tax recovery; and (ii) an increase of R$ 1.5 million in revenue with financial investments due to the increased average balance of financial investments between the two compared quarters but partially attenuated by the reduction in interest rates reported between the quarters.

Financial expenses: expenses in 2Q20 were R$ 279.6 million, that is, R$ 52.3 million or 15.8% below the amount reported for the same quarter in 2019, which were R$ 331.9 million. The decline reported reflects the reduction in monetary restatement on debt and concessions payable in the amounts of R$ 69.1 million and R$ 7.6 million, respectively, given the reduction in inflation rates between the periods. This effect was partially offset by the following increases: increase of R$ 25.0 million in interest and adjustment of fair value on debt, largely a reflection of the issue of debentures by the Company in May and August of 2019, the engagement of loans and financing during the course of 2019 and 2020 for managing cash flow and investments, and the reduction in capitalized interest following the entry into operations of Pampa Sul. On the other hand, the hedges covering currency denominated debt saw a reduction of interest on debt in 2Q20. Also notable was the amount of interest capitalized in the Pampa Sul project in 2Q19 and worth R$ 13.9 million.

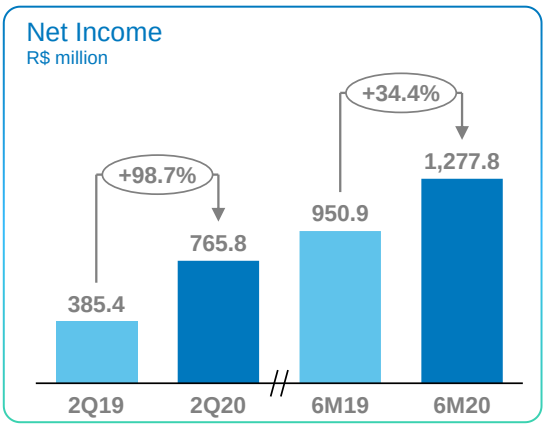
Income Tax and Social Contribution

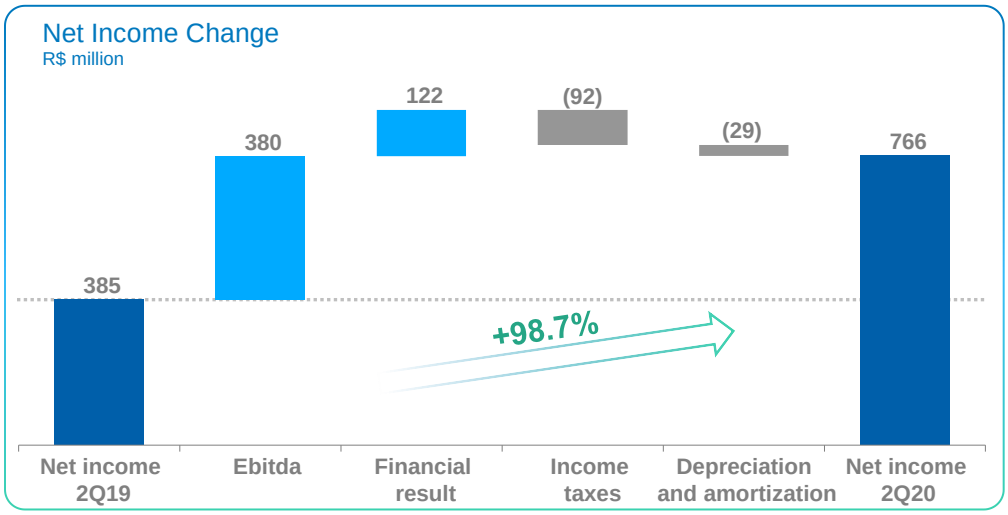
Expenses with Income Tax and Social Contribution in 2Q20 were R$ 264.5 million, R$ 91.7 million (53.1%) higher than reported in the same quarter 2019 of R$ 172.8 million largely due to the increase of 48.5% in pretax profits, not including equity income reported in 2Q20, compared with 2Q19. The effective rate of Income Tax and Social Contribution, excluding the equity income result, was 0.9 p.p higher, increasing from 29.5% in 2Q19 to 30.4% in 2Q20.

Net Income

Net income for 2Q20 was R$ 765.8 million, R$ 380.4 million or 98.7% greater than R$ 385.4 million registered for the same quarter in the preceding year. This increase is the result of the following effects: (i) an increase of R$ 379.6 million in Ebitda; (ii) a reduction of R$ 121.8 million in net financial expenses; (iii) an increase of R$ 91.7 million in income tax and social contribution; and (iv) an increase of R$ 29.3 million in depreciation and amortization.

Excluding the effects of the impacts related to the successful tax recovery of the Company and to the extemporaneous credits of the jointly controlled subsidiary TAG, whose impacts on the net income of 2Q20 were R$ 172.8 million, the net income for the quarter would have reported an increase of R$ 207.6 million (53.9%), when compared to the same quarter of 2019.

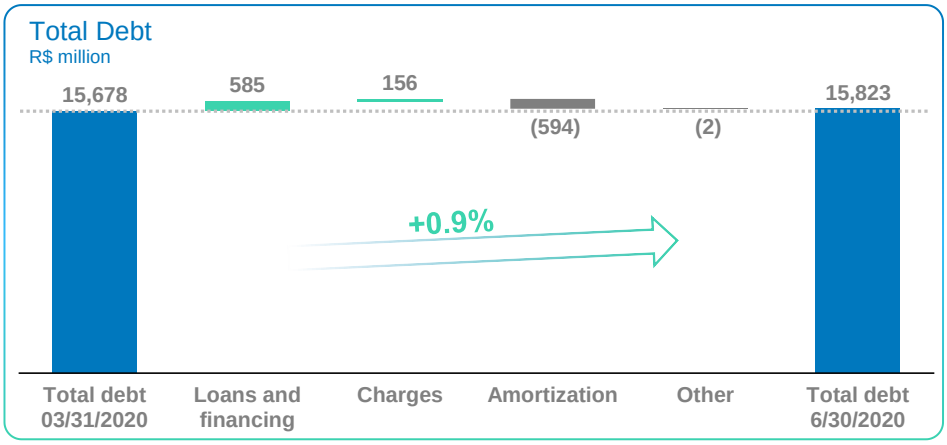


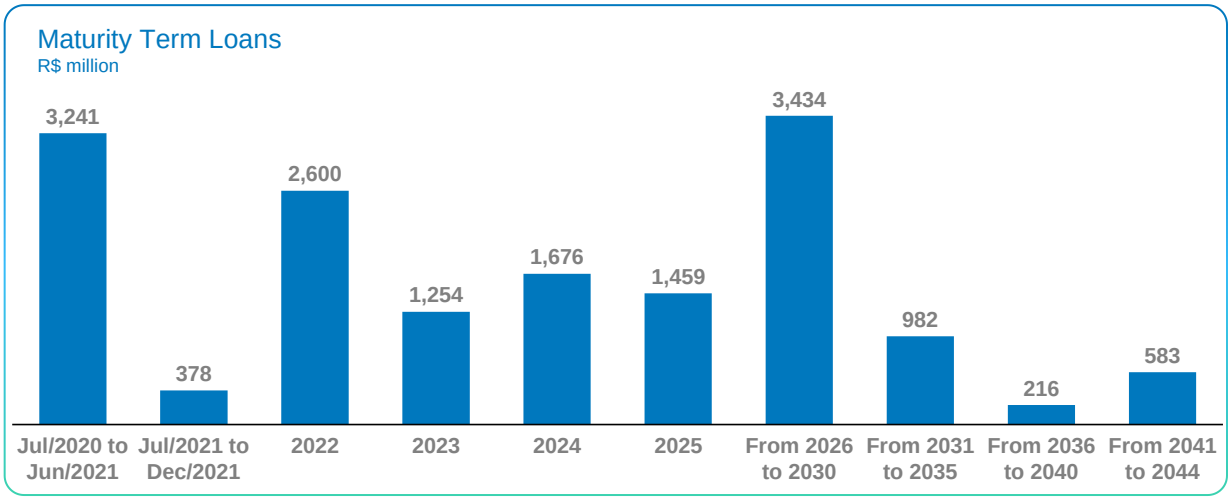


Debt

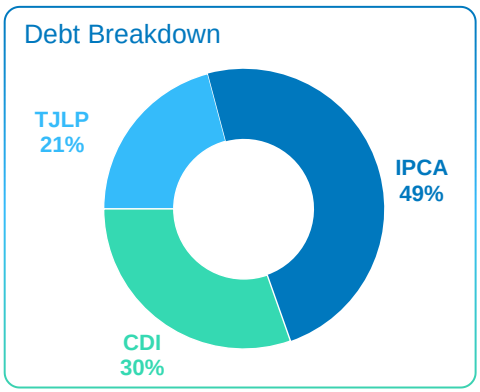
As of June 30, 2020, **total consolidated gross debt,** representing principally loans, financing and debentures, net of hedging operations, **totaled R$ 15,822.8 million — an increase of 0.9%** (R$ 144.6 million) compared to the position as at March 31, 2020.

The variation in Company debt is related principally to a combination of the following factors taking place in 2Q20: (i) drawdowns from the Brazilian Development Bank (BNDES) for R$ 584.6 million, allocated largely to work on the Gralha Azul Transmission System; (ii) generation of R$ 156.0 million in incurred charges to be paid and monetary restatement; and (iii) R$ 594.2 million in amortization of loans and financing.





The **average weighted nominal cost of debt** at the end of the 2Q20 was **5.8%** (8.0% at the end of the 2Q19).



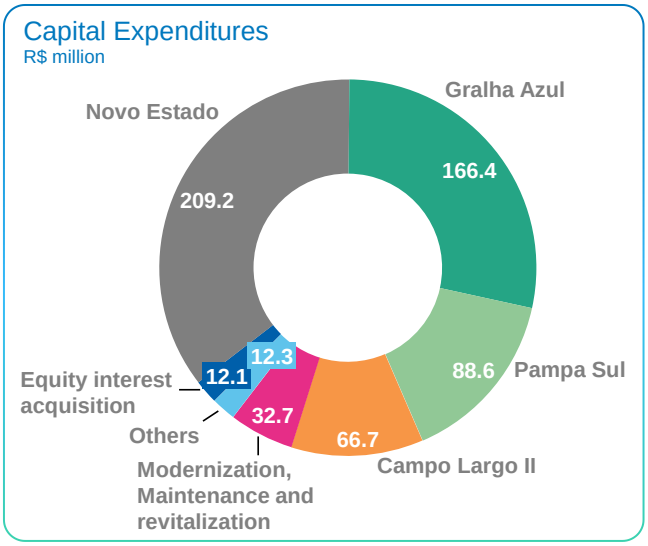
On June 30, 2020, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 10,771.9 million**, **a decrease of 2.8%** compared with the end of the 1Q20.

Net Debt
R$ million

	6/30/2020	3/31/2020	Chg. %
Gross debt	16,989.1	16,926.3	0.4
Result of derivatives operations	(1,166.3)	(1,248.0)	(6.6)
Deposits earmarked for the payment of debt	(251.5)	(406.2)	(38.1)
Cash and cash equivalents	(4,799.5)	(4,188.1)	14.6
Total net debt	**10,771.9**	**11,084.0**	**(2.8)**
Net debt x Ebitda	**1.9X**	**2.1X**	

Capital Expenditures

ENGIE Brasil Energia's **total investments in 2Q20 were R$ 588.0 million**, of which: (i) R$ 12.1 million for additional payments related to the acquisition of 100% of Novo Estado Transmissora de Energia S.A. equity interest; (ii) R$ 539.9 million was invested in construction of new projects: (ii.i) R$ 209.2 million concentrated mainly in the acquisition of Novo Estado Transmissora de Energia; (ii.ii) R$ 166.4 million in the Gralha Azul Transmission Line; (ii.iii) R$ 88.6 million in the construction of Pampa Sul TPP; (ii.iv) R$ 66.7 million in the Campo Largo Wind Complex – Phase II; and (ii.v) R$ 9.0 million in other investments; (iii) R$ 32.7 million were allocated in the maintenance and revitalization projects of the generating complex; and (iv) R$ 3.3 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 June 30, 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

- On April 6, we received confirmation from the United Nations Framework Convention on Climate Change (UNFCCC) that Phase II of Campo Largo Wind Complex's (361.2 MW) Carbon Credits Project had been registered with the Clean Development Mechanism. Already under construction, the project will contribute an annual average reduction in greenhouse gas emissions (GHG) of approximately 790,000 tons of CO_2e annually. This is ENGIE's 23rd CDM project to be registered around the world and ENGIE Brasil Energia's tenth project. See more in: https://bit.ly/3dLgi9L.
- The Operating License for expanding the Tubarão Wind Plant has been issued. This project will now include a second wind turbine with an energy output of 4 MW and dedicated to furthering the Research and Development project in wind generation technology based on domestic manufacture.
- The quarter was characterized by serious drought conditions in the south of Brazil, leading to the suspension of operations at various hydroelectric plants. ENGIE undertook various measures to minimize the socio-environmental impacts arising from the situation. We joined the Crisis Room installed by the National Water Agency (ANA) together with other government bodies and agents from the Electricity Power Sector. The Crisis Room's purpose is to handle the impacts of drought on the Uruguai and Iguaçu hydrographic basins while liaising with federal and state environmental entities, reporting the actions and situation involving the reservoirs and power plant operations. One of the most notable impacts was on ichthyofauna, particularly at the Machadinho Hydroelectric Power Plant.
- Among the initiatives envisaged in the Dam Safety Plan, was the Authorization for Brush Clearing downstream of the Salto Santiago Hydroelectric Plant dam as a preventive measure against the potential negative impact of vegetation on embankment stability.

Social Responsibility – Covid-19

Our efforts for tackling the effects of the Covid-19 pandemic on society since the beginning have totaled approximately R$ 3.8 million in donations as follows:

- R$ 1.1 million for emergency assistance to rest homes, first aid posts and hospitals in the purchase of PPEs and cleansing materials for the communities surrounding our operational assets or assets under construction;
- R$ 1.5 million to Fiocruz for the production of rapid testing for Covid-19;
- R$ 479 thousand (partially contributed by the Company) in a campaign for supporting NGOs and healthcare associations chosen by the employees themselves, who also contributed through participation in engagement and awareness campaigns;
- R$ 150 thousand for equipping the ICU of the public hospitals, part of the Albert Einstein Network;
- Acquisition of extraction kits and reagents for donation to the Universidade Federal do Rio Grande Do Sul (UFRGS), for making 2,500 Covid-19 test kits;
- Liberation of cultural sponsorships with a focus on maintaining human capital (preservation of about 100 jobs): Children's Cinema Festival, Ballet Bolshoi, Dança em Trânsito, Floripa Instrumental, Social Good Brasil, Aliança Francesa.





Donations to Covid-19

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 2Q20 X 2Q19, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index[3]	Material themes	GRI disclosure[4]	2Q20	2Q19	Change	6M20	6M19	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Managemen	102-7, EU1	60	60	0	60	60	0
2		Installed capacity		102-7, EU1	10,431	10,430	0.0%	10,431	10,430	0.0%
3		Proprietary capacity		102-7, EU1	8,710	8,710	0.0%	8,710	8,710	0.0%
4		Number of certified plants		102-16, EU6	12	12	0	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	77.9%	77.9%	0.0 p.p.	77.9%	77.9%	0.0 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,229	9,229	0.0%	9,229	9,229	0.0%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.5%	88.5%	0.0 p.p.	88.5%	88.5%	0.0 p.p.
9		Energy generation (GWh)		EU2	4,784	9,709	-50.7%	12,669	21,108	-40.0%
10		Certified energy generation		102-16, EU6	2,813	7,803	-63.9%	8,879	17,645	-49.7%
11		Certified energy generation in relation to the total		102-16, EU6	58.8%	80.4%	-21.6 p.p.	70.1%	83.6%	-13.5 p.p.
12		Energy generation from renewable sources (GWh)		EU2	3,892	8,906	-56.3%	10,284	19,343	-46.8%
13		Energy generation from renewable sources in relation to the total		EU2	81.4%	91.7%	-10.4 p.p.	81.2%	91.6%	-10.5 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	96.7%	97.3%	-0.5 p.p.	96.8%	97.2%	-0.4 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	91.8%	89.7%	2.1 p.p.	91.4%	91.3%	0.1 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	3,917	77,675	-95.0%	27,746	200,647	-86.2%
17		Number of visitors at the plants and environmental education		413-1	340	28,916	-98.8%	3,113	38,289	-91.9%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.920	0.942	-2.3%	0.935	0.944	-0.9%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.171	0.067	154.3%	0.176	0.076	131.9%
20	Occupational 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	-	0.000	0.000	-
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[6]		403-2	0.000	0.000	-	0.000	0.000	-
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5]		403-2	0.000	0.860	⬇	0.851	0.890	⬇
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5]		403-2	0.425	2.630	⬇	0.257	1.120	⬇
24	Social Responsibility[7]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	2,593.8	824.6	214.6%	3,090.5	1,365.3	126.4%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	0.0	149.6	-100.0%	596.4	1,606.4	-62.9%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	318.0	3,376.0	-90.6%	2,525.4	6,642.0	-62.0%
27		Investments through the Sport Incentive Law		203-2, 413-1	0.0	0.0	-	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	-	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	-	0.0	0.0	-
30		Investments through the Municipal Fund for the Elderly		203-2, 413-1	0.0	45.0	-100.0%	300.8	583.1	-48.4%

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 6/30/2020.
[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.

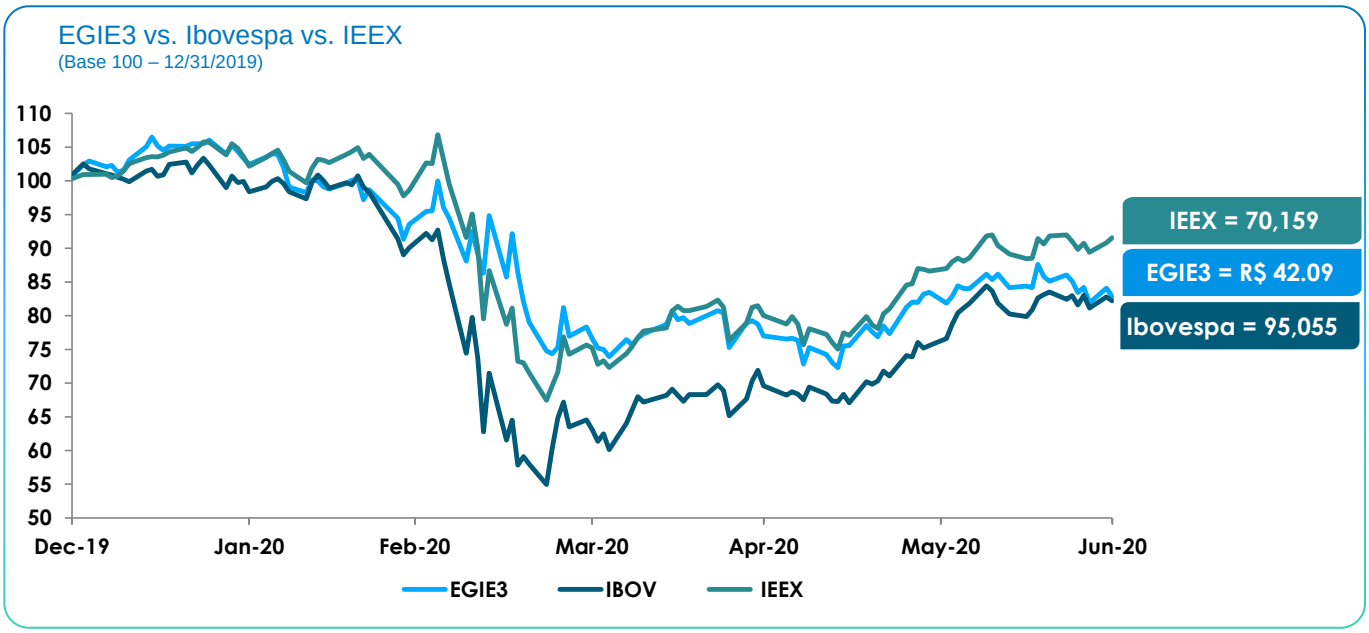
Share Performance – EGIE3

Following a first quarter slump in the Ibovespa, the leading Brazilian stock market index, the second quarter reported a notable recovery (30.8%), clawing back some of the accumulated losses for the year although these still stood at 17.8% on June 30. The Ibovespa was driven by economic support packages launched by the governments of various countries and by the injection of liquidity on the part of central banks which combined with cuts in interest rates, saw the domestic stock index closing 2Q20 at 95 thousand points. However, Brazil is still experiencing political tension involving the federal administration, Congress and the Supreme Court of Justice (STF), causing volatility in the equities market, partially offset by strong migration by private individuals to variable income investments.

ENGIE Brasil Energia's shares reported an 8.1% appreciation in the second quarter of 2020, while the performance of the Electric Energy Stock Index (IEEX) and Ibovespa recorded growth of 21.7% and 30.2%, respectively.

EGIE3's average daily trading volume was R$ 80.6 million in 2Q20, 21.3% greater than the R$ 66.5 million in 2Q19.

On the last trading day of June 2020, EBE's shares closed at R$ 42.09/share**, equivalent to a Company market capitalization of R$ 34.3 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: July 31, 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 July 31st to August 6, 2020. Access by dialing: +55 (11) 3127-4999, code: 76129138 (Portuguese) and 58097362 (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$)	6/30/2020	12/31/2019
Current Assets	**8,108,917**	**6,745,671**
Cash and cash equivalents	4,799,482	3,870,261
Accounts receivables from clients	1,465,911	1,451,227
Credit of income tax and social contribution	172,415	166,833
Insurance claim receivable	-	10,719
Inventory	264,181	220,964
Unrealized gains on hedging transactions	403,910	115,131
Unrealized gains on trading transactions	268,173	288,771
Restricted deposits	4,910	4,856
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	298,835	296,232
Non current asset held for sale	4,829	4,829
Other current assets	411,182	300,759
Non Current Assets	**24,084,739**	**23,389,907**
Long Term Assets	**5,031,805**	**3,652,141**
Unrealized gains on hedging transactions	844,915	311,577
Unrealized gains on trading transactions	76,591	42,695
Restricted deposits	301,353	381,064
Deposits in court	105,379	102,878
Renegotiation of hydrological risk to appropriate	108,142	115,686
Concession financial assets	2,403,203	2,411,942
Contractual assets	960,319	217,611
Other non current assets	231,903	68,688
Investments	**2,045,493**	**2,948,920**
Property, Plant and Equipment	**15,249,837**	**15,330,211**
Intangible	**1,600,345**	**1,296,769**
Right of use of leases	**157,259**	**161,866**
Total	**32,193,656**	**30,135,578**

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

(In thousands of R$)	6/30/2020	12/31/2019
Current Liabilities	**5,520,632**	**5,979,644**
Suppliers	611,431	765,020
Dividends and interest on shareholder´s equity	38,145	1,197,924
Loans and financing	1,838,010	1,637,691
Debentures	1,795,729	1,204,469
Lease liabilities	19,989	19,824
Tax and social contribution obligations payable	190,442	176,395
Other fiscal and regulatory obligations	113,481	104,855
Labor obligations	86,169	106,005
Unrealized losses on trading transactions	259,085	258,305
Concessions payable	181,366	145,136
Provision	6,636	8,579
Obligations related to retirement benefits	42,909	42,909
Other current liabilities	337,240	312,532
Non Current Liabilities	**19,238,281**	**17,157,114**
Loans and financing	8,654,129	7,181,363
Debentures	4,701,196	4,739,535
Lease liabilities	112,090	114,483
Unrealized losses on trading transactions	45,745	20,644
Concessions payable	3,223,703	3,091,354
Provision	288,592	288,301
Obligations related to retirement benefits	363,064	364,253
Deferred income taxes and social contribution	1,330,752	941,468
Other non current liabilities	519,010	415,713
Shareholders' Equity	**7,434,743**	**6,998,820**
Share capital	4,902,648	4,902,648
Net income reserves	2,123,245	2,123,245
Adjustment on fixed asset	(891,352)	(30,739)
Retained earnings	1,296,024	-
Non controlling interests	4,178	3,666
Total	**32,193,656**	**30,135,578**

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

(In thousands of R$)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Net Operational Revenue	**2,686,515**	**2,176,479**	**23.4**	**5,281,109**	**4,515,238**	**17.0**
Operational Costs	**(1,582,366)**	**(1,243,871)**	**27.2**	**(3,121,340)**	**(2,501,838)**	**24.8**
Electric power purchases	(587,995)	(639,864)	-8.1	(1,193,416)	(1,221,882)	-2.3
Transactions in the short term energy market	(57,383)	(49,536)	15.8	(175,444)	(182,848)	-4.0
Charges for the use of and connection to the electricity grid	(136,367)	(122,957)	10.9	(277,416)	(247,054)	12.3
Fuel expenses	10,477	(19,182)	-154.6	(84,697)	(39,448)	114.7
Financial compensation for use of hydro resources (royalties)	(3,694)	(27,489)	-86.6	(21,066)	(65,521)	-67.8
Personnel	(66,681)	(65,050)	2.5	(140,470)	(123,581)	13.7
Materials and third-party services	(74,821)	(59,812)	25.1	(158,888)	(117,138)	35.6
Depreciation and amortization	(227,904)	(199,452)	14.3	(458,148)	(386,644)	18.5
Insurance	(18,519)	(20,541)	-9.8	(38,610)	(34,239)	12.8
Reversals (Accrual) of operating provisions	12,809	3,176	303.3	19,999	2,909	587.5
Cost of implementing transmission infrastructure	(413,125)	(19,504)	2,018.2	(555,940)	(34,755)	1,499.6
Cost of selling photovoltaic solar panels	(5,300)	(14,936)	-64.5	(14,293)	(29,892)	-52.2
Others	(13,863)	(8,724)	58.9	(22,951)	(21,745)	5.5
Gross Income	**1,104,149**	**932,608**	**18.4**	**2,159,769**	**2,013,400**	**7.3**
Operating Income (Expenses)	**(66,846)**	**(57,376)**	**16.5**	**(128,843)**	**(121,527)**	**6.0**
Selling, general and administrative expenses	(66,658)	(57,769)	15.4	(128,774)	(116,884)	10.2
Impairment	-	-	-	-	(4,900)	-100.0
Other operating (expenses) revenues, net	(188)	393	-147.8	(69)	257	-126.8
Result of corporate participations	**161,518**	**(26,809)**	**100.0**	**264,419**	**(26,809)**	**-1,086.3**
Equity income/(loss)	161,518	(26,809)	-702.5	264,419	(26,809)	-1,086.3
Income Before Financial Result and Taxes	**1,198,821**	**848,423**	**41.3**	**2,295,345**	**1,865,064**	**23.1**
Net Financial Result	**(168,538)**	**(290,272)**	**-41.9**	**(560,794)**	**(504,395)**	**11.2**
Financial income	111,060	41,660	166.6	155,165	68,770	125.6
Financial expenses	(279,598)	(331,932)	-15.8	(715,959)	(573,165)	24.9
Income Before Taxes	**1,030,283**	**558,151**	**84.6**	**1,734,551**	**1,360,669**	**27.5**
Income tax	(191,447)	(122,894)	55.8	(330,792)	(292,266)	13.2
Social contribution	(73,076)	(49,889)	46.5	(125,979)	(117,545)	7.2
Net Income for the Period	**765,760**	**385,368**	**98.7**	**1,277,780**	**950,858**	**34.4**
Income allocated to:						
ENGIE Brasil Energia's shareholders	765,710	385,116	98.8	1,277,268	950,300	34.4
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	50	252	-80.2	512	558	-8.2
Number of Ordinary Shares	**815,927,740**	**815,927,740**		**815,927,740**	**815,927,740**	
Net Income per Share	**0.9385**	**0.4720**	**98.8**	**1.5654**	**1.1647**	**34.4**

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

(In thousands of R$)	2Q20	2Q19	6M20	6M19
Cash Flow from Operating Activities				
Income before taxes on income	1,030,283	558,151	1,734,551	1,360,669
Reconciliation of net income with operating cash flow:				
Equity loss	(161,518)	26,809	(264,419)	26,809
Depreciation and amortization	232,754	203,527	468,142	394,754
Monetary variation	15,845	95,074	146,561	166,729
Interests	182,655	234,303	471,938	389,400
Remuneration of concession asset	(63,602)	(91,968)	(155,092)	(192,122)
Unrealized losses on trading operations, net	14,247	7,090	12,583	33,705
Others	(13,846)	(21,925)	(20,421)	(14,074)
Adjusted Net Income	**1,236,818**	**1,011,061**	**2,393,843**	**2,165,870**
Increase (reduction) in assets				
Accounts receivables from clients	88,688	32,816	62,385	(138,881)
Tax credits recoverable	(70,132)	(7,632)	(5,751)	(8,908)
Inventory	(65,689)	(21,800)	(43,216)	(88,729)
Deposits in court and restricted deposits	199	29,972	(44,049)	1,599
Renegotiation of hydrological risk to appropriate	3,773	3,773	7,545	7,545
Financial concession asset	70,665	65,770	141,330	130,137
Insurance claim receivable	19	-	10,719	74,780
Contract assets	(423,222)	(24,378)	(569,531)	(40,030)
Other assets	(271,310)	(22,638)	(219,470)	11,524
Increase (reduction) in liabilities				
Suppliers	(21,648)	(24,698)	(39,705)	(615)
Other fiscal and regulatory obligations	98,937	(9,704)	88,709	(17,099)
Labor obligations	(37,370)	(30,752)	(19,836)	(17,367)
Obligations related to retirement benefits	(8,336)	(7,385)	(14,992)	(14,508)
Other liabilities	30,991	(2,286)	34,669	16,092
Cash Generated from Operating Activities	**632,383**	**992,119**	**1,782,650**	**2,081,410**
Payment of interests on debt, net of hedge	(157,306)	(162,223)	(229,294)	(198,793)
Payment of income tax and social contribution	(32,244)	(70,729)	(167,340)	(202,591)
Net Cash from Operating Activities	**442,833**	**759,167**	**1,386,016**	**1,680,026**
Investments Activities	**176,312**	**(3,711,297)**	**(451,398)**	**(4,369,796)**
Capital increase at joint ventures	-	(3,469,869)	-	(3,469,869)
Dividends received from subsidiaries	321,750	-	321,750	-
Payments on investments in companies, net of cash and cash equivalents acquired	(11,419)	-	(328,195)	-
Used in fixed assets and intangibles	(134,019)	(241,428)	(444,953)	(899,927)
Financing Activities	**(7,713)**	**3,644,179**	**(5,397)**	**1,916,301**
Loans and financing contracted	584,591	1,331,358	1,216,744	1,390,011
Debentures contracted	(17)	2,495,972	499,110	2,495,972
Payment of loans, financing and debentures, net of hedge	(436,883)	(158,418)	(556,782)	(343,227)
Payments of concessions payable	(36,454)	(18,295)	(72,871)	(36,542)
Debt servicing deposits	156,830	-	129,000	-
Payments of dividends and interest on shareholders' equity	(271,279)	88	(1,211,434)	(1,535,056)
Payments of leases	(5,020)	(6,098)	(10,163)	(9,716)
Others	519	(428)	999	(45,141)
Increase (Decrease) in Cash and Cash Equivalents	**611,432**	**692,049**	**929,221**	**(773,469)**
Reconciliation of Cash and Cash Equivalents				
Opening balance	4,188,050	950,274	3,870,261	2,415,792
Closing balance	4,799,482	1,642,323	4,799,482	1,642,323
Increase (Decrease) in Cash and Cash Equivalents	**611,432**	**692,049**	**929,221**	**(773,469)**
Transactions that do Not Affect Cash and Cash Equivalents				
Dividends intended by subsidiaries	321,750	-	321,750	-
Offsetting of income tax and social contribution	-	7,157	3,577	11,243
Capitalized interest and monetary variation	8,734	49,228	16,889	144,865
Transfer of property, plant and equipment to other non-current assets	-	-	-	(2,926)
Supplier's of fixed assets and intangibles	-	80,745	(61,103)	18,868
Unclaimed dividends and interest on equity	2,096	1,069	3,978	2,436
Fixed assets credit of PIS and COFINS	-	-	(29,413)	-
Net assets of subsidiaries acquired	136,092	-	136,092	-
Fair value of acquired project rights	236,021	-	236,021	-
Goodwill	80,247	-	80,247	-