ENGIE Brasil Energia approves 100% distribution of intermediate dividends at R$ 1.0949 per share and interest on equity capital of R$ 354.0 million.

Highlights

- ENGIE Brasil Energia (EBE) reported net operating revenue of R$ 2,494.1 million in 3Q19, 0.2% (R$ 5.5 million) greater than in 3Q18.
- In 3Q19, EBE booked R$ 321.0 million, arising from indemnities for delayed completion of the construction of the Pampa Sul Thermoelectric Plant.
- Ebitda[1] reached R$ 1,581.3 million in 3Q19, an increase of 55.1% (R$ 561.5 million) compared to 3Q18. The Ebitda margin was 63.4% in 3Q19, a 22.4 p.p. raise compared to 3Q18.
- The net income was R$ 742.7 million (R$ 0.9099/share) in 3Q19, 56.2% (R$ 267.3 million) above than 3Q18.
- The average price of energy sales agreements, net of exports, revenue taxes and trading operations was R$ 189.2/MWh in 3Q19, an amount 4.0% higher than recorded in 3Q18.
- The volume of energy sold in 3Q19, excluding trading operations, was 10,048 GWh (4,551 average MW), 10.3% greater than 3Q18.
- In August 2019, the Company concluded the 9th Debentures Issue in four series for a total amount of R$ 1.6 billion. The resources were used to support investments in the Assú V, Umburanas, Jaguara and Miranda projects.
- For the 10th time, the Company was awarded the Transparency Trophy sponsored by Anefac, Fipecafi and Serasa Experian. The award recognizes the practices of transparency in accounting information with respect to the quality of the management report and the consistency of the data disclosed.
- In 3Q19, a license for installation of the Ponta Grossa substation was received and in October, other installation licenses were issued for work to begin on the first transmission lines, part of the Gralha Azul Transmission System.

Subsequent Events

- EBE was elected as Company of the Year in the 8th edition of the Época Negócios 360º yearbook 2019.
- An agreement was signed with the BNDES for a R$ 1.26 billion line of financing for implementing the Umburanas Wind Complex (BA) with an installed capacity of 360 MW, the plant having already been in commercial operations since April 2019. The financing is EBE's largest project finance deal for a wind power operation.
- The Board of Directors approved the distribution of R$ 893.4 million as intermediate dividends (R$ 1.0949497919/share) representing 100% of the distributable net income reported for the first half of 2019. Additionally, approval was given for the credit of R$ 354.0 million (R$ 0.4338619496/share) as interest on equity capital for 2019. Shares will become ex-dividend and ex-interest as from December 3, 2019 and will be paid on a date to be determined later by the Management Board.

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated

(In millions of R$)	3Q19	3Q18	Chg.	9M19	9M18	Chg.
Net Operating Revenue (NOR)	2,494.1	2,488.6	0.2%	7,009.4	6,492.5	8.0%
Results from Operations (EBIT)	1,355.5	849.1	59.6%	3,220.6	2,764.0	16.5%
Ebitda [1]	1,581.3	1,019.8	55.1%	3,846.0	3,283.3	17.1%
Ebitda / NOR - (%) [1]	63.4	41.0	22.4 p.p.	54.9	50.6	4.3 p.p.
Net Income	742.7	475.4	56.2%	1,693.6	1,553.8	9.0%
Return On Equity (ROE) [2]	32.4	34.1	-1.7 p.p.	32.4	34.1	-1.7 p.p.
Return On Invested Capital (ROIC) [3]	19.6	25.4	-5.8 p.p.	19.6	25.4	-5.8 p.p.
Net Debt [4]	11,229.4	6,567.1	71.0%	11,229.4	6,567.1	71.0%
Gross Power Production (avg MW) [5]	5,210	4,421	17.8%	4,977	4,159	19.7%
Energy Sold (avg MW) [6]	4,551	4,127	10.3%	4,256	4,112	3.5%
Average Net Sales Price (R$/MWh) [7]	189.24	181.89	4.0%	189.06	180.16	4.9%
Number of Employees - Total	1,433	1,264	13.4%	1,433	1,264	13.4%
EBE Employees	1,403	1,216	15.4%	1,403	1,216	15.4%
Employees on Under Construction Plants	30	48	-37.5%	30	48	-37.5%

[1] Ebitda: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] ROE: net average 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, exports and trading operations.

Florianópolis, Brazil, November 5, 2019. ENGIE Brasil Energia S.A. ("ENGIE Brasil Energia", "EBE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the Third Quarter and nine-month period ending September 30, 2019 (3Q19, 9M19). 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

Additional Information:

Eduardo Sattamini
Chief Executive and Investor Relations Officer
eduardo.sattamini@engie.com

Rafael Bósio
IR Manager
rafael.bosio@engie.com
Tel.: +55 48 3221-7225

ri.BREnergia@engie.com

Conference call and webcast:
On 11/6/2019 at 9:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

Further details on Upcoming Events section, available on page 27.

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MESSAGE FROM THE MANAGEMENT

The third quarter 2019 (3Q19) proceeded according to plan, results benefiting from recent expansion in installed capacity with the entry into commercial operations of the Wind Complexes Campo Largo – Phase I and Umburanas – Phase I and the Pampa Sul Thermoelectric Power Plant in the past 12 months. The Company also recorded TAG's first full quarter's contribution to Ebitda – a positive one.

The contribution from the three new plants to Ebitda was approximately R$ 166.6 million, representing 10.5% of the amount of this account recorded for 3Q19. In the period, we also booked the positive impact of R$ 321.0 million, relating to the execution of a guarantee due to late delivery of Pampa Sul TPP. These positive effects, combined with the results of the Company's portfolio management and operating costs reduction by 10.2%, ramped up our Ebitda by 55.1% to R$ 1.6 billion compared to 3Q18. Even if the effect of the execution of the guarantee is excluded, our Ebitda would have risen around 25% year-on-year.

> "(...) When it goes into commercial operations at the end of 2020, Campo Largo II will see ENGIE exceeding the 1 GW of installed wind power capacity in Brazil. A milestone for the Company which is collaborating effectively in the domestic energy transition process and reinforcing our strategy of growing in renewable energy."

On the back of these results we remain confident as to future prospects and continue to pursue our planned strategy.

In 3Q19, we began work on the Campo Largo Wind Complex – Phase II (BA), an investment estimated at R$ 1.6 billion with the first generator units expected to be commercially operational early in 2021. After going into commercial operations with a total of 11 wind farms comprising 86 x 4.2 MW wind turbines, Campo Largo II will be the largest wind complex in the Company with an installed output of 361.2 MW. The electricity generated from the complex will all be sold on the free market. In other words, we are building this wind complex with no prior sale of energy via federal government auctions although worthy of note is that we have more than one hundred signed free market agreements guaranteeing the project's feasibility.

In the transmission segment as well, we are able to report important progress in the Gralha Azul Transmission System project involving the construction of about a thousand kilometers of transmission line in the state of Paraná. In August, the state environmental protection agency (*Instituto Ambiental do Paraná - IAP*) issued an installation license for the Ponta Grossa Substation, forming the core of the operation and from which the 230 kV and 525 kV lines will emanate to connect up with the remaining substations. EBE's investment will be approximately R$ 1.7 billion in the project incorporating fifteen transmission lines, five new substations and an enhanced capacity in a further five that are already operational.

In August, we successfully concluded the issue of debentures for a total of R$ 1.6 billion. The operation was contracted at the lowest all-in cost obtained by EBE for a public offering of debentures. Resources will be allocated for reimbursement of expenditures, expenses or debt related to generation assets among them the Assú V Photovoltaic Plant, the Umburanas Wind Complex and the Jaguara and Miranda Hydroelectric Power Plants.

Worthy of note is the Net Debt/Ebitda ratio which fell from 2.6x in 2Q19 to 2.3x in 3Q19 as forecasted. Despite the inclusion of the loan agreement with the Brazilian Development Bank (BNDES) in October 2019 of R$ 1.26 billion for the Umburanas Wind Complex, leverage is expected to continue well balanced. Our focus continues to be on maintaining an efficient and disciplined capital structure permitting the Company to execute its long-term strategic growth plans.

The market has been recognizing our trajectory and transformation. We were elected "Company of the Year" by *Época NEGÓCIOS 360º* magazine in an evaluation which sweeps up the criteria of financial dimensions, people, innovation, sustainability, vision of the future and corporate governance. And it is thanks to this combination of factors that we are well positioned to lead the energy transition both in Brazil and the world.



Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations 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 3Q19 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 September 30, 2019

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	169.6
Trairi Complex[4]	Wind Farm	Trairi (CE)	212.6	212.6	Sep/41	102.3
Ferrari	Biomass	Pirassununga (SP)	80.5	80.5	Jun/42	35.6
Ibitiúva Bioenergética	Biomass	Pitangueiras (SP)	33.0	22.9	Apr/30	13.9
Assú V	Solar	Assú (RN)	30.0	30.0	Jun/51	9.2
Lages	Biomass	Lages (SC)	28.0	28.0	Oct/32	14.6
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**		**584.4**
Total			**10,431.2**	**8,710.5**		**4,975.5**

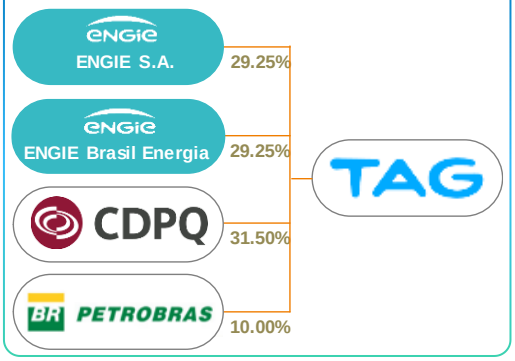
[1] Complex comprised of three power plants.
[2] Complex comprised of 18 power plants.
[3] Complex comprised of 11 power plants.
[4] Complex comprised of 8 power plants.
[5] For generating plants with installed capacity lower than or equal to 5 MW the legal instrument applicable is the record.

Gas Transportation Assets

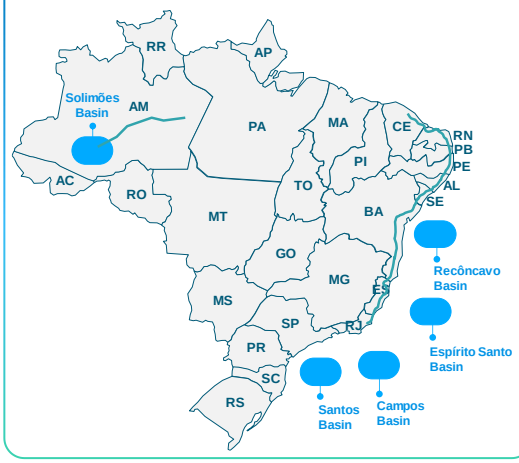
In September 2019, unanimous approval was given to the incorporation of Aliança Transportadora de Gás Participações S.A. (Aliança) by Transportadora Associada de Gás S.A. (TAG). Consequently, Aliança was extinguished and succeeded by TAG with respect to all rights and obligations.

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.

Corporate Structure



TAG Gas Pipelines Location



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

EBE`s presence into the natural gas segment in Brazil and 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 (~98%) over the medium and long terms through long-term 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	1,401	nov-33	mar-39	30.3	36.9%
Malha NE	2,002	dez-25	mar-39	21.6	24.0%
Pilar-Ipojuca	189	nov-31	nov-41	15.0	6.6%
Urucu-Coari-Manaus	802	nov-30	nov-40	6.3	32.5%
Lagoa Parda-Vitoria	81	Under negotiation	mar-39	0.7	0.0%
Total	**4,475.0**			**73.9**	**100.0%**

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

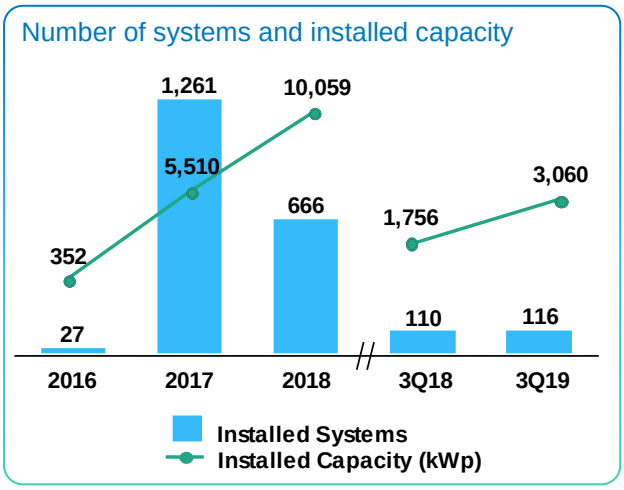
Distributed Solar Generation

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 increased investment in the distributed solar energy segment is one of the ways the Company reaffirms its commitment to operations in the segment and contributes to a more dynamic energy matrix, one closer to the end consumer.



System installed by EGSD.

An initiative of the Federation of Industries for the states of Santa Catarina, Mato Grosso and Rio Grande do Sul, the Solar Industry Program posted 2,870 enrollments in the residential category and 1,001 in the industrial segment in the three states. The Program is currently at a phase of renegotiation, reevaluating its portfolio of products and prices with a view to increasing competitiveness. Similarly, the Unicred Solar and Credifoz Solar programs – both of them with regional cooperatives – amounted 220 consumers enrolled in the first six months of this year, are both undertaking a reevaluation in the light of the cooperatives' internal operational policies which no longer permit exclusivity of operations.



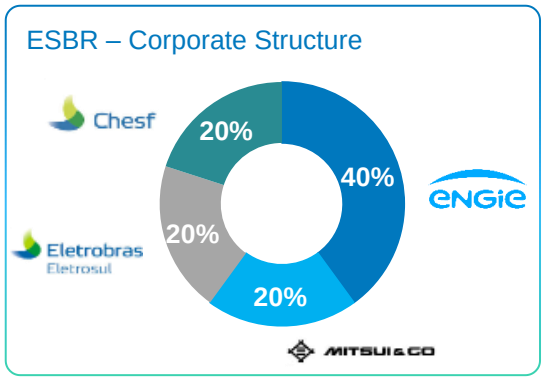
The B2B (business-to-business) segment strengthens the Company's relationship with large companies, responsible for projects involving larger installed capacity and accounting for 93.7% of the commercialized capacity in the nine months of 2019. Out of this total, 2.2 MWp were sold in the North region, corresponding to 7.3% of capacity sold in the segment and illustrating the Company's progress in penetrating other areas of the country.

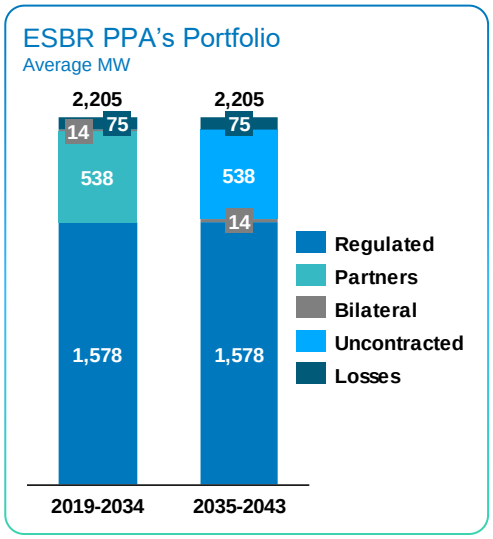
In 3Q19, 116 systems were deployed with an installed capacity of 3,060.0 kWp, an increase of 74.3% compared with 3Q18, when installed capacity was 1,756.0 kWp corresponding to 110 systems. Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,315 systems with an installed capacity of 31,332.5 kWp across 17 states of the country.

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 3Q19, the plant generated 765.9 average MW, 11.4% higher than the 687.8 average MW for 3Q18, while the National Electrical System Operator Uptime Ratio (FID) was 99.7% (data subject to final Electric Energy Trade Board (CCEE) booking).

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.

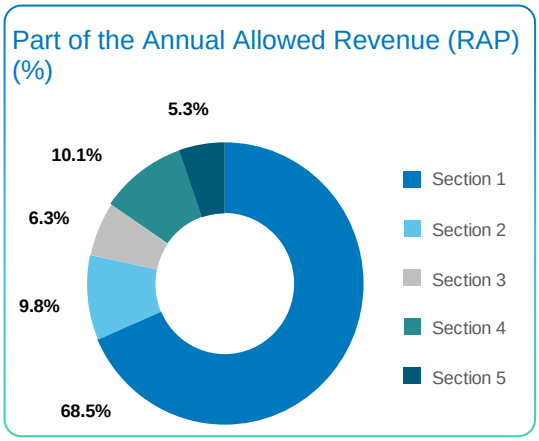
The expiry date by which time the transmission line must be operational is March 9, 2023. However, EBE will reduce this lead time for installing the operation by at least 12 months. In addition, its plan is to reduce the Aneel investment forecast by about 15%.

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

Value as of December 2017



Transmission lines and substation location



Implementation of the executive project continues while topographic and drilling activities are almost concluded. The subcontractors for the principal equipment have been selected and key agreements already signed.

As far as licensing is concerned, all environmental studies have already been filed with the Environmental Protection Agency (*Instituto Ambiental do Paraná - IAP*) with all the necessary inspections and public hearings for licensing transmission lines and related substations completed. Preliminary licences have already been issued for three of the seven Gralha Azul Project's licensing groups in addition to the installation license for the Ponta Grossa substation. Archeological studies continue to proceed, agreement having been obtained for the issue of preliminary licenses as well as some installation licenses. Construction work has also begun with the mobilization of work teams and the beginning of earth movement in readiness for construction work on the Ponta Grossa substation to begin.

As to the land rights issue, about 95% of the properties involved have already been negotiated, approximately 70% of them on an amicable basis and 30% submitted for court rulings on actions involving the institution of rights of way. Already underway are procedures for payment of indemnities, the inclusion of rights of way on perperty deeds and legal action where amicable agreement has not been possible.

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	-	202.6
Total			**361.2**	**361.2**		**202.6**

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



Execution of the 230kV substation's foundations

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 third quarter 2019, work on the wind complex began with the execution of new accesses to areas where the wind turbines are to be installed together with brush clearance to make way for the interconnection networks as well as civil work for expanding the collector substation. The executive projects and the manufacture of the principal equipment for the collector substation are also pending completion.

All the installation licenses for the eleven wind farms comprising the project have been obtained allowing all aspects of the construction to proceed accordingly.

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
Norte Catarinense	Thermal	Garuva (SC)	600.0	600.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	300.0	300.0
Campo Largo Complex - Phase III	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	120.0	120.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**2,160.0**	**2,160.0**

Santo Agostinho Wind Complex – Rio Grande do Norte. The Complex is made up of 24 Specific Purpose Companies (SPEs), each one responsible for the development of a wind generation project. All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the State of Rio Grande do Norte. In June 2016, the State of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable. The project now has all the documentation necessary to participate in the energy auctions, including the A-6 auction to be held this year. The increase of the nominal capacity of the wind turbines allowed the revision of its **total installed capacity to 800 MW**.

Norte Catarinense Thermoelectric Power Plant – Santa Catarina. The Company is developing a project for the construction of a natural gas-fired combined cycle thermoelectric power plant in the city of Garuva, in the north of the State of Santa Catarina. **The Norte Catarinense TPP will have an installed capacity of approximately 600 MW.** The project has a preliminary environmental license and the Company is evaluating alternatives for the secure supply of natural gas for eventual participation future electric energy auctions.



3D images from the Norte Catarinense TPP project

Umburanas Wind Complex – Bahia (Phase II). The environmental licensing for the Second Phase has been issued with energy under this second phase to be harnessed by EBE in due course alongside the Campo Largo Wind Complex, thus maximizing synergies during implementation and subsequent commercial operations. The project now has all the documentation necessary to participate in the energy auctions, including the A-6 auction to be held this year. Like the Santo Agostinho Complex, Umburanas II also had the nominal capacity of the wind turbines revised, passing its **total installed capacity to 300 MW**.

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

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

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

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

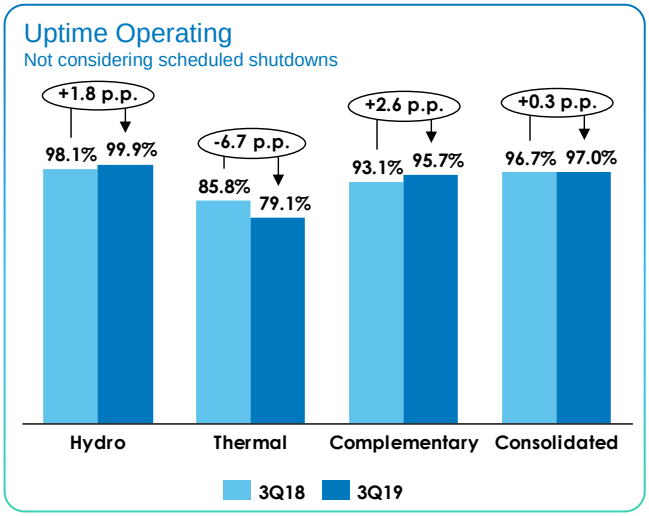
OPERATING PERFORMANCE

Energy Generator Park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **97.0% in 3Q19, ignoring scheduled stoppages**: 99.9% for the hydroelectric plants, 79.1% for the thermoelectric plants and 95.7% 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 3Q19 was 86.9%: 88.2% for the hydroelectric plants, 72.4% for the thermoelectric and 93.4% for plants operating with complementary energy sources.

As a result of programmed maintenance shutdowns, global uptime ratios for 3Q19 were 1.9% below those verified for the same period in 2018. Hydroelectric plant uptime saw a reduction of 1.9% in the quarter due to modernizing work on the Number 5 Generator Unit at the Salto Osório Hydroelectric Power Plant and ongoing repair work at generator units numbers 1 and 2 at the Jaguara Hydroelectric Power Plant.



There was a reduction in the uptime ratio of the thermoelectric power plants, 3.6% lower compared to 3Q18 due to the operational start-up cycle at Pampa Sul which experienced unscheduled stoppages characteristic of initial plant operations.

Conversely, at the complementary plants, there was a 3.6% increase in uptime ratios compared with 3Q18, due to greater uptime availability of the Company's wind farms and largely a reflection of the entry into commercial operation of the Campo Largo – Phase I and Umburanas – Phase I Wind Complexes.

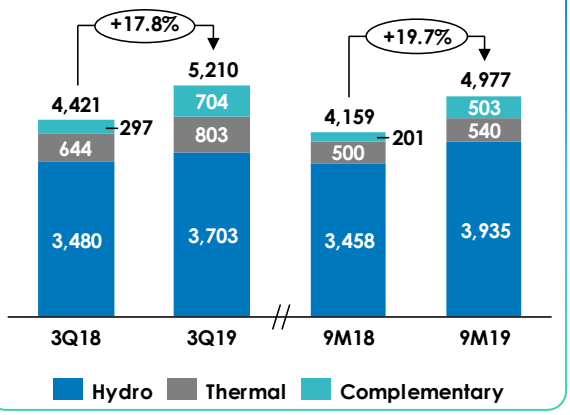
Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 11,503 GWh (5,210 average MW) in 3Q19. This result is **17.8% higher** than production for 3Q18. Total output breaks down as follows: hydroelectric plants, 8,175 GWh (3,703 average MW), thermoelectric plants 1,772 GWh (803 average MW) and the complementary sourced units 1,555 GWh (704 average MW). Results point to, respectively, increases of 6.4%, 24.7% and 137.2% on the hydro, termoelectric and complementary energy sources in relation to 3Q18.

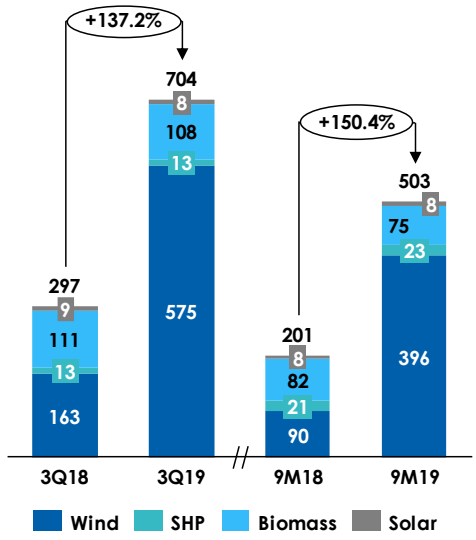
The increase in total generation from the Company`s hydroelectric plants on a 3Q19 x 3Q18 comparative basis is principally due to the more favorable hydrological conditions in 3Q19 in the hydrographic basins where the EBE`s plants are located.

The increase in the supply of hydroelectricity combined with the entry into operation of new plants as well as the small increase of 0.4% in the overall load in the National Interconnected System (SIN), were the main drivers contributing to the reduction in the Marginal Cost of Operations (CMO) consequently scaling down the need for full load dispatch from the Jorge Lacerda Thermoelectric Complex. Conversely, thermal generation from ENGIE Brasil Energia's generator complex in 3Q19 was significantly greater than 3Q18 due to the entry into commercial operations of Pampa Sul TPP, which added 214 average MW to overall capacity.

Generation
Average MW



Generation by Complementary Source
Average MW



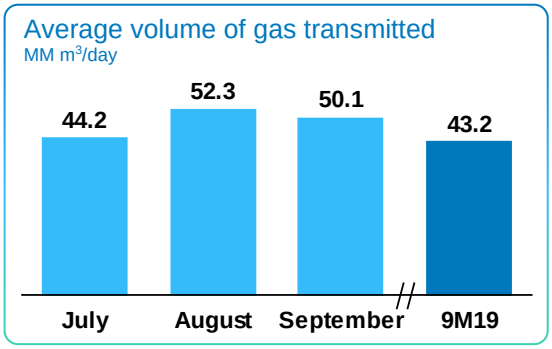
Meanwhile, the major increase in generation from the complementary plants is due to the beginning of commercial operations at Campo Largo – Phase I and Umburanas – Phase I Wind Complexes.

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

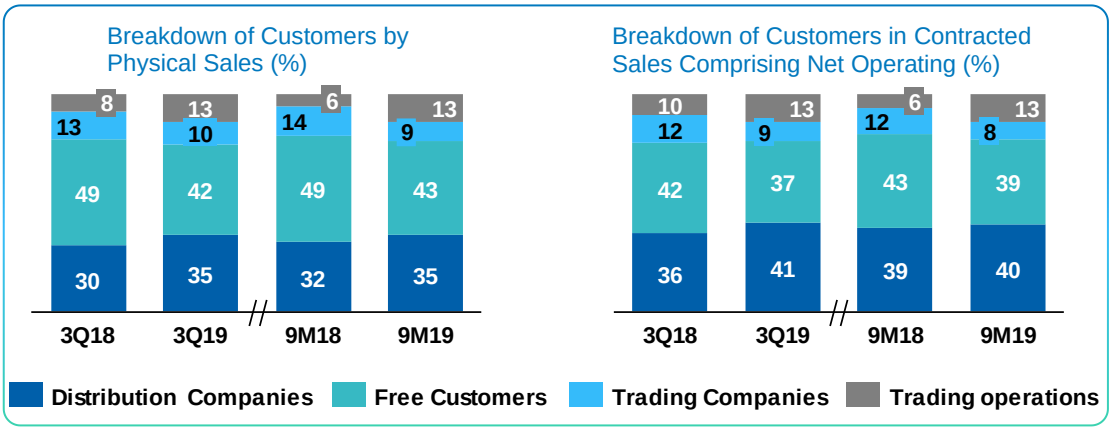
The third quarter was the first period in which Transportadora Associada de Gas's (TAG) operations were conducted under new management. In this period, the average volume of gas transmitted was 48.9 million m^3/day.



Electric Energy Sales Portfolio

In 3Q19, the free consumer share of the Company's portfolio was 41.6% of total physical sales and 37.0% of the total net operating revenue (except CCEE and other revenues), decreases of 7.5 p.p. and 4.9 p.p., respectively in relation to the same quarter in 2018.

The reduction in the share of free market transactions was due to the start of supplies under the Regulated Contracting Environment (ACR) from the Ferrari and Pampa Sul thermoelectric power plants and from the Campo Largo I, Umburanas I and Trairí wind complexes when comparing quarters.



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 **September 30, 2019** is as follows:

Energy Balance

(Average MW)

	2019	2020	2021	2022	2023	2024	**Auction** **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,536	4,707	4,857	4,914	4,910	4,911				
+ Purchases for Resale	1,551	1,042	591	443	368	184				
= Total Resources (A)	**6,087**	**5,749**	**5,448**	**5,357**	**5,278**	**5,095**				
Government Auction Sales[1]	1,962	2,011	2,011	2,011	2,011	2,006				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	235.4	211.5
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	258.5	232.3
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	269.6	242.2
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	242.6	218.0
2014-EE-2014-06	90	-	-	-	-	-	270.7	May-14	359.2	322.7
Proinfa	19	19	19	19	19	19	147.8	Jun-04	286.6	276.2
1st Reserve Energy Auction	14	12	12	12	12	12	158.1	Aug-08	284.7	274.3
Auction Mix (New Energy / Reserve / DG)	17	14	14	14	14	9	-	-	266.1	256.4
2014-NE-2019-25	151	295	295	295	295	295	183.5	Mar-14	248.3	223.1
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	261.0	251.5
2014-NE-2019-20	83	83	83	83	83	83	139.3	Nov-14	176.4	160.1
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	223.5	202.8
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	347.5	315.3
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	176.7	160.4
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	148.8	142.0
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	167.8	160.1
+ Bilateral Sales	3,450	3,269	2,936	2,533	1,844	1,091				
= Total Sales (B)	**5,412**	**5,280**	**4,947**	**4,544**	**3,855**	**3,097**				
Balance (A - B)	**675**	**469**	**501**	**813**	**1,423**	**1,998**				
Sales average **net** price (R$/MWh) [2, 3]:	188.9	188.9	188.0							
Purchases average **net** price (R$/MWh) [4]:	180.2	173.1	176.4							

[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.

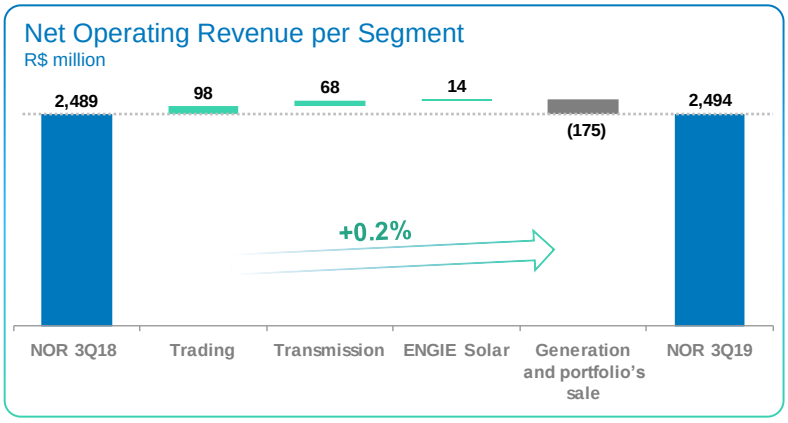
[3] Desconsidering sales for quota regime (Jaguara and Miranda HPPs).

[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.
- Aneel agreed to the renegotiation of the hydrological risk with respect to the Company's agreements negotiated through the Regulated Contracting Environment (ACR). Additional information can be found in the financial statements of 2015.

ECONOMIC-FINANCIAL PERFORMANCE

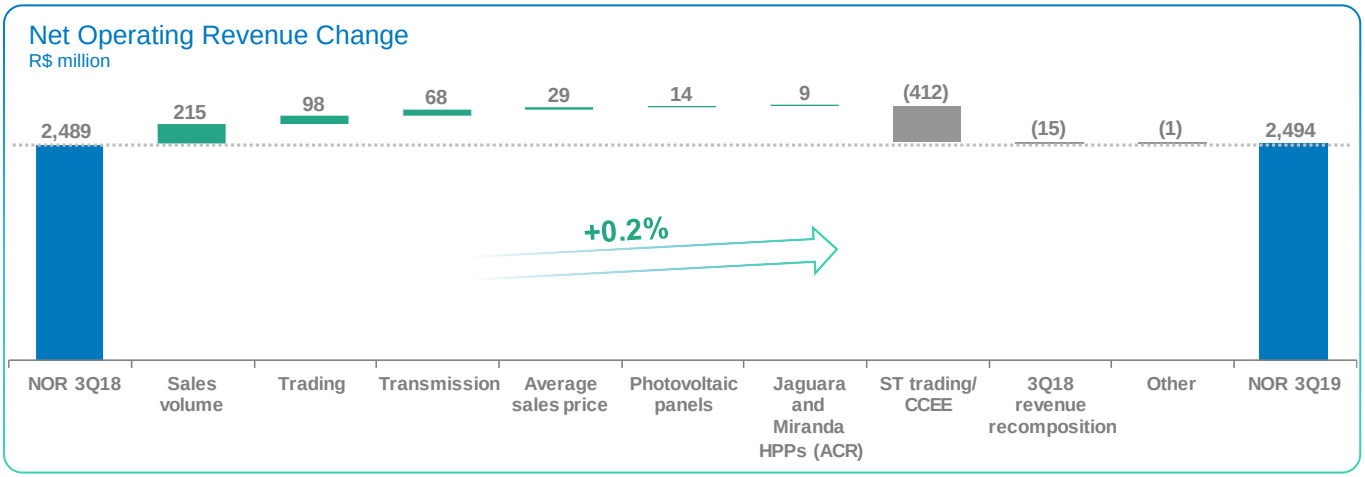
Net Operating Revenue

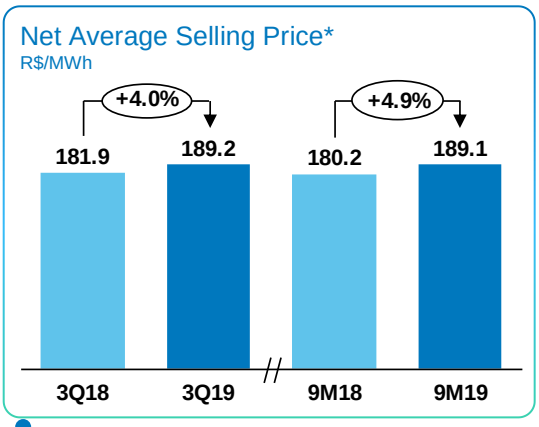


In 3Q19, net operating revenue recorded an increase of 0.2% (R$ 5.5 million) compared with 3Q18, rising from R$ 2,488.6 million to R$ 2,494.1 million. This variation was mainly a reflection of the following factors: (i) R$ 175.2 million (7.6%) decrease in the energy generation and sales from the Company's portfolio segments', largely driven by decrease in (i.i) transactions executed through the short-term market amounting to R$ 412.2 million; and (i.ii) other revenues in the amount of R$ 15.1 million, with respect to the recomposition of revenue obtained from business interruption indemnification in the light of events at the Passo Fundo and São Salvador Hidroelectric Power Plants and a contractual fine for downtime at the Santa Mônica Wind Complex wind farms, put through the accounts in 3Q18. This effects were partialy attenuated by: (i.iii) R$ 214.8 million due to the larger amounts of energy sold; (i.iv) R$ 29.0 million corresponding to the increase in net average selling price; (i.v) R$ 6.6 million from an increase in remuneration of financial assets relative to payment for the concessions' grant at the Jaguara and Miranda hydroelectric power plants; and (i.vi) R$ 2.2 million increase from growth in Generation Asset Management (GAG) revenue at Jaguara and Miranda; (ii) R$ 98.1 million increase due to energy trading operations; (iii) R$ 68.4 million revenue from the transmission segment; and (iv) R$ 14.2 million of growth in revenue from sales and installation of photovoltaic solar panels.

Increases recorded under items (i.iii) and (i.iv), R$ 227.6 million reflects the increase in volume and price of energy from Pampa Sul Thermoelectric Power Plant ("Pampa Sul"), the Campo Largo – Phase I Wind Complex ("Campo Largo") and the Umburanas – Phase I Wind Complex ("Umburanas"), commercial operations beginning June 28, 2019, in the second half of 2018 and in the first four months of 2019, respectively.

Excluding the effects relating to Pampa Sul, Campo Largo and Umburanas as well as the transaction mentioned in item (i.ii), net operating revenue from the generation and sale of electricity from the Company's portfolio segments' fell R$ 387.7 million (17.2%), in relation to the 3Q18.

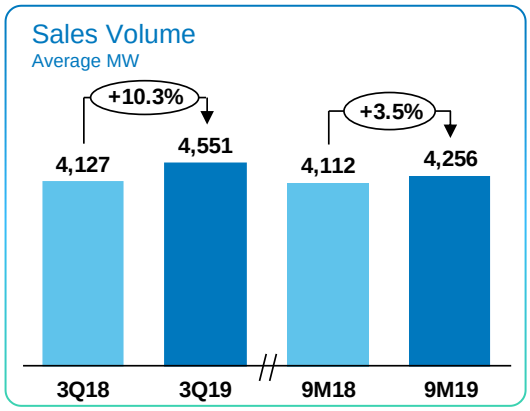




* Net of taxes, exports and trading operations.

➢ Net Average Selling Price

The average energy selling price, net of revenue charges reached R$ 189.24/MWh in 3Q19, **4.0% greater than in 3Q18**, when the average selling price was R$ 181.89/MWh. These prices exclude energy trading operations which the Company began in January 2018 and are shown below under a specific heading. Price increases were largely driven by monetary restatement of current agreements, albeit this partially attenuated by the lower average price pertaining in the Regulated Contracting Environment (ACR), supplies beginning in 1Q19.



➢ Sales Volume

Volumes of contracted energy sold under agreements increased from 9,113 GWh (4,127 average MW) in 3Q18 to **10,048 GWh (4.551 average MW) in 3Q19**, a rise of 935 GWh (424 average MW), or 10.3%, between comparative periods. These volumes do not include energy trading operations which are described below under a specific heading.

The increase in sales volume is largely a result of the stronger sales to distributors through fresh agreements effective 1Q19 arising from the new energy auctions, and the entry into commercial operations of Pampa Sul at the end 2Q19, partially compensated by the reduction in consumption on the part of free clients.

Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Revenue from Sale of Electric Energy

- Distribution Companies:

Revenue from sales to distributors reached R$ 900.3 million in 3Q19, **R$ 238.5 million (36.0%) higher** than R$ 661.8 million reported in 3Q18. The variation was caused by the following factors: (i) R$ 243,0 million — increase of 1,103 GWh (500 average MW) in sales volume; and (ii) R$ 4.5 million — a reduction of 0.7% in net average selling price.

The increase in sales volume is due largely to the start of supplies under the new energy auctions from the Ferrari Thermoelectric Power Plant; from wind farms pertaining to the Campo Largo, Umburanas and Trairí Wind Complexes, which have been feeding their energy into the regulated market since 1Q19; and from Pampa Sul Thermoelectric Power Plant where startup in commercial operations began on June 28, 2019. The decrease in prices is due to the lower average prices of the above mentioned auctions, supply as a result of which was activated in 1Q19. Lower prices were partially offset by monetary restatement of current agreements.

- Trading Companies:

In 3Q19, revenue from sales to traders was R$ 192.2 million, **R$ 30.4 million (13.7%) lower** than reported in 3Q18, which was R$ 222.6 million. This reduction resulted from the combination of the following aspects: (i) R$ 18.1 million — decrease of 107 GWh (49 average MW) in energy sales volume; and (ii) R$ 12.3 million — a decrease of 5.5% net average selling price.

The decrease in volumes between periods in question was mainly due to the migration of industrial clients – which had been buying energy through the traders – to the free consumer category, partially offset by increased consumption on the part of industrial customers that purchase energy through trading companies. The reduction in price was principally due to the expiry of agreements at higher average prices than those of the new agreements replacing them or existing agreements.

- Free Consumers:

Revenue of sales to free consumers increased by R$ 35.7 million (4.6%) between quarters under analysis from R$ 773.0 million in 3Q18 to R$ 808.7 million in 3Q19. The following events contributed to this variation: (i) R$ 45.8 million — a growth of 5.9% in the net average energy selling price; and (ii) R$ 10.1 million — a reduction of 61 GWh (27 average MW) in energy sales volume.

The higher price is largely due to the monetary restatement of maturing agreements. The reduction in energy sales volume is a function of lower consumption on the part of clients in relation to contracted volume, but partially attenuated by the increase in sales volume to industrial clients some of which migrated from trading to a free consumer category.

➢ Transactions in the Short-term Energy Market

In 3Q19, revenue from transactions in the short-term market was R$ 94.8 million, while in 3Q18 revenue from this same source was R$ 507.0 million, representing a reduction of R$ 412.2 million (81.3%) between the compared quarters. These amounts exclude transactions in the short-term market involving trading operations, details of which are shown under a separate heading below. A more detailed explanation of these short-term operations is to be found in the item below "Details of Short-Term Operations".

➢ Remuneration of Concession Financial Assets

The financial assets of concessions represent the present value of future cash flows of the portion of energy from the Jaguara and Miranda Hydroelectric Power Plants transacted through the Regulatory Contracting Environment (ACR) and equivalent to 70% of the plants' physical guarantee. These assets are remunerated at the internal rate of return and according to the variation in the Amplified Consumer Price Index (IPCA).

Remuneration from the financial assets of concessions increased from R$ 80.2 million in 3Q18 to R$ 86.8 million in 3Q19. The increase of R$ 6.6 million (8.2%) is a reflection largely of the growth in average balance between 3Q18 and 3Q19, partially attenuated by the reduction in fluctuation of the IPCA between the quarters under comparison.

➢ Revenue from Services Rendered

In the case of the Jaguara and Miranda Hydroelectric Power Plants for energy sold through the ACR, also as part of the Annual Generation Revenue (RAG), the companies receive a tranche under the Generation Asset Management (GAG) for covering operational and maintenance costs in addition to the expenditures with improvements and investments during the term of the concession. The amount of the GAG booked to the accounts in 3Q19 was R$ 30.1 million, R$ 2.2 million (7.1%) higher than the R$ 27.9 million booked in 3Q18. The increase is largely a reflection of monetary restatement of the amounts in question.

➢ Energy Trading

➢ Energy Trading Operations

In January 2018, the Company entered the energy trading market with the aim of leveraging results through fluctuations in energy prices within preestablished risk limits.

Energy trading operations are transacted in an active market and for accounting purposes, are defined as financial instruments at fair value. This is due principally to the fact that there is no commitment to match buying and selling operations given the flexibility of managing the contracts for leveraging results from price variations in the market.

Trading revenue resulting from the sale of energy reported between the quarters under analysis, increased by R$ 98.1 million (51.9%), from R$ 189.1 million in 3Q18 to R$ 287.2 million in 3Q19. The following events contributed to this variation: (i) R$ 130.6 million — an increase of 693 GWh (313 average MW) in energy sales volume; (ii) R$ 34.7 million — reduction of 18.4% in the net average selling price of energy which reached R$ 188.37/MWh in 3Q19, prior to R$ 230.95/MWh in 3Q18; (iii) R$ 1.2 million — booking in 3Q19 of unrealized gains subsequent to marking to market, the difference between contracted and market prices of pending net contracted operations as of September 30, 2019; and (iv) R$ 1.0 million — an increase in the positive result for transactions realized on the CCEE between 3Q19 and 3Q18.

Further explanations on item (iv) can be found in "Details of short-term operations".

➢ Energy Transmission

➢ Revenue from Transmission

The Company has primary responsibility for the constructing and installation of the infrastructure related to the Gralha Azul Transmission System's concession, the implementation of which began in the second half of 2018, thus being exposed to the risks and benefits arising from the construction work. Consequently, based on prevailing accounting practices, the Company has been booking revenues from the implementation of transmission line infrastructure over the period of installation, in an amount which corresponds to construction costs plus a gross residual margin for covering related management costs of the construction. The expenditures incurred in the construction are booked to transmission infrastructure cost.

The revenues from implementation of transmission infrastructure and the associated remuneration **booked to the accounts for 3Q19** were **R$ 65.3 million and R$ 3.1 million,** respectively.

➢ Solar Panels

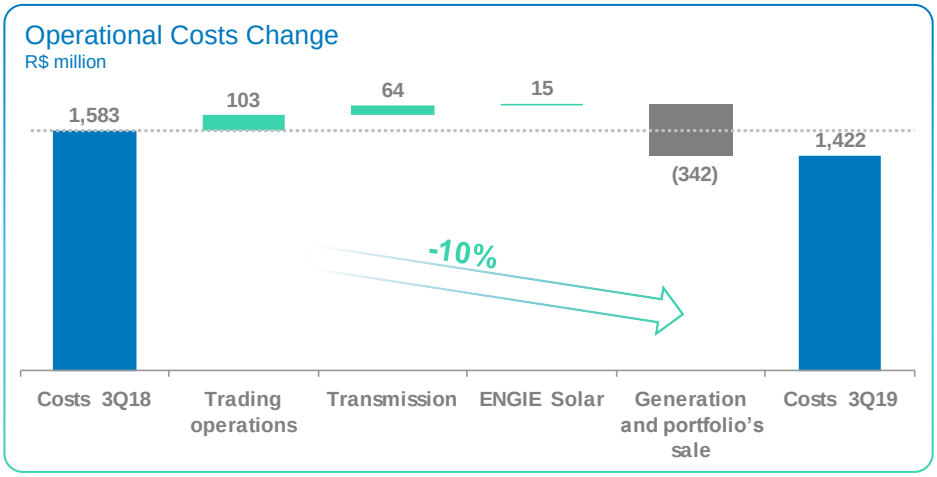
➢ Revenue from the Sale of Solar Panels

Revenue from the sale and installation of photovoltaic solar panels through the controlled ENGIE Geração Solar Distribuída S.A. ("ENGIE Solar"), **between the quarters under analysis, increased R$ 14.2 million** (341.8%) from R$ 4.2 million in 3Q18 to R$ 18.4 million in 3Q19. The control of ENGIE Solar was acquired in August 2018, when the controlled company was consolidated by EBE.

Operational Costs

Operational costs fell by R$ 160.9 million (10.2%) between compared quarters from R$ 1,583.2 million in 3Q18 to R$ 1,422.3 million in 3Q19. This variation largely reflects the following factors: (i) reduction of R$ 342.4 million (24.8%) in relation to 3Q18, in costs of the generation and sale of energy from the Company's portfolio segments'; (ii) an increase of R$ 102.8 million in the costs of energy trading operations; (iii) booking of R$ 63.7 million of costs in the transmission segment; and (iv) an increase of R$ 15.0 million of photovoltaic panel sales and installation costs as registered by ENGIE Solar.

Key to variation in item (i) is the growth of R$ 137.5 million motivated by the entry into commercial opperations of Pampa Sul, Campo Largo and Umburanas. Excluding this effect, the operational costs of the generation and sale of energy from the Company's portfolio segments' would have fallen R$ 479.9 million (34.8%), in relation to the 3Q18.



These variations basically reflect the following key components:

» **Energy purchases:** growth of R$ 57.8 million (8.8%) between the compared quarters due to the combination of the following items: (i) a year-on-year increase of R$ 102.8 million in 3Q19 from energy trading operations, reflecting above all the following: (i.i) R$ 140.0 million — a growth of 716 GWh (324 average MW) in purchase volume; and (i.ii) R$ 37.2 million — a reduction of 19.0% in the net average purchase price decreasing from R$ 241.33/MWh to R$ 195.53/MWh; and (ii) a reduction of R$ 45.0 million in the purchase operations for energy portfolio management as follows: (ii.i) R$ 22.6 million — a decrease of 4.9% in the net purchase price from R$ 126.55/MWh to R$ 120.35/MWh; and (ii.ii) R$ 22.4 million — decrease of 186 GWh (84 average MW) in purchase volumes.

» **Transactions in the short-term energy market:** comparing the quarters under analysis, the costs with these transactions fell R$ 408.7 million (95.5%) with respect to the generation and sale of energy from the Company's portfolio segments'. This amount includes an increase of R$ 7.0 million due to the entry into commercial operations of Pampa Sul. Ignoring this effect, the reduction would have been R$ 415.7 million (97.2%) in 3Q19 in relation to 3Q18. More details are described below in a specific item.

» **Charges for use of and connection to the electricity grid:** year-on-year increase of R$ 16.3 million (13.9%) largely due to the start up in commercial operations of Pampa Sul, Campo Largo and Umburanas, the impact of which was R$ 12.2 million. Excluding these effects, there was an increase of R$ 4.1 million (3.6%) in 3Q19 compared with the same period in 2018, mainly the result of the annual adjustment in transmission and distribution tariffs.

» **Fuels for the generation of electricity:** decrease of R$ 41.4 million (45.6%) year-on-year due largely to the reduction in volume of generation from the Jorge Lacerda Thermoelectric Power Plant and the booking to the accounts of a non-recurring cost with fuels in 3Q18, partially offset by the annual readjustment in fuel costs and by the consumption of fuels following the entry into commercial operation of Pampa Sul in June 2019, in the amount of R$ 30.0 million. Excluding the effect of the entry into commercial operations of Pampa Sul, the decrease in fuel costs would have been R$ 71.4 million (78.7%).

» **Personnel:** an increase of R$ 22.6 million (44.8%) in 3Q19 in relation to the same quarter 2018, substantially the result of the following factors: (i) the annual readjustment in employee salaries; (ii) new hiring as a result of expansion in the Company's generator complex, particularly the startup in commercial operations of Pampa Sul, Campo Largo and Umburanas, which resulted in an increase in payroll of R$ 10.0 million; and (iii) integration of the payroll of ENGIE Solar, acquired in full in August 2018, and resulting in a year-on-year increase of R$ 2.2 million. In addition to these factors, in 3Q18 a non-recurring event was booked to the accounts, namely the claw-back of PIS/Cofins tax credits charged on certain personnel costs and amounting to R$ 5.1 million.

Excluding the effect of ENGIE Solar, the entry into commercial operations mentioned and the non-recurring recovery of tax credits, the increase in personnel charges was R$ 5.3 million (9.7%) in 3Q19 relative to 3Q18.

» **Material and third party services:** increase of R$ 40.4 million (111.2%) year-on-year, mainly due to (i) the growth in costs of operation and maintenance following new contracts with the entry into operations of Pampa Sul, Campo Largo and Umburanas; (ii) registration of the non-recurring effect of PIS/Cofins tax credits in 3Q18 collected on the acquisition of certain materials and third party services in the amount of R$ 16.6 million; and (iii) an increase of R$ 3.4 million at ENGIE Solar, which became a wholly-owned subsidiary in August 2018.

Of the above mentioned variations, particularly important was the R$ 24.3 million arising from the startup in commercial operations of Pampa Sul, Campo Largo and Umburanas. If the impact of the ENGIE Solar acquisition, the effect of entry into commercial operations of the units mentioned and the non-recurring effect of the recovery of tax credits are excluded, then the costs with material and third party services would have declined by R$ 3.9 million (7.5%) in 3Q19 relative to 3Q18.

» **Depreciation and amortization:** an increase of R$ 64.0 million (40.6%) between the compared quarters due above all to the entry into commercial operations of Pampa Sul, Campo Largo and Umburanas, with a growth of R$ 50.7 million, as well as major maintenance work conducted on the Company's generator complex as from the second half of 2018. The latter began generating depreciation costs following the conclusion of the work.

Excluding the effect of generating units going into commercial operations already mentioned, the increase was R$ 13.3 million (8.7%) in 3Q19 compared with 3Q18.

» **Insurance:** an increase of R$ 1.5 million (17.2%) in the compared quarters due to the renewal of the operational risks policy in June 2019, with an increase in the premium and inclusion of insurance cover for the plants going into commercial operations – Pampa Sul, Campo Largo and Umburanas – amounting to R$ 0.3 million.

Ignoring the effect of plants going into commercial operations, the increase in insurance charges was R$ 1.2 million (14.1%) in 3Q19 compared to 3Q18.

» **Net operating provisions:** negative effect on the result for the period of R$ 10.8 million (103.4%) between the compared quarters, largely due to the effect of the reversal of operating provisions in 3Q18.

» **Cost of implementation of transmission infrastructure:** recognition in the accounts of R$ 63.7 million in 3Q19 related to the costs of construction of infrastructure of the Gralha Azul Transmission System, compensated by the booking of revenue from the implementation of infrastructure calculated on the basis of incurred costs as well as the gross margin for covering the management costs of the construction.

» **Cost of sale and installation of photovoltaic solar panels:** recognition of R$ 8.9 million in 3Q19 with respect to the costs related to the sale of photovoltaic solar panels through the ENGIE Solar subsidiary, control of which was acquired in August 2018.

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 3Q19 and in 3Q18, net results (the difference between revenues and costs – less taxes) due to short-term transactions – more particularly those transacted across the CCEE – were positive at R$ 77.3 million and R$ 79.8 million, respectively. The amount represents a **reduction of R$ 2.5 million between comparative periods**, this having a negative effect of R$ 3.5 million on results for transactions in the generation and sale of energy from the portfolio segments' together with a positive effect of R$ 1.0 million on the result for energy trading transactions.

This variation is a reflection largely of the combination of the following factors: (i) the reduced impact of the Adjustment Factor of the MRE (GSF) –, already allowing for the effects of renegotiation of hydrological risk; (ii) a reduction of short-term operations and the long position held on the CCEE, by virtue of the strategy adopted for allocation of hydroelectric generation resources combined with active portfolio management; (iii) lower year-on-year thermoelectric generation from the Jorge Lacerda Thermoelectric Power Plant; (iv) booking in 3Q18 of the recovery of costs resulting from the recalculation of the Generation Availability Factor for Santo Antônio HPP in line with a legal ruling; and (v) an increase in MRE revenue.

In December 2018, Aneel set maximum and minimum PLD limits for 2019 at R$ 513.89/MWh and R$ 42.35/MWh, respectively. On a quarterly comparison basis, the average PLD for the South and Southeast/Center-West submarkets fell 56.7%, from R$ 494.37/MWh in 3Q18 to R$ 214.13/MWh in 3Q19. Additionally, the PLD for the North submarket fell 59.1% from R$ 494.65/MWh in 3Q18 to R$ 202,45/MWh in 3Q19 and the average PLD for the Northeast submarket fell from R$ 494.37/MWh in 3Q18 to R$ 202.45/MWh in 3Q19, equivalent to a decline of 59.0%.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by R$ 13.3 million (29.3%) in the quarters under review due mainly to: (i) a growth of R$ 7.4 million in payroll following the annual readjustment in employee compensation and new hiring, of which R$ 0.4 million reflects personnel expenses at ENGIE Solar; (ii) reduction of R$ 4.7 million in expenses with materials and third party services, of which R$ 0.1 million relates to ENGIE Solar; (iii) growth of R$ 1.2 million in operating provisions; and (iv) booking in 3Q18 of a non-recurring event originating from the claw-back of PIS/Cofins tax credits charged on certain costs with personnel and amounting to R$ 9.9 million.

Ignoring the effect of ENGIE Solar and the non-recurring impact of the claw-back of tax credits, the increase was R$ 2.9 million (5.3%) in 3Q19 compared with 3Q18.

Increased selling, general and administrative expenses mainly reflect, (i) growth in the Company's operational capacity in line with the increase of 11.3% in installed capacity between 3Q18 and 3Q19; (ii) the new market dynamic based on the energy transition and the enhanced access to the free market; and (iii) the effects of inflation on current agreements and on payroll overheads between compared quarters. These effects are partially offset by reductions in certain expenses already mentioned in line with the Company's efforts to optimize expenses.

Other Operating Revenues (Expenses), Net

Other operating revenues increased by R$ 322.0 million between the quarters under analysis. In 3Q19 the Company booking other operating income (net) amounting to R$ 321.5 million, while in 3Q18, other operating expenses net were booked for R$ 0.5 million. This variation reflects mainly the booking, in 3Q19, of other operating revenues arising from indemnifications for non-compliance with contractual conditions incurred by the supplier responsible for the construction of Pampa Sul Thermoelectric Power Plant, notably relating to the delay in finishing the work. The amount received is stipulated in the agreement and calculated based on the result of the number of days delay in delivering the project and a daily fixed amount. This amount was calculated so as to compensate the Company for the shortfall in its results due to the failure to deliver the work on time.

Equity Income

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 has held a 29.25% direct corporate stake in TAG.

In 3Q19, the Company booked a positive equity income result amounting to R$ 21.0 million, being (i) a positive result of R$ 162.2 million from the jointly controlled company TAG, largely the consequence of a combination of the following effects: (i.i) R$ 319.4 million with respect to Ebitda; (i.ii) R$ 66.2 million depreciation and amortization of which R$ 19.9 million related to the amortization of *mais-valia* resulting from the reverse incorporation of Aliança; (i.iii) R$ 50.4 million of net financial expenses, resulting from loans raised by Aliança prior to the incorporation; and (i.iv) R$ 40.6 million relating to income tax and social contribution on profit; and (ii) a negative result of R$ 141.2 million generated by the jointly controlled Aliança up to August 2019 (prior to the incorporation), due largely to a combination of the following effects: (ii.i) negative financial result of R$ 120.0 million, principally due to debt servicing charges; (ii.ii) amortization of *mais-valia* originating from the acquisition of shared control of TAG of R$ 49.2 million; (ii.iii) positive effect on expenses with Income Tax and Social Contribution in the amount of R$ 30.7 million; and (ii.iv) general and administrative expenses of R$ 2.7 million.

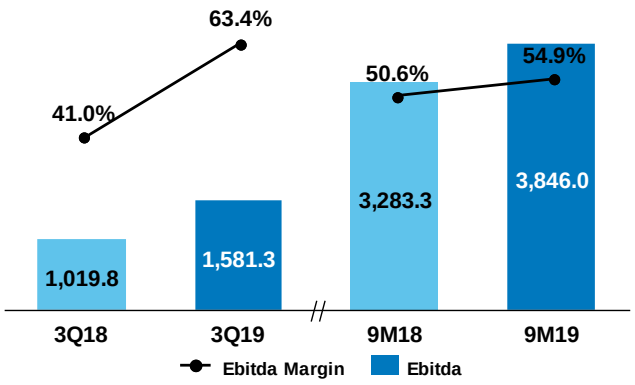
Equity income result from TAG is made up of the following items:

Income Statement – in thousands of R$	3Q19	2019
Aliança		
General and administrative expenses	(159,517)	(325,409)
Amortization of mais-valia	*(151,457)*	*(178,705)*
TAG acquisition expenses	-	*(137,527)*
Others	*(8,060)*	*(9,177)*
Loss before financial result, interest and taxes	**(159,517)**	**(325,409)**
Financial result	(369,120)	(326,320)
Loss before taxes	**(528,637)**	**(651,729)**
Income tax and social contribution	94,335	62,803
Aliança's loss	**(434,302)**	**(588,926)**
Corporate control in Aliança	**32.5%**	**32.5%**
Equity income – Aliança	**(141,148)**	**(191,401)**
TAG		
Net operational revenue	1,335,768	1,589,723
Costs of services provided	(401,012)	(454,615)
Gross income	**934,756**	**1,135,108**
General, administrative and other expenses	(68,879)	(66,068)
Income before financial result, interest and taxes	**865,877**	**1,069,040**
Financial result	(172,250)	(239,299)
Income before taxes	**693,627**	**829,741**
Income tax and social contribution	(138,834)	(194,797)
TAG's net income	**554,793**	**634,944**
Corporate control in TAG	**29.25%**	**29.25%**
Equity income – TAG	**162,277**	**185,721**
Equity income – Aliança and TAG	**21,129**	**(5,680)**

Ebitda and Ebitda Margin

Reflecting the aforementioned factors, **Ebitda for 3Q19 was R$ 1,581.3 million**, that is, 55.1% or R$ 561.5 million above the amount reported for 3Q18 of R$ 1,019.8 million. The variation is a consequence of the combination of the following **positive effects**: (i) R$ 321.0 million relates to the booking in 3Q19 of other operating revenues from indemnification payments due to non-compliance with contractual conditions by the supplier responsible for the construction of Pampa Sul Thermoelectric Power Plant, principally the delay in the conclusion of the work which caused a shortfall in the Company's results; (ii) R$ 214.8 million due to an increase in sales volume excluding trading operations; (iii) reduction of R$ 45.0 million relative to the lower volume of energy purchases for the management of the Company's portfolio; (iv) R$ 41.4 million due to the reduction in fuel costs; (v) R$ 29.0 million due to the increase in net price of energy sales, excluding trading operations; (vi) a positive result of R$ 21.0 million from the corporate stake in TAG/Aliança; (vii) growth of R$ 9.7 million in remuneration revenue and monetary restatement on the assets of the Jaguara and Miranda Hydroelectric Power Plants and the Gralha Azul Transmission System; and (viii) a reduction of R$ 7.8 million for other costs and operating expenses.

Ebitda[1] and Ebitda Margin



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

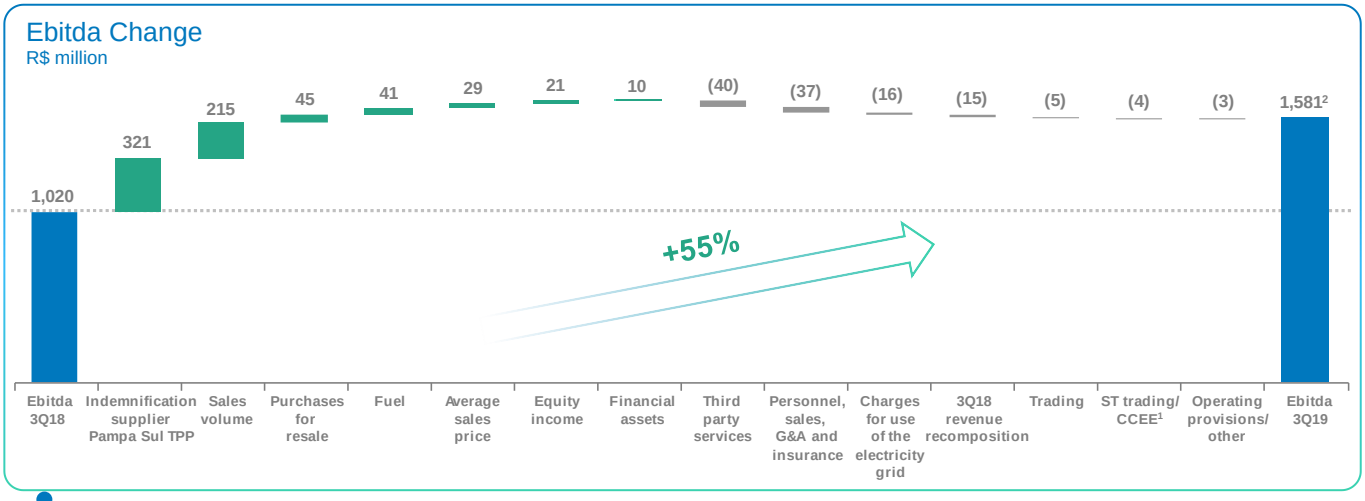
The above-mentioned positive effects were counterbalanced by the following **negative effects**: (i) an increase of R$ 40.4 million in costs with materials and third party services; (ii) a growth of R$ 22.6 million in payroll costs; (iii) increase of R$ 16.3 million in costs with electricity network usage and connection charges; (iv) booking in 3Q18 of R$ 15.1 million in non-recurring revenue relative to the recomposing of revenue resulting from the execution of rights to business interruption indemnification arising out of a claim and collection of a contractual fine from a supplier due to a partial delay in modernization work; (v) increase of R$ 13.3 million in sales, general and administrative expenses; (vi) negative effect of R$ 10.8 million with costs of operating provisions; (vii) R$ 4.7 million arising out of a net negative result on energy trading operations; (viii) a reduction of R$ 3.5 million in the result from transactions conducted across the short-term market in the generation and the sale of energy from the Company's portfolio segments'; and (ix) an increase of R$ 1.5 million in insurance premium outlays.

The positive and negative effects reported are impacted by the entry into commercial operations of the Pampa Sul Thermoelectric Power Plant and Campo Largo and Umburanas Wind Complexes, the contribution to Ebitda being R$ 166.6 million and R$ 26.1 million in 3Q19 and 3Q18, respectively.

Ebitda includes the result of corporate stakes of the jointly controlled TAG, given that the subsidiary is expected to distribute frequent and recurring dividends.

The Ebitda margin was 63.4% in 3Q19, a growth of 22.4 p.p. compared with the same period in 2018. This growth in large part is due to the accounting in 3Q19 of other operating revenues from the receipt of an indemnification in the light of contractual non-compliance on the part of the supplier responsible for the construction of Pampa Sul Thermoelectric Power Plant, principally related to loss of profits following delays in the conclusion of work. This increase in margin was partially reduced by the effects of the energy trading operations, the booking of revenue and costs with respect to construction of the transmission line and operations undertaken by the ENGIE Solar subsidiary, which was acquired in August 2018 and which has smaller margins than those commanded by the Company's other operations.

Excluding these impacts and the result of the corporate stake in TAG/Aliança, Ebitda margin in 3Q19 would be 58.9% and in 3Q18, 44.4%, equivalent to a growth of 14.5 p.p. between quarters under analysis. This growth is largely a result of the following events: (i) a reduction in the costs of the generation and energy sales from the portfolio segments' for servicing the Company's portfolio; and (ii) effects in 3Q18 relative to the strategy of the Company's operations in the short term-market more especially through the CCEE. In this context, in 3Q18, the Company reported R$ 507.6 million in revenue and incurred R$ 427.8 million of costs, while in 3Q19, the impacts were R$ 95.4 million and R$ 19.1 million, in revenue and costs respectively.



[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$)	3Q19	3Q18	Chg. %	9M19	9M18	Chg. %
Net income	742.7	475.4	56.2	1,693.6	1,553.8	9.0
(+) Income tax and social contribution	317.1	178.4	77.7	726.9	672.2	8.1
(+) Net financial result	295.7	195.3	51.4	800.1	538.0	48.7
(+) Depreciation and amortization	225.8	160.3	40.9	620.5	486.5	27.6
Ebitda	**1,581.3**	**1,009.4**	**56.7**	**3,841.1**	**3,250.5**	**18.2**
(+) Impairment	0.0	10.4	-100.0	4.9	32.8	-85.1
Adjusted Ebitda	**1,581.3**	**1,019.8**	**55.1**	**3,846.0**	**3,283.3**	**17.1**

Financial Result

Financial income: in 3Q19, financial revenues were **R$ 43.2 million**, that is R$ 3.0 million or **6.6% below the** R$ 46.2 million recorded for the same quarter in 2018 and largely a combination of the following factors: (i) a reduction of interest on values receivable from third parties in the amount of R$ 9.6 million; and (ii) an increase of R$ 5.4 million in revenue from financial investments.

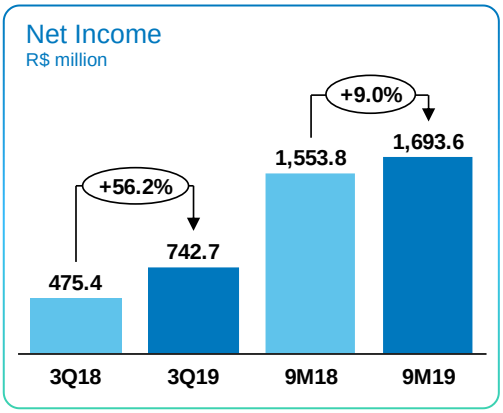
Financial expenses: financial expenses in **3Q19** were **R$ 338.9 million**, equivalent to R$ 97.4 million **or 40.3% above** those reported for the same quarter in 2018 when these were R$ 241.5 million. The principal changes were: (i) an increase of R$ 146.9 million in interest and monetary restatement on debt, largely a reflection of the issue of debentures by the Company in July 2018, May 2019 and August 2019 and the contracting of loans and financing throughout 2018 and 2019 for cash flow management and investment purposes; and (ii) a reduction of R$ 46.5 million in interest and monetary restatement on concession dues payable in turn a reflection of fluctuations in the IPCA and IGPM inflation indices between 3Q18 and 3Q19.

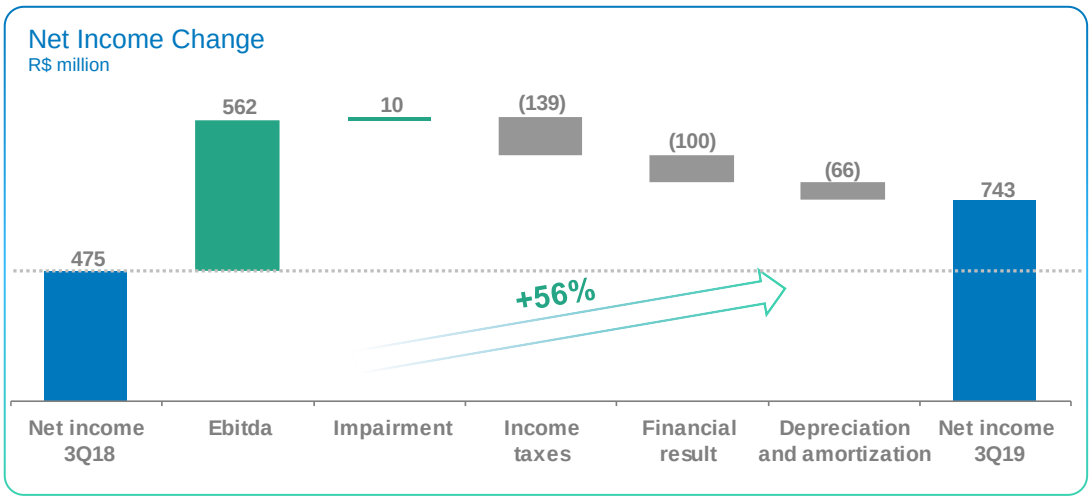
Income Tax and Social Contribution

Income Tax (IR) and Social Contribution (CSLL) in **3Q19 amounted to R$ 317.1 million**, R$ 138.7 million (77.7%) higher than the IR and CSLL recorded for the same quarter of 2018, which was R$ 178.4 million, principally due to increased profit before tax figure. The effective tax rate for IR and CSLL in 3Q19 was 29.9% and in 3Q18, 27.3%.

Net Income

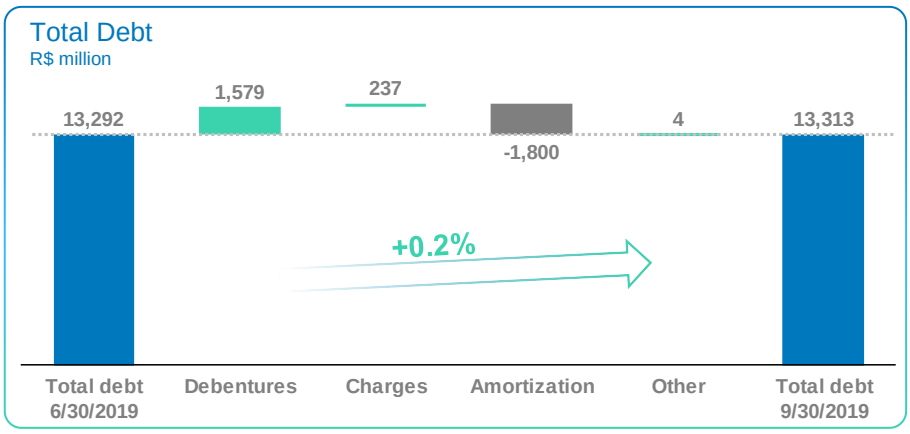
Net income for 3Q19 was R$ 742.7 million, R$ 267.3 million or **56.2% higher** than the R$ 475.4 million reported for the same quarter in 2018. This growth is a reflection of the following effects: (i) an increase of R$ 561.5 million in Ebitda; (ii) growth of R$ 138.7 million in income tax and social contribution; (iii) an increase of R$ 100.4 million in net financial expenses; (iv) an increase of R$ 65.5 million in depreciation and amortization; and (v) recognition in 3Q18 of an asset impairment of R$ 10.4 million.



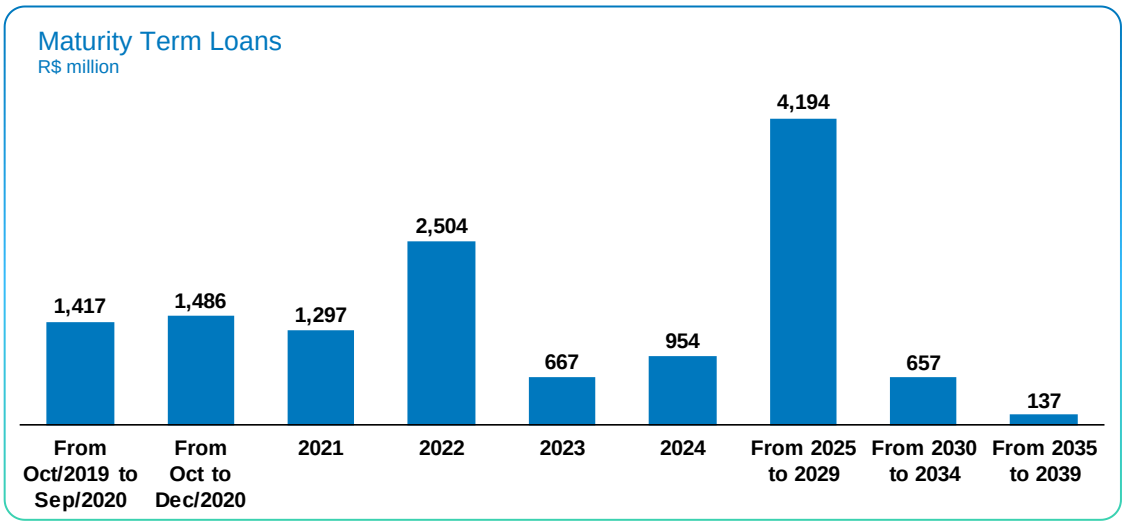


Debt

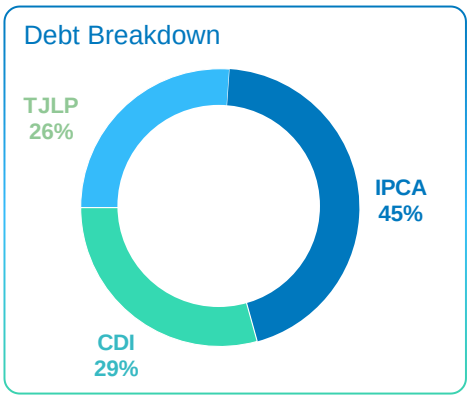
The Company's **total gross consolidated debt** as at September 30, 2019, represented mainly by loans, financing and debentures, net of the effects of hedge operations, **totaled R$ 13,312.6 million, an increase of 0.2%** (R$ 20.4 million) compared to the position as at June 30, 2019.



The variation in Company debt is related principally to a combination of the following factors in 3Q19: (i) the 9th debenture issuance for R$ 1,578.7 million for financing projects such as Assú V, Umburanas, Jaguara and Miranda; (ii) generation of R$ 237.1 million in charges to be paid and monetary restatement; and (iii) R$ 1,799.9 million in amortizations of loans, financing and debentures.



The **average weighted nominal cost of debt** at the end of the 3Q19 was **7.6%** (8.6% at the end of the 3Q18).



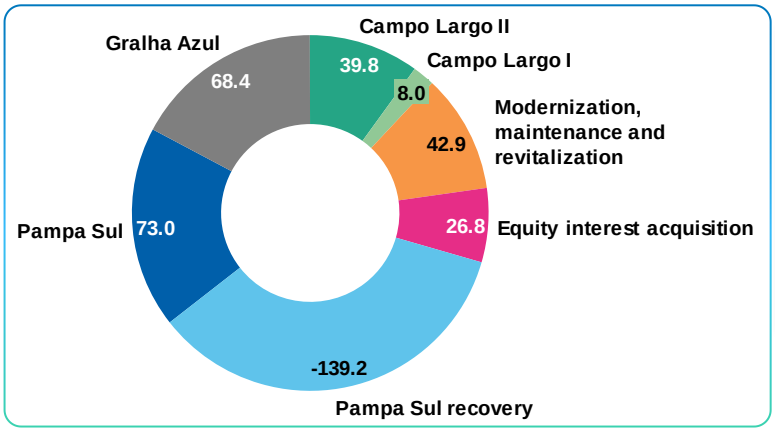
On September 30, 2019, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 11,229.4 million**, **a decrease of 1.2%** compared with the end of the 2Q19.

Net Debt
R$ million

	9/30/2019	6/30/2019	Chg. %
Gross debt	13,922.1	13,568.8	2.6
Result of derivatives operations	(609.5)	(276.6)	120.4
Deposits earmarked for the payment of debt	(363.8)	(278.7)	30.5
Cash and cash equivalents	(1,719.4)	(1,642.3)	4.7
Total net debt	**11,229.4**	**11,371.2**	**-1.2**

Capital Expenditures

ENGIE Brasil Energia's **total investments in 3Q19 were R$ 119.7 million**, of which: (i) R$ 189.2 million was invested in construction of new projects: (i.i) R$ 73.0 million applied on Pampa Sul TPP; (i.ii) R$ 68.4 million concentrated in the Gralha Azul Transmission Line; (i.iii) R$ 39.8 million in the Campo Largo Wind Complex – Phase II; and (i.iv) R$ 8.0 million in Campo Largo Wind Complex – Phase I; (ii) R$ 29.2 million was allocated in the maintenance and revitalization projects of the generating complex; (iii) R$ 26.8 million allocated for the acquisition of a corporate stake in Aliança Transportadora de Gás S.A., acquirer of a 90% corporate stake in Transportadora Associada de Gás S.A. (TAG); (iv) R$ 13.7 million was dedicated to modernization in the Salto Santiago and Salto Osório Hydroelectric Power Plants; and (v) R$ 139.2 million recovered from the construction of Pampa Sul Thermoelectric Power Plant relating to legal claims and appropriation of tax credits.





Lowering of the new generator stator into the well of GU 5 – modernization of Salto Osório

Credit of Equity Capital and Intermediate Dividends

At its meeting of November 5, ENGIE Brasil Energia's Board of Directors approved the credit of **intermediate dividends based on the financial statements raised on June 30, 2019 in the amount of R$ 893.4 million (R$ 1.0949497919 per share)**, the latter representing a **payout of 100%** for the first half of 2019 on the basis of the distributable net income, and the credit of **interest on equity capital** for the period from January 1 to December 31, 2019 for **R$ 354.0 million (R$ 0.4338619496 per share)**.

The Company's shares will be traded **ex-dividends and ex-interest on equity capital as from December 3, 2019**. Payout to shareholders will take place on a date to be established by the Management Board in due course and will be announced through a Notice to Shareholders.

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 September 30, 2019, 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. In the area of Social Responsibility, the Company endeavors to adhere to the directives in the NBR ISO 26000 guide (which is not susceptible to certification); and 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 mentioned Sustainable Management Policy, other standards related to the Company's commitment to sustainable development are included in the corporate website on such themes as Human Rights and Ethics as well as the Sustainability Committee's Internal Charter. The Sustainability Reports are published annually based on Global Reporting Initiative (GRI) recommendations and since 2014 also making use of the International Integrated Reporting Council (IIRC) framework.

Sustainability Committee

ENGIE Brasil Energia Sustainability Committee 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 employee representative. Among others, the Committee 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

- In early July of 2019, the Company received a visit from representatives of Aneel to inspect dam safety at the Passo Fundo Hydroelectric Power Plant. The purpose was to check monitoring procedures, control and civil maintenance of the main dam and related structures as well as our interactions with Civil Defense teams and other public safety organs.
- In July, *Institutional Investor* magazine announced the ranking of the best companies and business leaders in Latin America. Among the awards to the Company, particular mention should be made of **first place in the Best Environmental, Social and Corporate Governance Metrics.**
- In 3Q19, a Research and Development project began at the Machadinho Hydroelectric Power Plant to control and study the Pintado Amarelo species of fish (*Pimelodus Maculatus*) and includes the installation of sonar equipment, artificial intelligence software and fish deterrence barriers. **The investment in the project is R$ 5.6 million.**
- The Healthy School Program, already being implemented at locations contiguous to some of ENGIE Brasil Energia's plants in Brazil, has been replicated for communities neighboring Campo Largo and Umburanas (BA) Wind Complexes **and involving 989 children from seven schools**. The aim of the program is to develop a culture of healthy habits in schools and communities through initiatives directed at sanitary and nutritional education, improving the quality of life of the children and their families. For more information on the program, please see https://bit.ly/2ncuGDP.
- Approximately **three thousand attended the unveiling of the Minaçu Culture and Sustainability Center** in the state of Goiás on August 14. Sponsored by EBE through the Federal Government's Culture Incentive Law, the Culture Center is supported in the management of the organization by the Citizen Connection NGO. This is the Company's first incentivized center in the Central-Western region and the sixth to be rolled out in Brazil. The structure at the center includes the generation of photovoltaic energy, selective garbage collection, reuse of rainwater and an area with natural ventilation and designed for the constant circulation of air and energy saving. For more information related to the Culture Center program, please see https://bit.ly/32YMOQP.



Minaçu Culture and Sustainability Center- GO

- Public consultations were held on the new Environmental Plan for Conservation and Use of Riparian Margins of the Artificial Reservoir (Pacuera) of the Itá Hydroelectric Power Plant. Held in Marcelino Ramos (RS) and Itá (SC), the two panels had a joint audience of **551 who were able to learn about the new rules proposed for the use of the riparian margins of the reservoir.**

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 3Q19 and 3Q18, associating each indicator with GRI Standard recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index[3]	Material themes	GRI disclosure[4]	3Q19	3Q18	Change	9M19	9M18	Change
1	Quality	Operating plants	- Energy Transition for a low carbon economy	102-7, EU1	60	35	25	60	35	25
2		Installed capacity		102-7, EU1	10,430	9,547	9.2%	10,430	9,547	9.2%
3		Proprietary capacity		102-7, EU1	8,710	7,826	11.3%	8,710	7,826	11.3%
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%	85.1%	-7.2 p.p.	77.9%	85.1%	-7.2 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,228	8,690	6.2%	9,228	8,690	6.2%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.5%	91.0%	-2.5 p.p.	88.5%	91.0%	-2.5 p.p.
9		Energy generation (GWh)		EU2	11,503	9,762	17.8%	32,611	27,253	19.7%
10		Certified energy generation		102-16, EU6	8,692	8,421	3.2%	26,338	24,111	9.2%
11		Certified energy generation in relation to the total		102-16, EU6	75.6%	86.3%	-10.7 p.p.	80.8%	88.5%	-7.7 p.p.
12		Energy generation from renewable sources (GWh)		EU2	9,730	8,340	16.7%	29,073	23,973	21.3%
13		Energy generation from renewable sources in relation to the total		EU2	84.6%	85.4%	-0.8 p.p.	89.2%	88.0%	1.2 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	97.0%	96.7%	0.3 p.p.	97.1%	97.3%	-0.1 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	86.9%	88.8%	-1.9 p.p.	89.8%	91.2%	-1.5 p.p.
16	Environment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Energy Transition for a low carbon economy - Engajament with local comunities and stakeholders - Environment management	304-2, 413-1	96,152	96,142	0.0%	296,799	316,029	-6.1%
17		Number of visitors at the plants		413-1	26,921	30,370	-11.4%	65,210	77,863	-16.3%
18		CO2 Emissions (fossil fuel plants) (t/MWh)[5]		D305-1, D305-2, D305-3	0.694	0.928	-25.2%	0.787	0.941	-16.4%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)[5]		D305-1, D305-2, D305-3	0.107	0.135	-20.9%	0.088	0.114	-22.4%
20	Occupational Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[6]	- Development, equality and health and safety - Management of impacts in the productive chain	403-2	0.000	0.000	-	0.000	0.000	-
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[7]		403-2	0.000	0.000	-	0.000	0.000	-
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[6]		403-2	3.290	1.830	↑	1.730	0.930	↑
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[6]		403-2	0.000	0.890	↓	0.810	1.950	↓
24	Social Responsibility[7]	Non-incentivized investments	- Engajament with local comunities and stakeholderss	203-2, 413-1	822.7	1,161.1	-29.1%	2,514.4	2,236.7	12.4%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	495.0	374.5	32.2%	2,101.4	1,213.7	73.1%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	4.5	882.0	-99.5%	5,792.4	7,677.8	-24.6%
27		Investments through the Sport Incentive Law		203-2, 413-1	0.0	100.0	-100.0%	340.0	660.0	-48.5%
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	100.0	200.0	-50.0%	683.1	300.0	127.7%

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 09/30/2019.
[4] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[5] Not yet includes emissions from Pampa Sul Thermoelectric, recently opened
[6] TF = number of occupational accidents for every million hours of exposure to hazards.
[7] TG = number of days lost due to occupational accidents for every thousand hours of exposure to hazards.
[8] 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, the Annual General Meeting in April this year approved the new Corporate Bylaws, the principal initiative being the establishment of the Audit Committee with the participation of at least one Independent Councilor. 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 Committee 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 Bovespa and on Euronext-Vigeo EM 70 — a stock index made up of companies with a premium performance in corporate responsibility in developing countries. Vigeo is the leading constituent agent for ratings of corporate social responsibility and analyzes approximately 330 indicators.

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

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

Share Performance – EGIE3

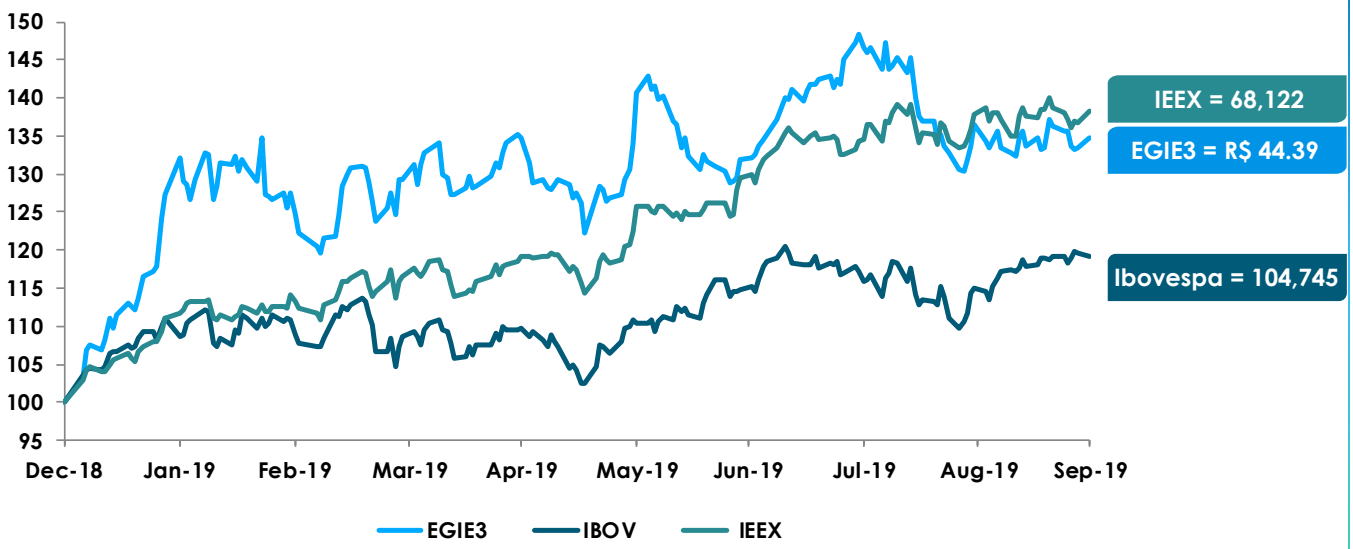
The Brazilian stock exchange has been reflecting the slow recovery in the economy and investments in both public and private sectors. Despite the reform of the social security system nearing completion, fears surrounding the trade war and the weakening of the global economy has engendered a more cautious posture on the part of investors. However, international markets closed off the quarter revealing optimism in the light of news of a truce in the trade war between the United States and China and the resumption of negotiations between the two countries. The Ibovespa stock index in 3Q19 posted an appreciation of 3.7%, recovering to the 104 thousand points level.

ENGIE Brasil Energia's equities reported an **increase of 2.1%** in the third quarter of 2019, while the Electric Energy Stock Index (IEEX) posted a gain of 6.7% in the period.

Average daily trading volume of EGIE3 was R$ 54.0 million in 3Q19, 79.3% more than recorded in 3Q18, when average volumes were R$ 30.1 million.

EBE's closed the last trading day of September priced at R$ 44.39/share**, translating into a market capitalization of R$ 36.2 billion.**

EGIE3 vs. Ibovespa vs. IEEX
(Base 100 – 12/31/2018)



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: November 6, 2019
Time: 9:00 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 November 6th to 12, 2019. Access by dialing: +55 (11) 3127-4999, code: 68982467 (Portuguese) and 65420899 (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$)	9/30/2019	12/31/2018
Current Assets	**4,474,457**	**4,556,677**
Cash and cash equivalents	1,719,426	2,415,792
Accounts receivables from clients	1,512,132	1,181,379
Credit of income tax and social contribution	106,713	98,978
Insurance claim receivable	-	74,780
Inventory	227,895	125,681
Unrealized gains on hedging transactions	192,451	3,135
Unrealized gains on trading transactions	102,254	116,202
Restricted deposits	5,226	8,956
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	293,894	277,502
Non current asset held for sale	4,829	13,728
Other current assets	294,548	225,455
Non Current Assets	**23,430,264**	**19,178,868**
Long Term Assets	**3,901,041**	**3,230,556**
Unrealized gains on hedging transactions	527,978	256,464
Unrealized gains on trading transactions	57,818	44,429
Restricted deposits	369,620	232,450
Deposits in court	102,735	97,721
Renegotiation of hydrological risk to appropriate	119,459	130,776
Concession financial assets	2,376,693	2,317,608
Right of use	115,836	-
Other non current assets	230,902	151,108
Investments	**3,101,211**	**-**
Property, Plant and Equipment	**15,140,472**	**14,635,467**
Intangible	**1,287,540**	**1,312,845**
Total	**27,904,721**	**23,735,545**

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

(In thousands of R$)	9/30/2019	12/31/2018
Current Liabilities	**3,302,317**	**4,170,261**
Suppliers	537,848	588,471
Dividends and interest on shareholder´s equity	13,621	2,137,039
Loans and financing	1,359,617	454,513
Debentures	232,392	210,369
Lease liabilities	15,433	-
Tax and social contribution obligations payable	199,446	102,033
Other fiscal and regulatory obligations	131,307	104,410
Labor obligations	102,478	99,572
Unrealized gains on trading transactions	85,339	98,047
Concessions payable	137,935	84,931
Provision	8,880	8,883
Obligations related to retirement benefits	35,373	35,369
Other current liabilities	442,648	246,624
Non Current Liabilities	**17,031,154**	**13,244,707**
Loans and financing	6,589,275	5,854,915
Debentures	5,740,808	3,200,437
Lease liabilities	71,926	-
Unrealized gains on trading transactions	30,295	19,395
Concessions payable	2,958,886	2,765,538
Provision	93,593	88,977
Obligations related to retirement benefits	283,655	283,765
Deferred income taxes and social contribution	966,508	768,814
Other non current liabilities	296,208	262,866
Shareholders' Equity	**7,571,250**	**6,320,577**
Share capital	4,902,648	4,902,648
Net income reserves	1,055,576	1,106,277
Adjustment on fixed asset	(76,636)	307,261
Retained earnings	1,686,190	-
Non controlling interests	3,472	4,391
Total	**27,904,721**	**23,735,545**

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

(In thousands of R$)	3Q19	3Q18	Chg. %	9M19	9M18	Chg. %
Net Operational Revenue	**2,494,116**	**2,488,646**	**0.2**	**7,009,354**	**6,492,471**	**8.0**
Costs of Energy Sold and Services Provided	**(1,422,305)**	**(1,583,250)**	**-10.2**	**(3,924,143)**	**(3,549,896)**	**10.5**
Electric power purchases	(715,507)	(657,715)	8.8	(1,937,389)	(1,623,062)	19.4
Transactions in the short term energy market	(19,169)	(427,848)	-95.5	(202,017)	(505,935)	-60.1
Charges for the use of and connection to the electricity grid	(133,522)	(117,245)	13.9	(380,576)	(340,588)	11.7
Fuel expenses	(49,319)	(90,698)	-45.6	(88,767)	(151,147)	-41.3
Financial compensation for use of water resources (Royalties)	(33,593)	(33,006)	1.8	(99,114)	(88,101)	12.5
Personnel	(73,066)	(50,455)	44.8	(196,647)	(155,811)	26.2
Materials and third party services	(76,816)	(36,375)	111.2	(193,954)	(139,717)	38.8
Depreciation and amortization	(221,656)	(157,617)	40.6	(608,300)	(478,623)	27.1
Insurance	(9,995)	(8,525)	17.2	(44,234)	(25,790)	71.5
Reversals (Accrual) of operating provisions	(357)	10,411	-103.4	2,552	(1,252)	-303.8
Cost of implementing transmission infrastructure	(63,643)	-	100.0	(98,398)	-	100.0
Cost of selling photovoltaic solar panels	(11,362)	(2,465)	360.9	(41,254)	(2,465)	1,573.6
Others	(14,300)	(11,712)	22.1	(36,045)	(37,405)	-3.6
Gross Income	**1,071,811**	**905,396**	**18.4**	**3,085,211**	**2,942,575**	**4.8**
Operating Income (Expenses)	**262,600**	**(56,418)**	**-565.5**	**141,073**	**(177,609)**	**-179.4**
Selling, general and administrative expenses	(58,866)	(45,539)	29.3	(175,750)	(143,810)	22.2
Impairment	-	(10,416)	-100.0	(4,900)	(32,827)	-85.1
Other operating (expenses) revenues, net	321,466	(463)	-69,531.1	321,723	(972)	-33,199.1
Result of corporate participations	**21,129**	**143**	**14,675.5**	**(5,680)**	**(971)**	**0.0**
Equity income/(loss)	21,129	143	14,675.5	(5,680)	(971)	485.0
Income Before Financial Result and Taxes	**1,355,540**	**849,121**	**59.6**	**3,220,604**	**2,763,995**	**16.5**
Net Financial Result	**(295,738)**	**(195,316)**	**51.4**	**(800,133)**	**(537,953)**	**48.7**
Financial income	43,138	46,180	-6.6	111,908	101,821	9.9
Financial expenses	(338,876)	(241,496)	40.3	(912,041)	(639,774)	42.6
Income Before Taxes	**1,059,802**	**653,805**	**62.1**	**2,420,471**	**2,226,042**	**8.7**
Income tax	(227,814)	(125,621)	81.4	(520,080)	(481,345)	8.0
Social contribution	(89,281)	(52,833)	69.0	(206,826)	(190,852)	8.4
Net Income for the Period	**742,707**	**475,351**	**56.2**	**1,693,565**	**1,553,845**	**9.0**
Income allocated to:						
ENGIE Brasil Energia's shareholders	742,397	475,069	56.3	1,692,697	1,553,080	9.0
Non-controlling shareholder of Ibitiúva Bioenergética S.A.	310	282	9.9	868	765	13.5
Number of Ordinary Shares	**815,927,740**	**815,927,740**		**815,927,740**	**815,927,740**	
Net Income per Share	**0.9099**	**0.5822**	**56.3**	**2.0746**	**1.9035**	**9.0**

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

(In thousands of R$)	3Q19	3Q18	9M19	9M18
Cash Flow from Operating Activities				
Income before taxes on income	1,059,802	653,805	2,420,471	2,226,042
Reconciliation of net income with operating cash flow:				
Equity loss	(21,129)	(143)	5,680	971
Depreciation and amortization	225,787	160,355	620,541	486,465
Provision for impairment of assets	-	10,416	4,900	32,827
Monetary variation	12,373	80,980	179,102	212,273
Interests	293,037	136,772	682,437	391,432
Remuneration of concession assets	(89,808)	(80,150)	(281,930)	(270,127)
Unrealized gains on trading operations	(34,954)	-	(1,249)	-
Others	19,075	(23,601)	101	(9,606)
Adjusted Net Income	**1,464,183**	**938,434**	**3,630,053**	**3,070,277**
Increase (reduction) in assets				
Accounts receivables from clients	(169,735)	148,112	(308,616)	(49,225)
Tax credits recoverable	1,926	1,599	(6,982)	(3,131)
Inventory	(10,303)	46,035	(99,032)	607
Deposits in court and restricted deposits	1,053	7,393	2,652	13,790
Renegotiation of hydrological risk to appropriate	3,772	6,516	11,317	19,547
Financial and concessions assets	68,868	65,770	199,005	226,890
Insurance claim receivable	-	-	74,780	-
Other assets	(180,240)	(15,912)	(208,746)	(123,211)
Increase (reduction) in liabilities				
Suppliers	57,536	(182,199)	56,921	(144,211)
Other fiscal and regulatory obligations	40,847	17,628	23,748	24,304
Obligations related to retirement benefits	(7,250)	(6,787)	(21,758)	(20,093)
Fuel to pay to the CDE	(11,001)	35,204	(26,598)	149,880
Other liabilities	21,893	7,824	36,215	6,877
Cash Generated from Operating Activities	**1,281,549**	**1,069,617**	**3,362,959**	**3,172,301**
Payment of interests on debt, net of hedge	(177,527)	(91,529)	(376,320)	(289,126)
Payment of income tax and social contribution	(121,400)	(130,180)	(323,991)	(379,808)
Net Cash from Operating Activities	**982,622**	**847,908**	**2,662,648**	**2,503,367**
Investments Activities	**(20,785)**	**(1,113,607)**	**(4,390,581)**	**(2,287,555)**
Capital increase at joint ventures	-	-	(2,789,257)	-
Acquisitions of investments	-	(12,830)	(680,612)	(17,361)
Used in fixed assets and intangibles	(92,671)	(1,097,196)	(992,598)	(2,324,365)
Received on disposal of investments	-	(3,581)	-	54,171
Liquidated damages for the delay conclusion received	71,886	-	71,886	-
Financing Activities	**(884,734)**	**1,661,884**	**1,031,567**	**296,684**
Loans, financing and debentures contracted	(188)	1,051,048	1,389,823	1,781,361
Debentures contracted	1,569,319	727,172	4,065,291	2,486,345
Payment of loans and financing, net of hedge	(1,622,336)	(68,833)	(1,965,563)	(1,890,285)
Payments of concessions payable	(18,489)	(17,717)	(55,031)	(52,648)
Debt Servicing Deposits	(80,533)	(32,481)	(125,566)	(34,702)
Payments of dividends and interest on shareholders' equity	(725,592)	(4)	(2,260,648)	(1,989,944)
Payments of leases	(2,561)	-	(12,277)	-
Others	(4,354)	2,699	(4,462)	(3,443)
Increase (Decrease) in Cash and Cash Equivalents	**77,103**	**1,396,185**	**(696,366)**	**512,496**
Reconciliation of Cash and Cash Equivalents				
Opening balance	1,642,323	1,046,381	2,415,792	1,930,070
Closing balance	1,719,426	2,442,566	1,719,426	2,442,566
Increase (Decrease) in Cash and Cash Equivalents	**77,103**	**1,396,185**	**(696,366)**	**512,496**
Transactions that do Not Affect Cash and Cash Equivalents				
Offsetting of income tax and social contribution	6,721	2,199	17,964	13,069
Capitalized interest and monetary variation	3,151	88,396	148,016	212,082
Future expenditures estimate to employ in fixed assets	119,667	(923)	137,116	(27,679)
Supplier's of fixed assets and intangibles	(20,773)	89,937	(107,994)	100,549
Input of non current assets held for sale	-	-	-	(48,038)
Transfer of property, plant and equipment to other non-current assets	-	-	(2,926)	-