ENGIE Brasil Energia records Ebitda of R$ 1,432.7 million and Net Income of R$ 490.0 million

Energy sales grew 6.9% compared to 2Q20, showing signs of reduction in the impacts of the pandemic.

Highlights

- Engie Brasil Energia reported net operating revenue of R$ 3,208.8 million for the third quarter of 2020 (3Q20), 28.7% (R$ 714.7 million) higher than posted in 3Q19.
- Ebitda[1] reached R$ 1,432.7 million in the 3Q20, a decrease of 9.4% (R$ 148.6 million) compared to the 3Q19, motivated, substantially by a non-recurring gain of R$ 321.0 million in 3Q19. Ebitda margin was 44.6% in the 3Q20, 18.8 p.p. lower than in the 3Q19.
- Net income was R$ 490.0 million (R$ 0.6002/share) for the 3Q20, 34.0% (R$ 252.7 million) below than reported in the 3Q19, also resulting in part from a non-recurring effect of R$ 211.8 million in the 3Q19.
- The average price of energy sales agreements, net of revenue taxes and trading operations was R$ 196.5/MWh in the 3Q20, 3.8% higher than in the 3Q19.
- The volume of energy sold in the 3Q20, excluding trading operations, was 9,617 GWh (4,355 average MW), volume 4.3% lower than commercialized in the 3Q19.
- The indirect subsidiaries, Novo Estado Participações S.A. (NEP) and Novo Estado Transmissora de Energia S.A., signed an Investment Agreement with Itaú Unibanco S.A., via the subscription of preferred NEP shares for R$ 500.0 million for the installation of transmission lines in the states of Pará and Tocantins.
- A Law was sanctioned on September 8, recognizing the right to compensation of the hydroelectric generators for the financial fallout from exogenous factors which have resulted in GSF related disputes over the past few years. The final values involved have not yet been released by Aneel.
- The Company has endeavored to overturn the injunction order, received on October 15 in the form of a Class Action which suspended work on the Ivaiporã-Ponta Grossa and Ponta Grossa-Bateias sections of the Gralha Azul Transmission System. A second ACP, dated October 21, seeks to suspend work on the entire project as well as the relative environmental licenses.
- For the 11th time, the Company has been awarded the Transparency Trophy organized by Anefac, Fipecafi and Serasa Experian. The award analyzes practices of transparency and quality of the financial statements as a whole and the consistency of data disclosed.
- ENGIE was elected champion in the category of best company in the energy sector in the *Época Negócios 360º* yearbook in 2020.
- In September, Usina Termelétrica Pampa Sul settled the public offering of the 1st issue of simple debentures with restricted placement efforts in two series for a total of R$ 340.0 million. Subsequently, was filed the application for the 2nd debenture issue in two series, amounting to R$ 582.0 million. The funds will be used to reimburse the costs of installing the Pampa Sul TPP.

Subsequent Event

- ENGIE launched the Energy Place, its digital relationship and sales platform for clients and managers in the Free Energy Market. This environment will simplify the management of contracts and servicing of ENGIE's clients and partners as well as being an energy e-commerce platform.

Florianópolis, Brazil, November 5, 2020. ENGIE Brasil Energia S.A. ("ENGIE" or "Company") – B3: EGIE3, ADR: EGIEY - announces earnings for the Third Quarter ending September 30, 2020 (3Q20). The information in this release is shown on a consolidated basis and in accordance with Brazilian accounting principles and practices. The values are expressed in Brazilian Reais (R$), except where otherwise indicated.

For Immediate Release

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Video Conference:
On 11/6/2020 at 9:00 a.m. (EDT): in Portuguese (simultaneous translation into English).

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

Visit our Website
www.engie.com.br/investidores

Summary of Financial and Operational Indicators

ENGIE Brasil Energia - Consolidated

(In millions of R$)	3Q20	3Q19	Chg.	9M20	9M19	Chg.
Net Operating Revenue (NOR)	3,208.8	2,494.1	28.7%	8,489.9	7,009.4	21.1%
Results from Operations (EBIT)	1,209.3	1,355.5	-10.8%	3,504.6	3,220.6	8.8%
Ebitda [1]	1,432.7	1,581.3	-9.4%	4,196.1	3,846.0	9.1%
Ebitda / NOR - (%) [1]	44.6	63.4	-18.8 p.p.	49.4	54.9	-5.5 p.p.
Net Income	490.0	742.7	-34.0%	1,767.8	1,693.6	4.4%
Return On Equity (ROE) [2]	33.4	32.4	0.9 p.p.	33.4	32.4	0.9 p.p.
Return On Invested Capital (ROIC) [3]	18.9	19.6	-0.6 p.p.	18.9	19.6	-0.6 p.p.
Net Debt [4]	11,206.5	11,229.4	-0.2%	11,206.5	11,229.4	-0.2%
Gross Power Production (avg MW) [5]	5,559	5,210	6.7%	3,793	4,977	-23.8%
Energy Sold (avg MW) [6]	4,355	4,551	-4.3%	4,256	4,256	0.0%
Average Net Sales Price (R$/MWh) [7]	196.49	189.24	3.8%	194.80	189.06	3.0%
Number of Employees - Total	1,584	1,433	10.5%	1,584	1,433	10.5%
EBE Employees	1,460	1,403	4.1%	1,460	1,403	4.1%
Employees on Under Construction Plants	124	30	313.3%	124	30	313.3%

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

EGIE3 NOVO MERCADO BM&FBOVESPA
IBOVESPA
Índice de Ações com Governança Corporativa Diferenciada IGC
Índice de Ações com Tag Along Diferenciado ITAG
ISEB3
MSCI 2017 Constituent MSCI ESG Leaders Indexes

MESSAGE FROM THE MANAGEMENT

In the third quarter 2020, ENGIE Brasil Energia proceeded apace with its operations, reaping the beneifts from diversification of businesses, although not losing sight of its concern with the pandemic impacts which is still having an affect on the world economy. However, it has been possible to resume some onsite routines at head office with approximately 30% of the employees.

During the quarter, Law 14,052 and known as the GSF Law, was sanctioned, recognizing the right of the hydroelectric generators to compensation for the financial fallout from exogenous factors surrounding the GSF issue over recent years. The sanctioning of the Law is a very important event for the electric power sector since in addition to repairing a damage suffered unjustly by generators, it will be instrumental in unlocking the market as a whole although still lacking the necessary fine tuning to correctly reflect definitions introduced by the legislation. However, the Law shows maturity and brings to an end a long-standing discussion of many years.

The works of the projects under construction advanced in 3Q20, however, in October, the execution of part of the work of the Gralha Azul Project was halted, due to an injunction that questions the environmental licensing of a transmission line in Paraná.

> “We live in the era of the proposition and have as our mission to improve the quality of energy, reduce emissions and upgrade efficiency and care for the planet, always preserving the environment, being socially responsible and promoting diversity.”

The Company has been active for more than 22 years, implanting and operating power projects throughout the country. It is recognized for its high ethical and socio-environmental standards, this being the case even when the ESG acronym did not attract so much attention. The Gralha Azul project was licensed and approved by the appropriate authorities and its route was planned with due care. In addition, as was always the case, we went the extra mile to minimize the environmental impacts, including the use of drones for cable payout and towers with a higher elevation permitting work to coexist with the vegetation. The project meets a longstanding demand in the region for improving the supply and quality of energy destined for the Central-South of the state of Paraná, and involves investments estimated at R$ 2.0 billion with the creation of 5 thousand direct and indirect jobs. We are taking the appropriate steps to demonstrate the legality of all environmental studies, licences and other administrative acts to preserve the legitimate continuity of the project’s installation.

In the energy generation and sale segment, the increase in revenue is due to 3.8% higher selling prices, transactions conducted across the CCEE and energy exports, partially attenuated by the reduction in sales volume and mainly due to lower consumption on the part of clients. In the transmission segment, revenues reported significant growth due to the specific accounting standard used in the case of construction of transmission assets in the light of progress made in executing work on the Gralha Azul and Novo Estado transmission systems. Worthy of note is that by comparison with 2Q20, we sold 6.9% more energy, confirming the tendency towards a recovery, as well as the correctness of the strategy in migrating to the free consumer segment. In this context and launched in the second quarter with a focus on companies with monthly energy expenditures of at least R$ 40,0 thousand – or the sum of all consumer units reaching this amount - the E-conomiza project has found a highly receptive market with 18 feasibility studies/indicative proposals sent via direct channels and through ENGIE’s partners.

As to profitability, we should point out that the results for 3Q19 were positively impacted by payment of an indemnity for the delay in the conclusion of work on the Pampa Sul Thermoelectric Power Plant of R$ 321.0 million. This additional income distorts the comparison with the results for 3Q20, Ebitda reporting a decline of 9.4%, recording R$ 1.4 billion, equivalent to an Ebitda margin of 44.6%. For the 9M20 period, the same account reported R$ 4.2 billion 9M20 (+9.1% vs 9M19). However, excluding the non-recurring item, Ebitda would have risen by 13.7% (+19.0% vs 9M19). Net Income posted a decline of 34.0% in the quarter, reporting R$ 490.0 million in 3Q20 and accumulating in the year-to-date R$ 1.8 billion. Again excluding the non-recurring item above mencioned, of R$ 211.8 million, the decline in this account would have been 7.7% between comparative quarters, largely a reflection of the monetary variation on the concessions payable, due to the 9.3% IGPM variation in 3Q20.

We live in the era of the proposition and have as our mission to improve the quality of energy, reduce emissions and upgrade efficiency and care for the planet, always preserving the environment, being socially responsible and promoting diversity. We remain focused on contributing to the growth of the energy infrastructure in Brazil, taking care of all stakeholders.



Eduardo Antonio Gori Sattamini
Chief Executive and Investor Relations Officer



Marcelo Cardoso Malta
Financial Officer

BREAKDOWN OF ASSETS

Energy Generation Assets

ENGIE Brasil Energia is part of the largest independent power producer group in the country and, at the end of the 3Q20 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 – as of September 30, 2020

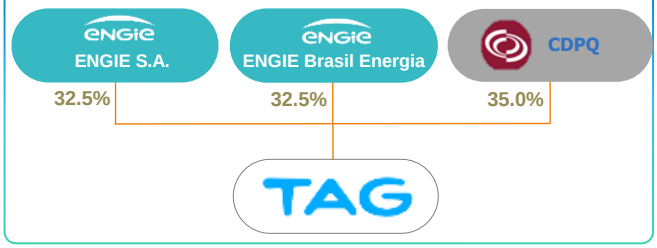
Power Plants	Source	Location	Installed Capacity (MW)		Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
			Total	Company's Share		
Itá	Hydro	Uruguai River (SC and RS)	1,450.0	1,126.9	Oct/30	564.7
Salto Santiago	Hydro	Iguaçu River (PR)	1,420.0	1,420.0	Sep/28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

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

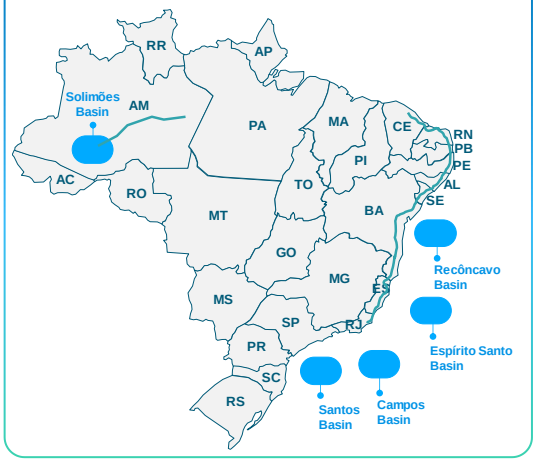
Gas Transportation Assets

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

Corporate Structure



TAG Gas Pipelines Location



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

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

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

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

Contracts Breakdown

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

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

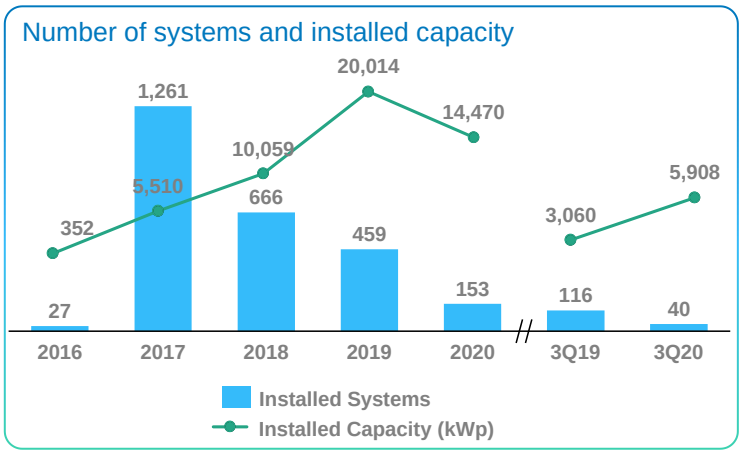
Distributed Solar Generation

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

The third quarter was characterized by the completion of the feasibility studies for remote generation projects in which EGSD is responsible for the investments and leases the equipment to clients (asset-based projects). The installation of some 0.6 MWp in capacity has already been concluded and the feasibility studies for the installation of a further 3.2 MWp will be completed in the next few months. New projects are in negotiation with clients and partners and are now one of the company's principal focuses.



System installed by EGSD.



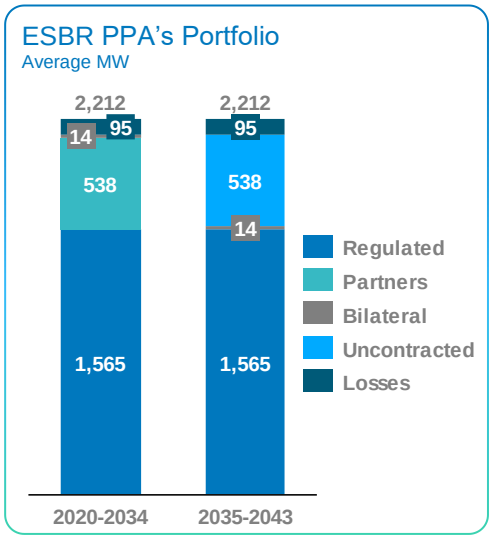
Of the total capacity sold in 3Q20 (16.6 MWp), 96.6% were projects in the B2B segment (business-to-business), an area which is instrumental in strengthening EGSD's relationship with major companies and responsible for projects greater installed capacity.

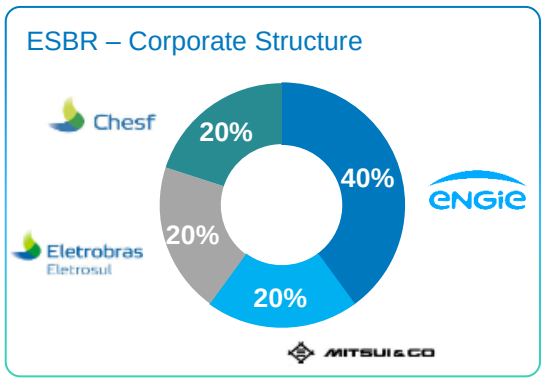
In 3Q20, 40 systems were deployed with an installed capacity of 5,908 kWp. Since the outset of its operations, ENGIE Geração Solar Distribuída has installed 2,566 systems with an installed capacity of 50,405 kWp.

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.





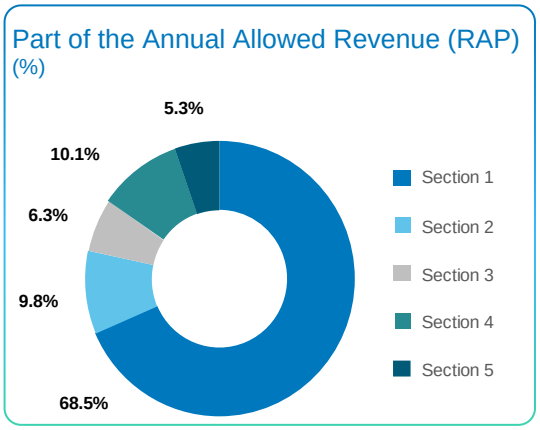
In May 2017, ENGIE Brasil Participações (EBP) announced the engagement of Banco Itaú BBA S.A. to provide financial advisory services for an economic-financial study for the preparation of a proposal for the eventual transfer to ENGIE Brasil Energia (EBE) of EBP's stakes of 40% in ESBR Participações S.A. (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 3Q20, the plant generated 666.2 average MW, 13.0% lower than the 765.9 average MW for 3Q19, while the National Electrical System Operator Uptime Ratio (FID) was 99.5% (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 stipulated cut-off date for startup in operations of the transmission line is March 9, 2023, but EBE estimates to reduce this deadline to September 2021, an anticipation of 18 months, this to predate the solution for the supply of energy from Itaipu to the state of Paraná. The estimated reduction in investment relative to that stipulated by Aneel remains at approximately 15%, thus ensuring a cheaper transmission tariff to consumers nationwide and more especially to those in the state of Paraná.

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



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

Value as of December 2017



Use of drones for the cable payout

In the context of environmental licensing, all authorizations necessary for the installation of the project have already been issued. In the sphere of land ownership, all properties have been negotiated either amicably or judicially and 95% of the right of way has been liberated for execution of the work. Processes for the insertion of the right of way in the property deed continues together with court actions where an amicable agreement was not possible.

It is worth pointing out that there are 17 environmental programs being implemented for reducing, controlling, and compensating the environmental impacts. These programs include the monitoring of flora, fauna and the collecting and preservation of seeds, archeological identification and monitoring, environmental education, supervision of the construction, social communication, restoration of degraded areas and environmental management among other aspects. All possible efforts are being taken to reduce the clearance of native and threatened species. When this is unavoidable, the process is executed in a controlled and responsible manner, minimizing the environmental impacts on the region.

As part of the Gralha Azul project, actions are being adopted to preserve the largest number of species along the entire length of the 1,000 km transmission line, with diversions from the route in sensitive areas such as Private Natural Heritage Reserves (RPPN) and Integral Protection Conservation Units, the heightening of transmission towers and the use of drones for the cable payout process as well as the installation of self-supported towers in areas of indigenous vegetation. All effort taken have ensured that only 4% of the project's transmission line and substation areas of influence were impacted.

Worthy of note is that all impacts arising from the project including brush clearance are subject to environmental compensations and reforestation with initiatives exceeding the requirements enshrined in the legislation. In addition to these compensatory measures, there are those of a voluntary nature, developed in accordance with the Company's sustainability policies. These measures include the donation of 3,000 native tree seedlings, the support for projects which conserve the fauna and flora and replanting double the area effectively deforested as prescribed in the Brush Suppression Authorizations rather than simply observing the obligation of restoring the area effectively degraded. In addition, under the project, three araucarias trees are planted for every one that is felled. We would point out that in the past three years, we planted and donated more than a million seedlings endemic to the biomes where we operate and supplied by eight Company-run nurseries.

However, notwithstanding all the foregoing efforts and the endorsement of both the Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais (Ibama) and also the Instituto Água e Terra (IAT) for the state of Paraná as to the correctness of the environmental process, on October 15, 2020, we became aware of an injunction issued by the Federal Court, issued in the form of a Class Action (ACP), suspending the environmental licenses for the installation of transmission lines for the Ivaiporã – Ponta Grossa C1 and C2 and Ponta Grossa – Bateias C1 and C2 stretches. Again, on October 21, we were notified of a second ACP, this time, the process being filed by the Federal and State Public Prosecutor's Office of Paraná, with the intention of suspending the work on the entire project and all the licenses and authorizations issued by the state environmental protection agency - IAT.

The Company is working to demonstrate to the court its compliance with all legal procedures and its commitment and respect for the environment, thus preserving the legitimate continuity of the activities for installing the transmission lines and maintaining the work schedule intact.

At the end of 3Q20, the work overall was 62% complete with the civil work and electromechanical assembly of the transmission lines and substations fulfilling the deadlines enshrined in the federal concession agreement.

Novo Estado Transmissora de Energia. In December 2019, through its subsidiary, ENGIE Transmissão de Energia Participações S.A., the Company signed a purchase and sale agreement for the purchase of stock, the issue of Sterlite Novo Estado Energia S.A., held by Sterlite Brasil Participações S.A., as the successful bidder for Lot 3 of Aneel Transmission Auction 002/2017, held in December 2017. The operation closed on March 3, 2020 and on May 29, 2020, the First Amendment Instrument to the respective Concession Agreement was signed, consolidating transfer of ownership.

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

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

Currently, a labor force of more than 5,000 has been mobilized for the construction. In parallel to the execution of the civil work, a start has already been made on assembling the transmission line towers. Progress has also been made on the construction of the new substation and the expansion of existing ones.

On June 26, 2020, a project financing agreement was signed with the BNDES. Subsequently, on August 19, 2020, a financing agreement was signed with the Banco da Amazônia S.A. (BASA), for the funding of part of the installation of the project.

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

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

Base March 2020, excluding acquisition cost



Towers assembly

Project under Construction

Power plants	Source	Location	Installed Capacity (MW) Total	Installed Capacity (MW) Company's Share	Concession/ Authorization original term expiration date	Assured energy (aMW) Company's Share
Campo Largo Complex - Phase II	Wind Farm	Umburanas and Sento Sé (BA)	361.2	361.2	-	192.5
Total			**361.2**	**361.2**		**192.5**

Campo Largo Wind Complex – Bahia (Phase II). Activities are underway to implement the Campo Largo Wind Complex – Phase II, located in the muncipalities of Umburanas and Sento Sé, approximately 420 km distant from the state capital, Salvador. **Phase II represents 361.2 MW of installed capacity** and 192.5 average MW of assured energy with investments of about R$ 1.6 billion. Operations by the first wind farms are to begin before the end of 2020, while the last are slated for unveiling in the first half of 2021.

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, ENGIE Brasil Energia'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, work was paralyzed until July 8, 2020, at which time the Company was authorized to resume activities with a limitation of 25% of the total workforce but ramping up gradually to 75% with the building of new temporary structures adapted to the new Covid-19 scenario in the first 2 months.



Wind turbine generator assembly

Currently with work in progress: the civil works; the installation of the medium voltage networks, which link the wind turbines to the collector substation; work on the expansion of the collector substation; and the manufacture and delivery of the wind turbines. In July 2020, a start was also made on the assembly of the wind turbines. The overall work on the project was 37% complete at the end of 3Q20.

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

Projects under Development

Power plants	Source	Location	Installed Capacity (MW)	
			Total	Company's Share
Santo Agostinho Complex	Wind Farm	Lajes and Pedro Avelino (RN)	800.0	800.0
Campo Largo Solar Complex	Solar	Umburanas e Sento Sé (BA)	400.0	400.0
Umburanas Complex - Phase II	Wind Farm	Umburanas (BA)	250.0	250.0
Campo Largo Complex - Phase III	Wind Farm	Umburanas e Sento Sé (BA)	250.0	250.0
Assú - Plants I, II, III e IV	Solar	Assú (RN)	120.0	120.0
Alvorada	Solar	Bom Jesus da Lapa (BA)	90.0	90.0
Total			**1,910.0**	**1,910.0**

Santo Agostinho Wind Complex – Rio Grande do Norte. The Complex is made up of 24 Specific Purpose Companies (SPEs), each one responsible for the development of a wind generation project, with a **total installed capacity reaching 800 MW**. All the projects will be located in the municipalities of Lajes and Pedro Avelino, about 120 km from the city of Natal, the capital of the state of Rio Grande do Norte. In June 2016, the state of Rio Grande do Norte's environmental protection agency, the Environmental and Sustainable Development Institute (Idema), declared the project to be environmentally viable and in June 2020, a request for the installation license was filed with Idema. The first phase of the project is at an advanced stage of development with a view to meeting demand from the free consumer market. Forecasts are for work to begin in 2021, reaching total installed capacity of 434 MW in 2023.

Umburanas Wind Complex – Bahia (Phase II). The environmental licensing for the Second Phase is already regularized although this is to be updated during the course of 2021 to reflect the new technologies available in the market and to ensure optimum use of the region's wind resources. In due course, the project is to be developed by the Company adjacent to the Campo Largo and Umburanas – Phase I Wind Complex, in this way capturing synergies during the installation and operational stages such as the substation, site accommodation, accesses, teams and others. The project has all the necessary documentation for participation in energy auctions, a fact which does not eliminate the feasibility of accessing the free consumer market through the medium of corporate PPAs. **The currently installed capacity planned for the project is approximately 250 MW**, taking advantage of the best wind resources in the region.

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

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

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

Campo Largo Photovoltaic Complex. Situated in the same area as the Campo Largo Wind Complex (Bahia State), the photovoltaic project is to have 12 photovoltaic solar energy plants, these totaling a **potential installation capacity of 400 MW**. The projects are at a development phase and are qualified to participate in opportunities in both free and regulated markets.

Besides the abovementioned projects, the Company is also examining opportunities in areas with hight photovoltaic potential, as well as partnerships which could accelerate the development of this energy source in line with the process of energy transition which is taking place at world level.

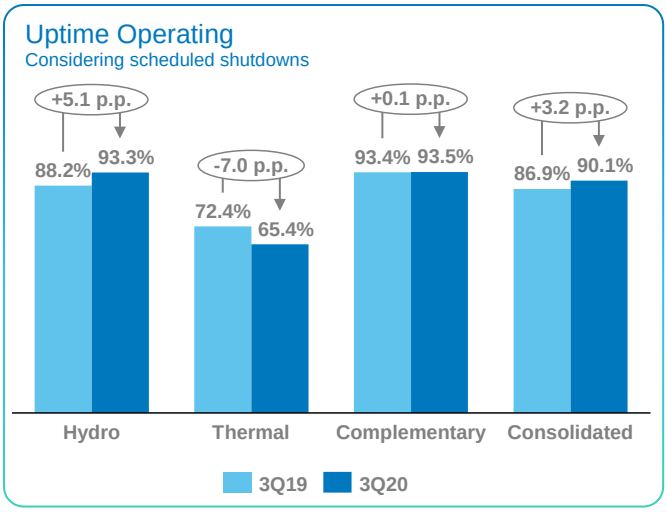
OPERATING PERFORMANCE

Energy Generating Park Uptime Operating

The plants operated by ENGIE Brasil Energia reported uptime working of **96.3% in 3Q20, ignoring scheduled stoppages**: 99.8% for the hydroelectric plants, 74.2% for the thermoelectric plants and 94.5% 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 3Q20 was 90.1%: 93.3% for the hydroelectric plants, 65.4% for the thermoelectric and 93.5% for plants operating with complementary energy sources.

Uptime at the hydroelectric plants during the quarter, considering all scheduled stoppages, reported an increase (5.1 p.p.) due to maintenance work on the Salto Santiago and Jaguara Hydroelectric Power Plants as well as modernization at the Machadinho, Itá and Cana Brava Hydroelectric Power Plants, carried out in the 3Q19.



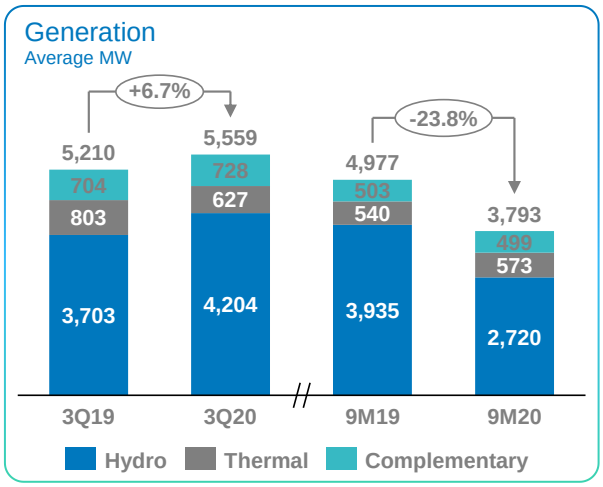
In relation to the thermoelectric plants, the reduction in uptime ratios (7.0 p.p.) relative to 3Q19, reflecting corrective, preventive and predictive stoppages at the plants in the Jorge Lacerda Thermoelectric Complex and also the failures characteristic of the start of operation of the Pampa Sul Power Plant.

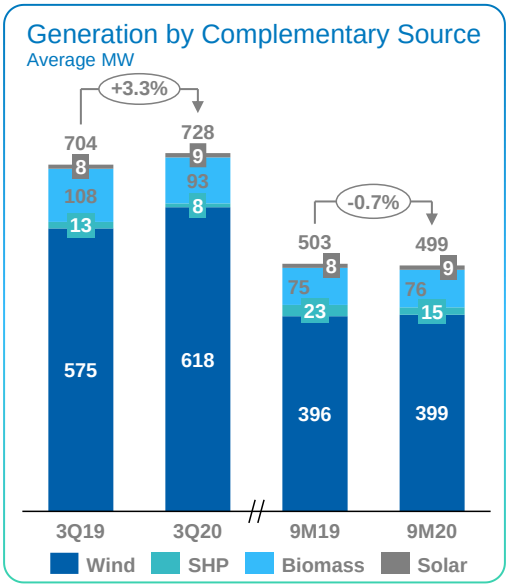
Plants using complementary energy sources recorded uptime ratios practically unchanged in relation to 3Q19, albeit reporting a slight uptick (0.1 p.p.), principally due to improvements in operational processes at the wind farms post entry into commercial operations.

Energy Production

Electricity output from plants operated by ENGIE Brasil Energia was 12,274 GWh (5,559 average MW) in 3Q20. This result is **6.7% higher** than production for 3Q19. Total output breaks down as follows: hydroelectric plants, 9,281 GWh (4,204 average MW), thermoelectric plants 1,386 GWh (627 average MW) and the complementary sourced units 1,607 GWh (728 average MW). Results point, respectively, to increases of 13.5% and 3.3% on the hydro and complementary energy sources, and reduction of 21.8% on termoelectric energy sources, in relation to 3Q19.

The increase in total generation at the hydroelectric plants in 3Q20 compared to 3Q19, is partially due to more favorable hydrological conditions in the hydrographic basins where the Company's plants are situated, the greatest impact being in the southern subsystem, in addition to the recovery in the global load of the National Interconnected System (SIN) following the spike in the Covid-19 pandemic crisis.





Conversely, reduced generation at the Company's thermoelectric plants is due mainly to the effect of a reduction in marginal cost in 3Q20, avoiding the dispatch of units at full load to meet systemic energy demand. In addition, the Pampa Sul Thermoelectric Plant was inoperative during the course of July 2020.

The Company's complementary plants saw a slight increase in generation due largely to wind variability.

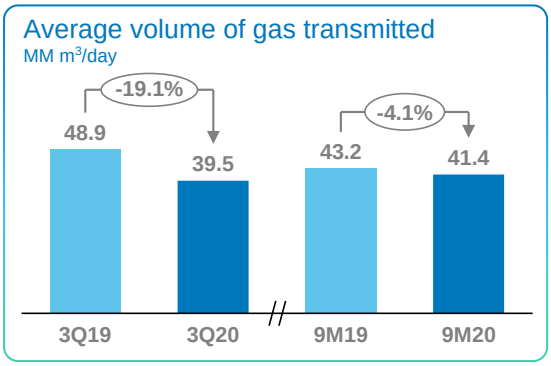
In this context, it is worth pointing out that an increase in the Company's hydroelectric generation does not necessarily reflect an improvement in economic-financial performance. Conversely, a reduction in this type of generation does not inevitably imply a deterioration in economic-financial performance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

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

Gas Transportation

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

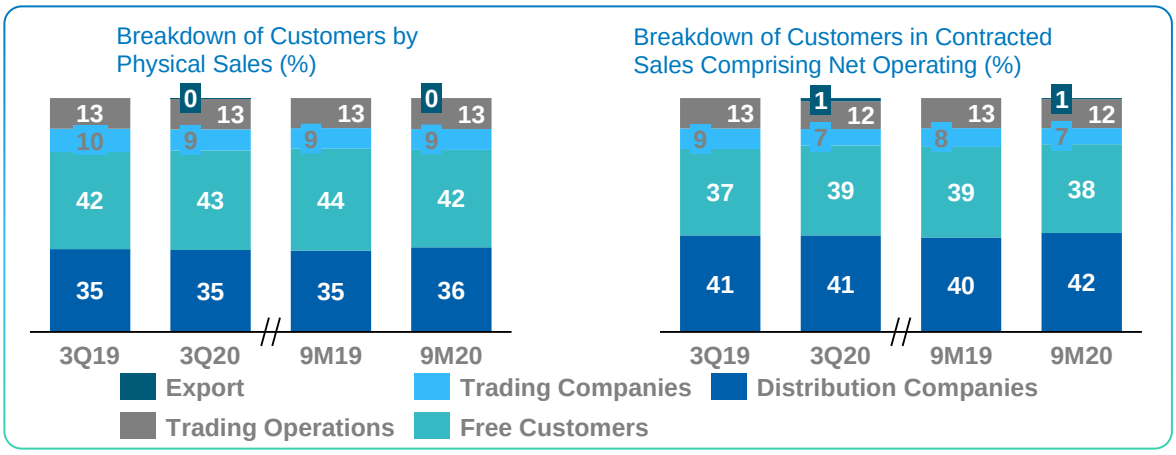
In 3Q20, TAG transmitted an average volume of gas of 39.5 million m3/day (48.9 million m3/day in the 3Q19).



Electric Energy Sales Portfolio

In 3Q20, the free consumer share of the Company's portfolio was 42.6% of total physical sales and 38.6% of the total net operating revenue (except CCEE and other revenues), increases of 1.0 p.p. and 1.6 p.p., respectively in relation to the same quarter in 2019.

In the quarter, the year-on-year increase of free consumers in physical sales and in net operating revenue was largely due to the migration of some clients that had been buying energy from trading companies, to the free trading company profile. The increase also reflects monetary restatement of existing agreements.



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, 2020** is as follows:

Energy Balance

(Average MW)

	2020	2021	2022	2023	2024	2025	**Auction** **Gross** Price (R$/MWh)	Reference Date	**Gross** Price Adjusted (R$/MWh)	**Net** Price of PIS/COFINS/P&D (R$/MWh)
Own Resources	4,699	4,855	4,906	4,906	4,905	4,903				
+ Purchases for Resale	1,565	880	717	526	353	295				
= Total Resources (A)	**6,264**	**5,735**	**5,623**	**5,432**	**5,258**	**5,198**				
Government Auction Sales[1]	2,010	2,010	2,010	2,010	2,005	1,995				
2005-NE-2010-30	200	200	200	200	200	200	115.1	Dec-05	241.7	217.1
2006-NE-2009-30	493	493	493	493	493	493	128.4	Jun-06	265.7	238.7
2006-NE-2011-30	148	148	148	148	148	148	135.0	Nov-06	276.8	248.7
2007-NE-2012-30	256	256	256	256	256	256	126.6	Oct-07	249.2	223.8
Proinfa	19	19	19	19	19	19	147.8	Jun-04	305.3	294.2
1st Reserve Energy Auction	12	12	12	12	12	2	158.1	Aug-08	296.1	285.3
Auction Mix (New Energy / Reserve / DG)	14	14	14	14	9	9	-	-	292.8	282.1
2014-NE-2019-25	295	295	295	295	295	295	183.5	Mar-14	260.0	233.6
2014-NE-2019-25	10	10	10	10	10	10	206.2	Nov-14	271.5	261.6
2014-NE-2019-20	82	82	82	82	82	82	139.3	Nov-14	184.0	167.0
2015-NE-2018-20	46	46	46	46	46	46	188.5	Aug-15	233.1	211.6
8th Reserve Energy Auction	9	9	9	9	9	9	303.0	Nov-15	356.3	323.3
2014-EN-2019-20	48	48	48	48	48	48	136.4	Nov-14	184.3	167.3
Government Auction - Quotas regime										
2018 - Quotas (UHJA) - 2018-30	239	239	239	239	239	239	-	Jul-17	153.0	145.9
2018 - Quotas (UHMI) - 2018-30	139	139	139	139	139	139	-	Jul-17	173.6	165.6
+ Bilateral Sales	3,403	3,126	2,905	2,404	1,668	1,155				
= Total Sales (B)	**5,413**	**5,136**	**4,915**	**4,414**	**3,673**	**3,150**				
Balance (A - B)	**851**	**599**	**708**	**1,018**	**1,585**	**2,048**				
Sales average **net** price (R$/MWh) [2, 3]:	185.9	193.6	193.6							
Purchases average **net** price (R$/MWh) [4]:	176.8	171.1	167.1							

[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 prices, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not considered.

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

ECONOMIC-FINANCIAL PERFORMANCE

	Result by segment – 3Q20 x 3Q19 (in R$ million)					
	Electric energy					
	Generation[1]	Transmission[2]	Trading	Solar panels	Gas transportation	Consolidated
3Q20						
Net operating revenue	2,163.1	786.4	244.1	15.2	-	3,208.8
Operational costs	(1,053.1)	(731.2)	(238.5)	(17.6)	-	(2,040.4)
Gross income (loss)	**1,110.0**	**55.2**	**5.6**	**(2.4)**	**-**	**1,168.4**
Selling, general and administrative expenses	(59.1)	(0.4)	(0.8)	(1.1)	-	(61.4)
Equity income	-	-	-	-	102.3	102.3
Income (loss) before financial results and taxes	**1,050.9**	**54.8**	**4.8**	**(3.5)**	**102.3**	**1,209.3**
3Q19						
Net operating revenue	2,120.1	68.4	287.2	18.4	-	2,494.1
Operational costs	(1,074.6)	(63.7)	(264.9)	(19.1)	-	(1,422.3)
Gross income (loss)	**1,045.5**	**4.7**	**22.3**	**(0.7)**	**-**	**1,071.8**
Selling, general and administrative expenses	(57.3)	-	(0.6)	(1.0)	-	(58.9)
Other operating revenues, net	321.5	-	-	-	-	321.5
Equity income	-	-	-	-	21.1	21.1
Income (loss) before financial results and taxes	**1,309.7**	**4.7**	**21.7**	**(1.7)**	**21.1**	**1,355.5**
Variation						
Net operating revenue	43.0	718.0	(43.1)	(3.2)	-	714.7
Operational costs	21.5	(667.5)	26.4	1.5	-	(618.1)
Gross income (loss)	**64.5**	**50.5**	**(16.7)**	**(1.7)**	**-**	**96.6**
Selling, general and administrative expenses	(1.8)	(0.4)	(0.2)	(0.1)	-	(2.5)
Other operating revenues (expenses), net	(321.5)	-	-	-	-	(321.5)
Equity income	-	-	-	-	81.2	81.2
Income (loss) before financial results and taxes	**(258.8)**	**50.1**	**(16.9)**	**(1.8)**	**81.2**	**(146.2)**

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

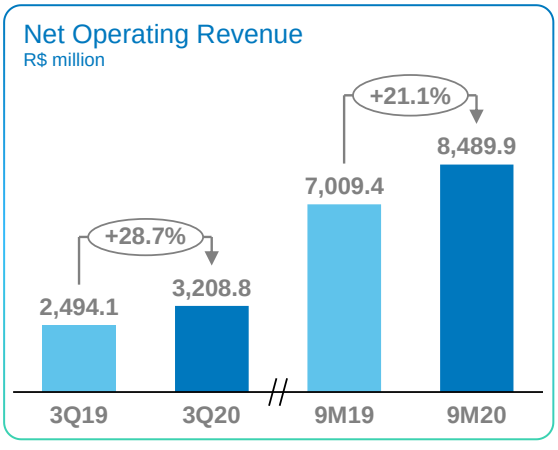
[1] Generation and sale of electric energy from the Company's portfolio ("Generation").
[2] Segment represented by the Gralha Azul Transmission System and Novo Estado Transmissora de Energia (acquired in March 2020), both under construction.

Net Operating Revenue

	Operating revenue by segment – 3Q20 x 3Q19 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
3Q20					
Distribution companies	883.3	-	-	-	883.3
Free consumers	827.6	-	-	-	827.6
Construction revenue	-	749.0	-	-	749.0
Energy trading operations	-	-	256.3	-	256.3
Trading companies	148.0	-	-	-	148.0
Remuneration of concession financial assets	100.8	37.4	-	-	138.2
Transactions in the short-term market	131.9	-	5.5	-	137.4
Services rendered revenue	30.7	-	-	-	30.7
Energy export	30.5	-	-	-	30.5
Unrealized gains on trading operations[3]	-	-	(17.7)	-	(17.7)
Other revenues	10.3	-	-	15.2	25.5
Net operating revenue	**2,163.1**	**786.4**	**244.1**	**15.2**	**3,208.8**
3Q19					
Distribution companies	900.3	-	-	-	900.3
Free consumers	808.7	-	-	-	808.7
Construction revenue	-	65.3	-	-	65.3
Energy trading operations	-	-	284.3	-	284.3
Trading companies	192.2	-	-	-	192.2
Remuneration of concession financial assets	86.8	3.1	-	-	89.9
Transactions in the short-term market	94.8	-	1.7	-	96.5
Services rendered revenue	30.1	-	-	-	30.1
Unrealized gains on trading operations	-	-	1.2	-	1.2
Other revenues	7.2	-	-	18.4	25.6
Net operating revenue	**2,120.1**	**68.4**	**287.2**	**18.4**	**2,494.1**
Variation					
Distribution companies	(17.0)	-	-	-	(17.0)
Free consumers	18.9	-	-	-	18.9
Construction revenue	-	683.7	-	-	683.7
Energy trading operations	-	-	(28.0)	-	(28.0)
Trading companies	(44.2)	-	-	-	(44.2)
Remuneration of concession financial assets	14.0	34.3	-	-	48.3
Transactions in the short-term market	37.1	-	3.8	-	40.9
Services rendered revenue	0.6	-	-	-	0.6
Energy export	30.5	-	-	-	30.5
Unrealized gains on trading operations	-	-	(18.9)	-	(18.9)
Other revenues	3.1	-	-	(3.2)	(0.1)
Net operating revenue	**43.0**	**718.0**	**(43.1)**	**(3.2)**	**714.7**

In 3Q20, net operating revenue increased 28.7% (R$ 714.7 million) when compared with 3Q19 from R$ 2,494.1 million to R$ 3,208.8 million. This variation was largely a reflection of the following factors:

Generation and sale of energy from the portfolio: increase of R$ 43.0 million (2.0%), essentially driven by the following increases: (i) R$ 37.1 million in transactions executed in the short-term market, principally across the CCEE; and (ii) R$ 14.0 million of remuneration from the financial assets with respect to the part payment of the Jaguara and Miranda concessions grant for energy allocated to the Regulated Contracting Environment (ACR), due to higher inflation between the quarters under review. These factors were partially attenuated by the decrease of R$ 11.8 million in revenue from bilateral energy agreements – excluding transactions excuted across the short-term market, result of the combination of: (i) a reduction of R$ 83.9 million in energy sales volume; (ii) R$ 41.6 million corresponding to the increase in net average sales price; and (iii) R$ 30.5 million increase from energy exports.



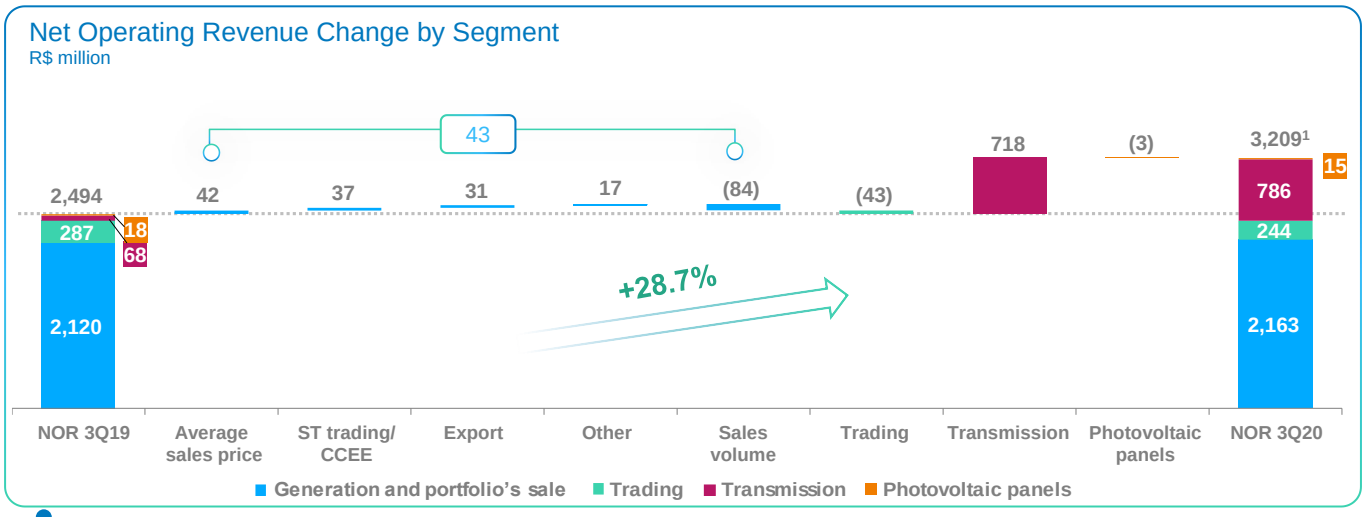
[3] In 3Q20, the Company recorded a reduction in unrealized gains in trading operations considering the results obtained in 2020.

Transmission: an increase of R$ 718.0 million (1,049.7%) to advancing work on the Gralha Azul and Novo Estado transmission systems. Worthy of mention in this context is book revenue accruing from the construction of the transmission assets and the result of applying the dictates of the CPC 47 Accounting Pronouncements – Customer Contract Revenue.

Trading: reduction of R$ 43.1 million (15.0%), largely due to lower revenue from operations executed and a negative result from marking to market of forward sales.

Solar panels: a decline of R$ 3.2 million (17.4%) in revenue from sales and installation of solar panels due to the slow down in this market during the third quarter.

Results of the trading and transmission segments will be commented under "Operating result from the energy trading segment" and "Operating result from the energy transmission segment".



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

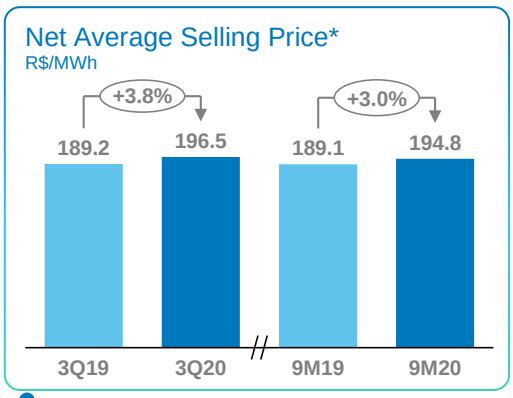
Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Net Average Selling Price

The average selling price of energy, net of revenue charges, was **R$ 196.49/MWh in 3Q20, 3.8% higher than** reported for 3Q19, when the average price was R$ 189.24/MWh.

Higher prices were largely reflection of monetary restatement on existing agreements and by the electric energy export agreement beginning 3Q20. These effects however, were partially attenuated by new agreements with trading companies and free consumers and at prices lower than the average for existing or maturing agreements, this due principally to the economic downturn in the context of the Covid-19 pandemic.

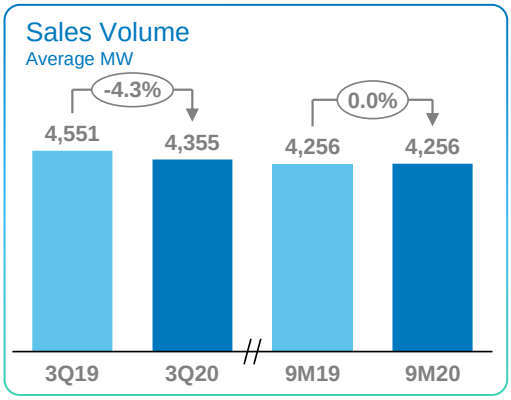


* Net of taxes and trading operations.

➢ Sales Volume

Energy sales volumes in agreements decreased from 10,048 GWh (4,551 average MW) in 3Q19 to **9,617 GWh (4,355 average MW) in 3Q20**, a reduction of 431 GWh (196 average MW) between comparative periods (4.3%).

The decreasing sales volume is largely due to the reduction in energy consumption by customers due to the economic weakness brought about by the onset of the pandemic. Sales volume was also affected by agreements maturing in 2019 within the scope of the Electric Energy Commercializing Agreement in the Regulated Contracting Environment (CCEAR), by the effects of the Surplus and Deficit Compensation Mechanism (MCSD) and by the booking of reimbursements foreseen in agreements in the regulated environment.



➢ Revenue from Sale of Electric Energy

- Distribution Companies:

Revenue from sales to distributors reached R$ 883.3 million in 3Q20, R$ 17.0 million (1.9%) lower than the R$ 900.3 million recorded in 3Q19. This reduction reflects the following: (i) R$ 47.5 million — a decrease of 209 GWh (95 average MW) in volumes sold; and (ii) R$ 30.5 million — an increase of 3.4% in the net average price of sales.

The decrease in sales volumes stems largely from the maturing of an existing auction-linked agreement and by the booking of reimbursements pursuant to agreements in the regulated environment.

The increase in net average selling price was largely due to the effects of monetary restatement on existing agreements.

- Free Consumers:

Net revenue from free consumers increased R$ 18.9 million (2.3%) between the quarters under analysis from R$ 808.7 million in 3Q19 to R$ 827.6 million in 3Q20. The following events contributed to this variation: (i) R$ 33.4 million — an increase of 4.1% in net average selling price and (ii) R$ 14.5 million — a decrease of 82 GWh (38 average MW) in energy sales volumes.

Price increases stem largely from the effect of monetary restatement on existing agreements, partially offset by new agreements at average prices inferior to the average of existing or maturing agreements.

The reduction in sales volume is again a reflection of the Covid-19 pandemic and the uncertainties surrounding the eventual recovery of the economy. This in turn has an impact on energy demand with corresponding decreases in consumption on the part of industrial clients in accordance with flexibility clauses included in the agreements. As a result, all energy volumes not sold to free consumers was settled through the CCEE. However, this decrease was partially attenuated by new agreements during the quarter and by migration from the trader to free consumer profile.

- Trading Companies:

In 3Q20, sales revenue from trading companies was R$ 148.0 million, R$ 44.2 million (23.0%) lower than revenue reported in 3Q19 at R$ 192.2 million. This decrease reflects the following factors: (i) R$ 22.3 million — a decrease of 11.6% in net average selling price; and (ii) R$ 21.9 million — a reduction of 147 GWh (66 average MW) in energy sales volumes.

Price reductions occur largely due to new agreements at prices lower than those of existing or maturing agreements given the reduction in overall market prices during 2020 although this effect was partially attenuated by monetary restatement on existing agreements.

The decrease in energy volumes is mainly due to migration of some clients over the 2019–2020 period, switching energy purchases as trading companies to free consumers.

In addition, it is important to note the effect of the Covid-19 outbreak on the market both in relation to price reductions and the decrease in energy volume.

- Exportação:

On the basis of its portfolio management strategy, in 3Q20, the Company began exports of energy to Argentina on a continuous basis and with the possibility of doing so out to December 31, 2022. Export revenue reported in 3Q20 amounted to R$ 30.5 million, equivalent to a transacted volume of 7 GWh (3 average MW).

➢ Remuneration of Concession Financial Assets

Concession assets represent the present value of future cash flows of the portion of energy allocated to the Regulated Contracting Environment (ACR) for the Jaguara and Miranda Hydroelectric Power Plants, equivalent to 70% of the physical guarantee of these plants. These assets are remunerated at the internal rate of return and according to the Amplified Consumer Price Index (IPCA).

The remuneration of concession assets increased from R$ 86.8 million in 3Q19 to R$ 100.8 million in **3Q20, an increase of R$ 14.0 million (16.1%)**. This increase largely reflects the variation in IPCA between the third quarters for 2019 and 2020 and the increase in the average balance between compared periods.

➢ Transactions in the Short-term Energy Market

In 3Q20, revenue generated in the short-term market was R$ 131.9 million as against 3Q19 when revenues amounted to R$ 94.8 million, thus corresponding to an **increase of R$ 37.1 million (39.1%)** between the two quarters. Additional explanations are to be found under the heading “Details of short-term operations”.

➢ Solar Panels

Revenue from the sale and installation of solar panels through the ENGIE Geração Solar Distribuída S.A. (EGSD) subsidiary, **fell R$ 3.2 million (17.4%)** from R$ 18.4 million in 3Q19 to **R$ 15.2 million in 3Q20**. In 3Q20, EGSD installed a total of 40 systems at an installed capacity of 5,908 kWp. Since the outset of operations, the company has installed 2,566 systems amounting to an installed capacity of 50,405 kWp. Year-on-year, there has been a deceleration in commercial activities, principally in the light of the Covid-19 pandemic.

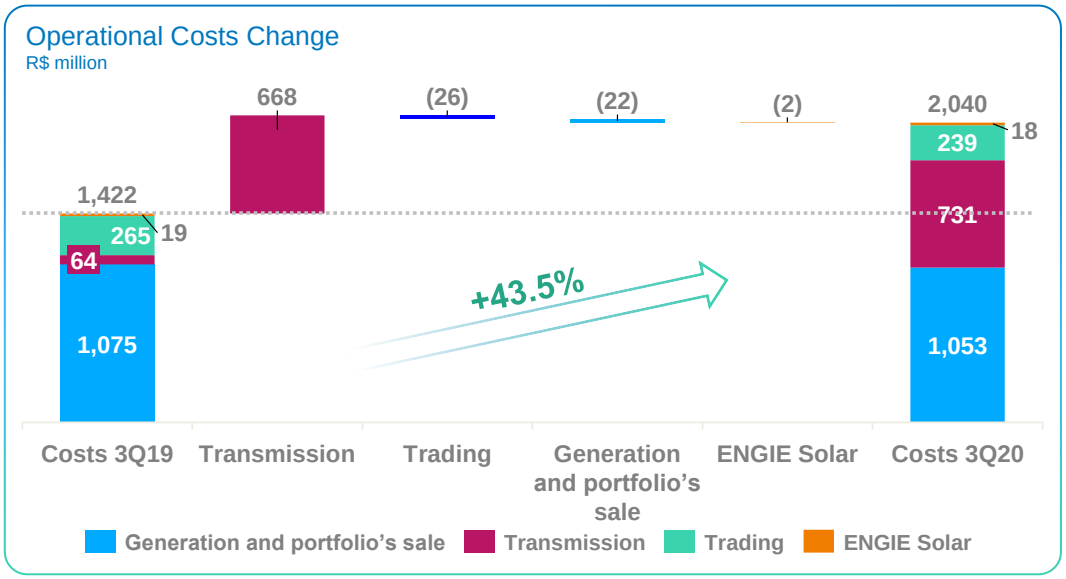
Operational Costs

	Costs by segment – 3Q20 x 3Q19 (in R$ million)				
	Electric energy				
	Generation	Transmission	Trading	Solar panels	Consolidated
3Q20					
Construction costs	-	731.2	-	-	731.2
Electric power purchases	402.3	-	262.2	-	664.5
Depreciation and amortization	217.9	-	-	-	217.9
Charges for the use of and connection to the power grid	140.9	-	-	-	140.9
Materials and third-party services	84.3	-	-	3.9	88.2
Personnel	63.2	-	-	2.4	65.6
Fuel for generation	45.8	-	-	-	45.8
Royalties	36.7	-	-	-	36.7
Transactions in the short-term market	22.7	-	-	-	22.7
Insurance	21.9	-	-	-	21.9
Cost of selling solar panels	-	-	-	11.1	11.1
Operating provisions, net	2.3	-	-	-	2.3
Unrealized losses on trading operations[4]	-	-	(23.7)	-	(23.7)
Other operational costs, net	15.1	-	-	0.2	15.3
Operational costs	**1,053.1**	**731.2**	**238.5**	**17.6**	**2,040.4**
3Q19					
Construction costs	-	63.7	-	-	63.7
Electric power purchases	450.6	-	298.6	-	749.2
Depreciation and amortization	221.7	-	-	-	221.7
Charges for the use of and connection to the power grid	133.5	-	-	-	133.5
Materials and third-party services	72.7	-	-	4.1	76.8
Personnel	70.0	-	-	3.1	73.1
Fuel for generation	49.3	-	-	-	49.3
Royalties	33.6	-	-	-	33.6
Transactions in the short-term market	19.2	-	-	-	19.2
Insurance	10.0	-	-	-	10.0
Cost of selling solar panels	-	-	-	11.4	11.4
Operating provisions, net	0.4	-	-	-	0.4
Unrealized losses on trading operations	-	-	(33.7)	-	(33.7)
Other operational costs, net	13.6	-	-	0.5	14.1
Operational costs	**1,074.6**	**63.7**	**264.9**	**19.1**	**1,422.3**
Variation					
Construction costs	-	667.5	-	-	667.5
Electric power purchases	(48.3)	-	(36.4)	-	(84.7)
Depreciation and amortization	(3.8)	-	-	-	(3.8)
Charges for the use of and connection to the power grid	7.4	-	-	-	7.4
Materials and third-party services	11.6	-	-	(0.2)	11.4
Personnel	(6.8)	-	-	(0.7)	(7.5)
Fuel for generation	(3.5)	-	-	-	(3.5)
Royalties	3.1	-	-	-	3.1
Transactions in the short-term market	3.5	-	-	-	3.5
Insurance	11.9	-	-	-	11.9
Cost of selling solar panels	-	-	-	(0.3)	(0.3)
Operating provisions, net	1.9	-	-	-	1.9
Unrealized losses on trading operations	-	-	10.0	-	10.0
Other operational costs, net	1.5	-	-	(0.3)	1.2
Operational costs	**(21.5)**	**667.5**	**(26.4)**	**(1.5)**	**618.1**

Operational costs increased by R$ 618.1 million (43.5%) between the comparative quarters from R$ 1,422.3 million in 3Q19 to **R$ 2,040.4 million in 3Q20**. This variation was a reflection of the following factors: (i) a growth of R$ 667.5 million (1,047.9%) of costs in the transmission segment; (ii) a reduction of R$ 26.4 million (10.0%) in the costs of trading operations; (iii) a decrease in 3Q20 of R$ 21.5 million (2.0%) in relation to 3Q19, in the costs of the generation and sale of electric energy segment from the Company's portfolio; and (iv) a decrease of R$ 1.5 million (7.9%) in solar panel sales and installation costs.

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

[4] In 3Q20, the Company recorded a reduction in unrealized losses on trading operations, considering the results obtained in 2020.



Comments on Variations in Operational Costs

➢ Generation and Energy Sales from the Portfolio

» **Energy purchases:** between 3Q19 and 3Q20, there was a reduction of R$ 48.3 million (10.7%) in purchases for the purposes of energy portfolio management and due to: (i) R$ 32.7 million — a decrease of 7.5% in net average energy purchasing prices; and (i) R$ 15.6 million — a decrease of 81 GWh (36 average MW) in volumes purchased.

The reduction in purchase volume is largely the result of the economic downturn in the wake of the pandemic as already cited under Sales Volume. The decrease in average purchase price was largely a reflection of the reduction of the Differences Settlement Price (PLD) between the compared quarters, given that the PLD is used as a parameter for setting the short-term price.

» **Charges for use of and connection to the electricity grid:** an increase of R$ 7.4 million (5.5%) between the quarters due largely to the annual transmission and distribution tariff readjustment.

» **Material and third-party services:** an increase of R$ 11.6 million (16.0%) in 3Q20 relative to the same quarter in 2019, in the light largely of increases in costs with (i) generator park operation and maintenance agreements of R$ 6.2 million; and (ii) materials for replacement and consumption purposes of R$ 5.8 million, principally related to preventive actions in the context of the Covid-19 outbreak. In addition to these effects, monetary restatement on recurring agreements also contributed to increased costs. This increase was partially offset by reductions in certain costs such as: office supplies, electricity, consultancies, and advisory services.

» **Personnel:** a reduction of R$ 6.8 million (9.7%) in 3Q20 in relation to 3Q19, largely the result of the decrease in the costs of (i) medical accreditation and reimbursement of medical expenses; (ii) payroll-linked indemnities; (iii) variable remuneration; and (iv) overtime. These effects were partially attenuated by new hiring and by the annual readjustment to staff remuneration.

» **Transactions in the short-term energy market:** between the quarters under analysis, costs with these transactions were R$ 3.5 million (18.2%) higher. More explanations on these operations and variations are to be found under “Details of the short-term operations”.

» **Insurance:** an increase of R$ 11.9 million (119.0%) between the quarters under review, mainly the result of the increase in insurance premiums at the Jorge Lacerda Thermoelectric Plant.

The other costs of this segment did not show significant variations between the quarters under analysis.

➢ Solar Panels

Again, comparing quarters, there was a reduction of R$ 1.5 million (7.9%) in costs for this segment and largely due to decreases in payroll costs, in direct solar panel sales and installation costs and with materials and third party services and the outcome of the downturn in sales volume between periods.

Operational Result of the Energy Trading Segment

The Company operates in the physical energy trading market, obtaining results through the variation in prices and within pre-established risk limits. Energy trading operations are transacted in an active market and for accounting purposes, these transactions meet the definition of financial instruments at fair value, since there is no commitment to match buying and selling operations. There is thus the corresponding flexibility to manage contracts and obtain results from market price variations.

The gross result between quarters fell by R$ 16.7 million (74.9%) from R$ 22.3 million in 3Q19 to R$ 5.6 million in 3Q20. The variation reflects the following factors: (i) a R$ 28.9 million negative impact from marking to market — that is the difference between contractual prices and those prevailing in the market — of the net contracted operations pending on September 30 2020 and 2019; (ii) R$ 8.4 million due to the increase in gross result of purchase and sale transactions; and (iii) an increase of R$ 3.8 million in the result for transactions in the short-term energy market.

Operational Result from the Energy Transmission Segment

The Company has primary responsibility for the construction and installation of the infrastructure pertaining to the Gralha Azul transmission concession – work on the installation of which began in the second half of 2018 – and Novo Estado, as from the acquisition of 100% of the shares in Novo Estado Transmissora de Energia S.A. (current denomination of Sterlite Novo Estado Energia S.A.) in March 2020, and is exposed to the risks and benefits of these constructions. Consequently, based on prevailing accounting practices, the Company books revenue over the course of the implementation of the transmission infrastructure for an amount corresponding to the construction costs plus a gross residual margin to cover the costs related to construction management. Expenditures incurred in the construction are recognized in the cost of the infrastructure. The Annual Allowed Revenue (RAP) is received once the Transmission System goes into commercial operations. Thus, only resources arising from the operational activity are received from that point onwards.

Gross operating profit from the energy transmission segment increased R$ 50.5 million in 3Q20 compared to 3Q19, due principally to the acquisition and start of work on the Novo Estado project and continuing progress in the execution of construction work on the Gralha Azul Transmission System. In addition, remuneration revenue from transmission infrastructure was also affected by the variation in the IPCA.

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 3Q20 and 3Q19, **net results** (difference between revenues and costs — less taxes) from short-term transactions — especially those executed across the CCEE — **were positive at R$ 114.7 million** and R$ 77.3 million, respectively. The amount represents an **increase of R$ 37.4 million between the compared periods**, R$ 33.6 million from the result of the generation and sale of electric energy segment from the Company's portfolio and R$ 3.8 million from the result of energy trading transactions.

This variation was basically due to the following effects: (i) a reduction from the negative impact of the Energy Reallocation Mechanism's (MRE) Adjustment Factor (GSF) — the effects of the renegotiation of the hydrological risk already deducted; (ii) reduction of the financial impact of short-term operations and the long position held with the CCEE in 3Q20 when compared with 3Q19, due to the decrease in the average PLD year-on-year; (iii) lower thermoelectric generation between the periods under analysis; and (iv) the increase of revenue in the MRE, given greater hydroelectric energy generation in 3Q20.

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

Average PLD in R$/MWh	3Q20	3Q19	Avg. (%)
South	91.68	214.13	(57.19%)
Southeast/Center-West	91.68	214.13	(57.19%)
Northeast	77.07	202.45	(61.93%)

PLD reductions were driven by the decrease in average consumption between the third quarters for 2019 and 2020 due to the impacts of the pandemic on the economy.

Selling, General and Administrative Expenses

Selling, general and administrative expenses rose from R$ 58.9 million in 3Q19 to R$ 61.4 million in 3Q20, an increase of R$ 2.5 million (4.2%) in the quarters under analysis. This increase was a combination of the following items: (i) a growth of R$ 1.8 million (3.1%) from the generation and sale of electric energy segment from the Company's portfolio, principally due to the increase of R$ 6.0 million in expenses with materials and outsourced services, of which of particular note are the acquisition of IT general services aligned to the Company's policy for the digitization of its processes and the acquisition of materials for preventive activities involving Covid-19. This increase was partially offset by the reduction in payroll expenses of R$ 4.6 million. In addition, there was an increase of R$ 0.7 million in the other segments in which the Company carries on its business.

Other Operating Revenues, Net

Other operating revenues posted a decrease of R$ 321.5 million between the quarters under analysis, entirely reflecting the amount booked in 3Q19. This amount originated principally from indemnities amounting to R$ 321,0 million for non-compliance with contractual conditions on the part of the supplier responsible for the construction of the Pampa Sul Thermoelectric Power Plant, a function of the delay in concluding the work. The amount received was contractually stipulated and reached on the basis of the product of the number of days delay in delivering the work and a fixed daily amount. The resulting amount was calculated to compensate the Company for the shortfall in planned result as a consequence of the delays.

Equity Income – Gas Transportation

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

On May 14, 2020, the Company's Board of Directors approved the participation in the process for acquiring a shareholding equivalent to 10% of the capital stock of TAG - still in the hands of Petrobras - in partnership with another investor in the ENGIE Group and third parties making up the overall Investor Group. On July 20, 2020, an announcement was made of an additional shareholding participation in TAG of 3.25% of the total 10% which Petrobras still held. Consequently, the Company now enjoys a direct 32.5% corporate stake in TAG.

Between 3Q20 and 3Q19, equity income from the TAG holding increased by R$ 81.3 million (387.1%) from R$ 21.0 million in 3Q19 to R$ 102.3 million in 3Q20. The variation reflects the combination of the following factors: (i) R$ 115.8 million growth in Ebitda primarily due to the updating of transportation tariffs and a reduction of operational and administrative costs and expenses; (ii) reduction of net financial expenses of R$ 38.1 million due largely to the reduction in CDI (interbank rate) between compared quarters; (iii) an increase of R$ 61.5 million in Income Tax and Social Contribution due to a higher pre-tax profit, reduction in tax incentives and booking of deferred liabilities carried over from preceding fiscal years; and (iv) an increase of R$ 9.3 million in depreciation and amortization expenses relating to the amortization of the *mais-valia* result from the reverse incorporation of Aliança. It should be noted here that part of the variations are due to the change in corporate stake between the same quarters of the two years under review. Additionally, in 3Q20, R$ 1.8 million was booked as a negative adjustment for the period from July 1 to July 20, 2020, when the Company had a 29.25% stake in TAG.

TAG's equity income in the 3Q20 sweeps up the following items:

DRE – in R$ million	3Q20		3Q19			
	TAG (32.5%)		Aliança (32.5%)		TAG (29.25%)	
	100%	Company's share	100%	Company's share	100%	Company's share
Net operational revenue	1,540.7	500.7	-	-	1,335.8	390.7
Costs of services provided	(562.6)	(182.8)	-	-	(401.0)	(117.3)
Gross income	**978.1**	**317.9**	**-**	**-**	**934.8**	**273.4**
General and administrative expenses	(31.2)	(10.1)	(159.6)	(51.9)	(68.9)	(20.1)
Income before financial result and taxes	**946.9**	**307.8**	**(159.6)**	**(51.9)**	**865.9**	**253.2**
Financial result	(407.1)	(132.3)	(369.1)	(120.0)	(172.3)	(50.4)
Income before taxes	**539.8**	**175.5**	**(528.7)**	**(171.9)**	**693.6**	**202.8**
Income tax and social contribution	(219.6)	(71.4)	94.4	30.7	(138.8)	(40.6)
Net Income	**320.2**	**104.1**	**434.3**	**(141.2)**	**554.8**	**162.2**
Equity interest adjustment in the period of July 1st to July 20, 2020		(1.8)				
Equity income		**102.3**				**21.0**

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

Ebitda – in R$ million	3Q20		3Q19			
	TAG (32.5%)		Aliança (32.5%)		TAG (29.25%)	
	100%	Company's share	100%	Company's share	100%	Company's share
Income before financial result and taxes	**946.9**	**307.8**	**(159.6)**	**(51.9)**	**865.9**	**253.2**
Depreciation and amortization	383.8	124.7	151.4	49.2	226.3	66.2
Ebitda	**1,330.7**	**432.5**	**(8.2)**	**(2.7)**	**1,092.2**	**319.4**

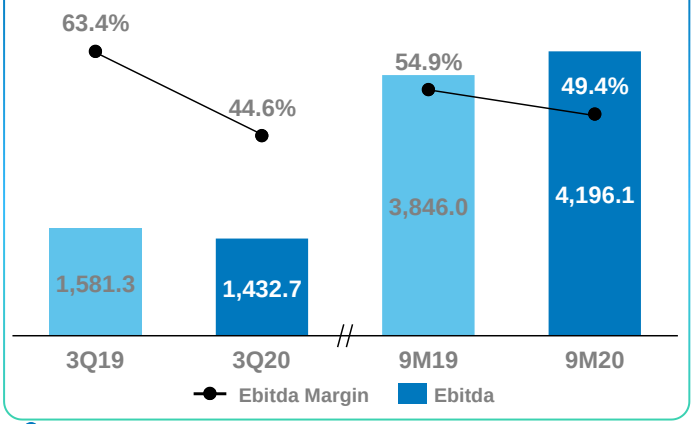
Ebitda and Ebitda Margin

	Ebitda by segment – 3Q20 x 3Q19 (in R$ million)					
	Electric energy					
	Generation	Transmission	Trading	Solar panels	Gas transportation	Consolidated
3Q20						
Income (loss) before financial results and taxes	1,050.9	54.8	4.8	(3.5)	102.3	1,209.3
Depreciation and amortization	223.2	-	-	0.2	-	223.4
Ebitda	**1,274.1**	**54.8**	**4.8**	**(3.3)**	**102.3**	**1,432.7**
Ebitda Margin	**58.9%**	**7.0%**	**2.0%**	**(21.7%)**	**-**	**44.6%**
3Q19						
Income (loss) before financial results and taxes	1,309.7	4.7	21.7	(1.7)	21.1	1,355.5
Depreciation and amortization	225.6	-	-	0.2	-	225.8
Ebitda	**1,535.3**	**4.7**	**21.7**	**(1.5)**	**21.1**	**1,581.3**
Ebitda Margin	**72.4%**	**6.9%**	**7.6%**	**(8.2%)**	**-**	**63.4%**
Variation						
Income (loss) before financial results and taxes	(258.8)	50.1	(16.9)	(1.8)	81.2	(146.2)
Depreciation and amortization	(2.4)	-	-	-	-	(2.4)
Ebitda	**(261.2)**	**50.1**	**(16.9)**	**(1.8)**	**81.2**	**(148.6)**
Ebitda Margin	**(13.5 p.p.)**	**0.1 p.p.**	**(5.6 p.p.)**	**(13.5 p.p.)**	**-**	**(18.8 p.p)**

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

Between 3Q20 and 3Q19, Ebitda reported a decrease of R$ 148.6 million (9.4%) from R$ 1,581.3 million in 3Q19 to R$ 1,432.7 million in 3Q20. The variation is a combination of the following **negative effects**: (i) R$ 261.2 million (17.0%) in the generation and sale of electric energy segment from the Company's portfolio; (ii) R$ 16.9 million (77.9%) from the energy trading segment – of which R$ 28.9 million reflects the effect of marking to market, albeit partially attenuated by the positive impact of R$ 12.0 million originating from transactions executed and operational expenses; and (iii) R$ 1.8 million (120.0%) from the solar panel segment. The negative impacts were counterbalanced by **increases of**: (iv) R$ 81.2 million (384.8%) due to a higher result from the jointly held stake in subsidiaries – TAG; and (v) R$ 50.1 million (1,066.0%) from the energy transmission segment.

Ebitda[1] and Ebitda Margin



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

The Company's leading business segment in the electric energy sector is that of the generation and sale of electric energy segment from the Company's portfolio with a variation indicated in item (i) above. This was impacted by a non-recurring event, the effect of which was booked in 3Q19 for the amount of R$ 321.0 million to other operating revenues in the form of an indemnity for non-compliance with contracual conditions by the supplier responsible for the construction of the Pampa Sul Thermoelectric Power Plant. Non-compliance mainly relates to delays in the conclusion of the work.

Excluding this effect, Ebtida for this segment in 3Q19 would have decrease from R$ 1,535.3 million to R$ 1,214.3 million. On this comparative basis, Ebitda for this segment would show growth of R$ 59.8 million (4.9%) driven by the following positive effects: (i) R$ 48.3 million reduction in energy purchases; (ii) R$ 41.6 million from the increase in net average energy selling prices; (iii) an increase of R$ 33.6 million in the result for transactions executed in the short-term market; (iv) revenue of R$ 30.5 million from energy exports; and (v) a growth of R$ 14.0 million in revenue from remuneration and monetary restatement of the Jaguara and Miranda concession assets. The effect of these positive factors was partially attenuated by the following negative impacts: (i) R$ 83.9 million decrease in sales volumes; (ii) R$ 11.6 million increase in the cost of materials and outsourced services; (iii) R$ 7.4 million in costs with charges for the use of the electricity network and connections; and (iv) increase of R$ 5.3 million of other revenues and operational costs and expenses.

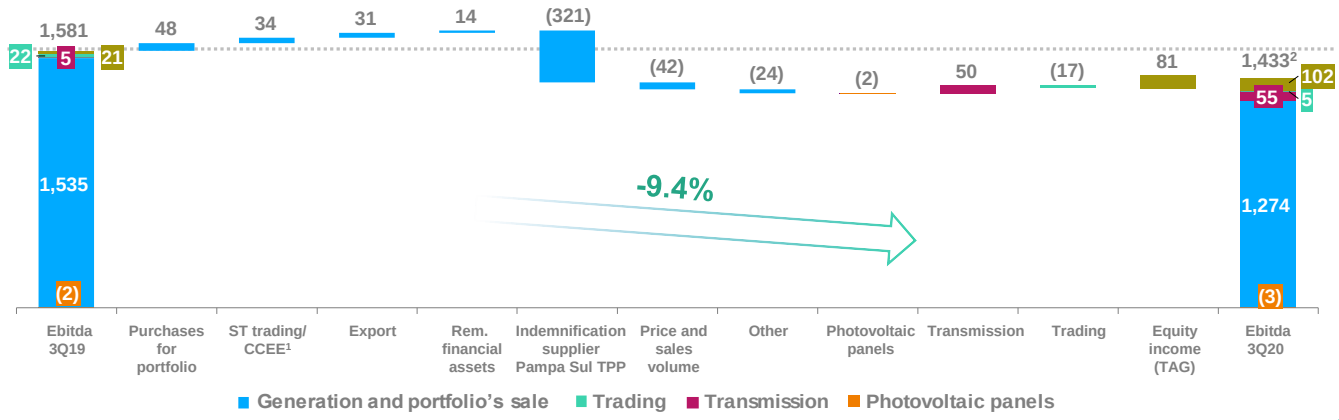
The consolidated Ebitda margin recorded a decline of 18.8 p.p. from 63.4% in 3Q19 to 44.6% in 3Q20.

Excluding the non-recurring item booked in 3Q19, consolidated Ebitda would have shown an increase of R$ 172.4 million (13.7%) between 3Q19 and 3Q20. The Ebitda margin in 3Q19 would have been 50.5%, representing a decrease of 5.9 p.p. between third quarters for 2019 and 2020.

Worthy of note is that the consolidated Ebitda margin is partially reduced by the impact of energy trading operations, the booking of revenue and costs relative to the construction of the transmission lines and finally operations undertaken by the EGSD subsidiary, margins for which are lower than those of the other operations executed by the Company.

Ebitda Change

R$ million



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

The following table reconciles net income with Ebitda:

(In millions of R$)	3Q20	3Q19	Chg. %	9M20	9M19	Chg. %
Net income	490.0	742.7	-34.0	1,767.8	1,693.6	4.4
(+) Income tax and social contribution	120.4	317.1	-62.0	577.1	726.9	-20.6
(+) Net financial result	598.9	295.7	102.5	1,159.7	800.1	44.9
(+) Depreciation and amortization	223.4	225.8	-1.1	691.5	620.5	11.4
Ebitda	**1,432.7**	**1,581.3**	**-9.4**	**4,196.1**	**3,841.1**	**9.2**
(+) Impairment	0.0	0.0	-	0.0	4.9	-100.0
Adjusted Ebitda	**1,432.7**	**1,581.3**	**-9.4**	**4,196.1**	**3,846.0**	**9.1**

Financial Result

Financial income: in 3Q20, financial revenues were R$ 63.3 million, R$ 20.1 million or 46.8% up on the R$ 43.2 million registered in the same quarter of 2019 due largely to the combination of the following: (i) positive impact of monetary restatement of R$ 29.4 million, arising mainly from the interpretation by the sector regulator of the effects of Aneel Resolution 801/2017, and involving a reduction in the mineral coal subsidy with resources from the Energy Development Account (CDE) in the light of the efficiency of the generator unit; and (ii) a decrease of R$ 8.7 million in revenues from financial investments due to the reduction in interest rates between quarters.

Financial expenses: expenses in 3Q20 were R$ 662.2 million, that is, R$ 323.3 million or 95.4% more than recorded in the same quarter last year of R$ 338.9 million. The increase is a reflection of the variation in inflation indices and the increase in the average balance of debt 3Q20 X 3Q19 thus increasing in monetary restatement and interest of: (i) R$ 291.3 million on concession grants payable, mainly motivated by the variation of the General Price Index Market (IGP-M) between the periods compared; and (ii) R$ 63.3 million on debt, but partially attenuated by the capitalization of interest in the Campo Largo – Phase II project in 3Q20 in the amount of R$ 13.5 million. The increase in financial expenses was mitigated by the decrease of R$ 29.7 million in interest and the adjustment to fair value on hedges for currency denominated debt.

Income Tax and Social Contribution

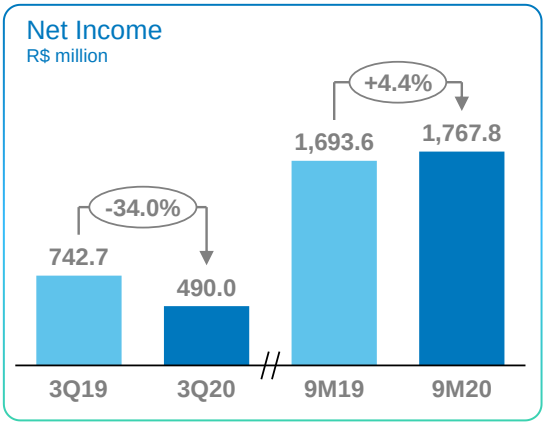
Income Tax and Social Contribution expenses in 3Q20 were R$ 120.4 million, R$ 196.7 million (62.0%) lower than reported for the same quarter of 2019 of R$ 317.1 million largely due to the reduction of 51.1% in pretax profits, excluding the equity income result reported in 3Q20, compared with 3Q19. In addition, the volume of tax incentives in 3Q20 was R$ 9.2 million greater than 3Q19.

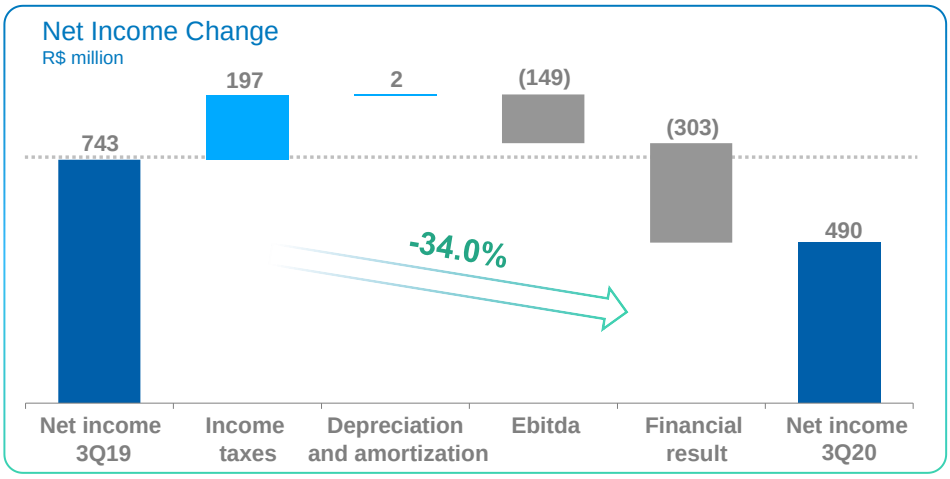
The effective rate of Income Tax and Social Contribution, excluding the result for equity income, fell by 6.8 p.p. from 30.5% in 3Q19 to 23.7% in 3Q20.

Net Income

Net income in 3Q20 was R$ 490.0 million, R$ 252.7 million or 34.0% lower than the R$ 742.7 million registered in the same quarter 2020. This decrease reflects: (i) the increase of R$ 303.2 million in net financial expenses; (ii) a decrease of R$ 196.7 million in income tax and social contribution; (iii) reduction of R$ 148.6 million in Ebitda; and (iv) reduction of R$ 2.4 million in depreciation and amortization.

Excluding the effects of the indemnity for non-compliance with contractual conditions by the supplier responsible for the construction of the Pampa Sul Thermoelectric Power Plant, resulting in a delay in the conclusion of the work, causing the Company to report a shortfall of R$ 211.8 million in projected results, net income fell 3Q19 x 3Q20 by R$ 40.9 million (7.7%).

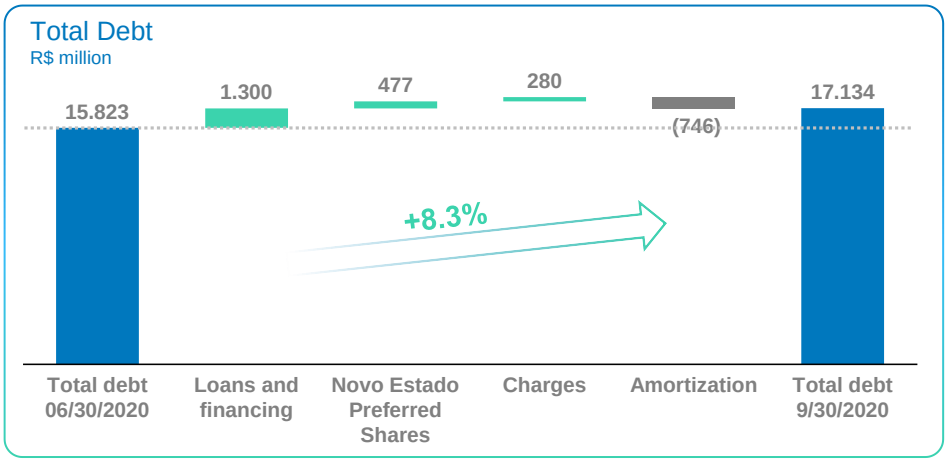


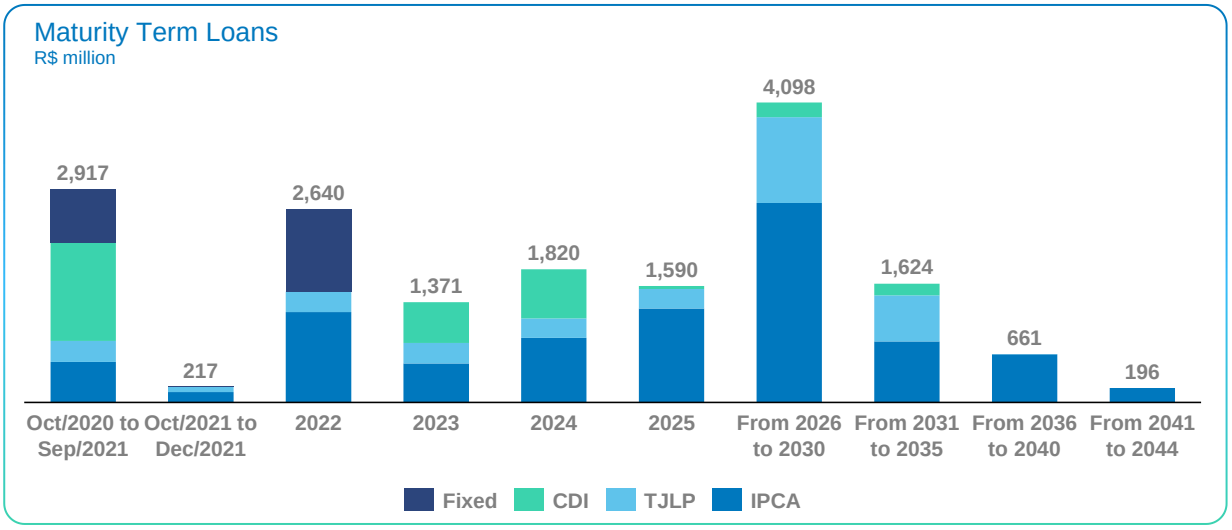


Debt

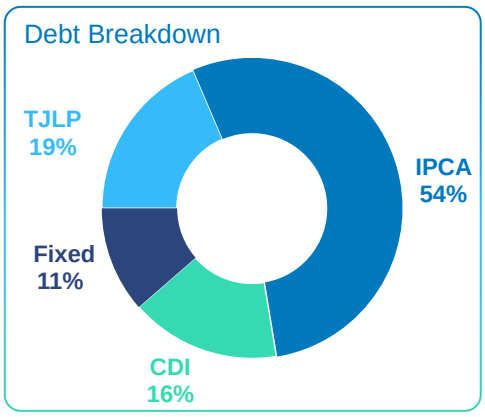
As of September 30, 2020, **total consolidated gross debt,** representing principally loans, financing and debentures, net of hedging operations, **totaled R$ 17,133.6 million — an increase of 8.3%** (R$ 1,310.8 million) compared to the position as at June 30, 2020.

The variation in the Company's debt is related principally to a combination of the following factors in 3Q20: (i) drawdowns from the Brazilian Development Bank (BNDES) of R$ 1,300.4 million for the construction of the Campo Largo – Phase II Wind Complex and the Novo Estado Transmission System; (ii) injection of R$ 476.8 million from the subscription of preferred shares of Novo Estado Participações S.A.; (iii) generation of R$ 279.6 million in charges to be paid and monetary restatement; and (vi) R$ 745.7 million in amortizations of loans and financing.





The **average weighted nominal cost of debt** at the end of the 3Q20 was **6.8%** (7.6% at the end of the 3Q19).



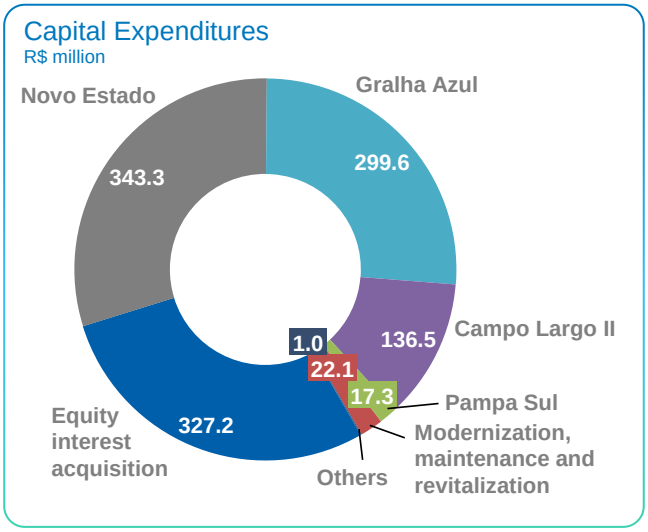
On September 30, 2020, the Company's **net debt** (total debt less result of derivatives operations, deposits earmarked to the guarantee of debt servicing and cash and cash equivalents) was **R$ 11,206.5 million**, **as increase of 4.0%** compared with the end of the 2Q20.

Net Debt
R$ million

	9/30/2020	6/30/2020	Chg. %
Gross debt	18,491.7	16,989.1	8.8
Result of derivatives operations	(1,358.1)	(1,166.3)	16.4
Deposits earmarked for the payment of debt	(230.4)	(251.5)	(8.4)
Cash and cash equivalents	(5,696.7)	(4,799.5)	100.0
Total net debt	**11,206.5**	**10,771.9**	**4.0**
Net debt x Ebitda	**2.0X**	**1.9X**	

Capital Expenditures

ENGIE Brasil Energia's **total investments in 3Q20 were R$ 1,147.0 million**, of which: (i) R$ 327.2 million related to the acquisition of additional participation in TAG's equity interest; (ii) R$ 797.7 million was invested in construction of new projects: (ii.i) R$ 343.3 million concentrated in the Novo Estado Transmission Line; (ii.ii) R$ 299.6 million in the Gralha Azul Transmission Line; (ii.iii) R$ 136.5 million in the Campo Largo Wind Complex – Phase II; (ii.iv) R$ 17.3 million in the Pampa Sul TPP; and (ii.v) R$ 1.0 million in other investments; (iii) R$ 19.5 million were allocated in the maintenance and revitalization projects of the generating complex; and (iv) R$ 2.6 million was dedicated to modernization in the Salto Osório Hydroelectric Power Plant.



COMMITMENT TO SUSTAINABLE DEVELOPMENT

Sustainable Management

ENGIE's ambition is to spearhead the carbon-neutral transition process worldwide, supporting our clients in their journey of reducing emissions and associated to differentiated socio-environmental offers, thereby encouraging sustainable development with positive impacts both locally and globally. Through our medium term Strategic ESG Goals, we endeavor to address the trinomial of "People, Planet and Prosperity", with a focus on the commitment for reducing CO_2 emissions by 46% between 2019 and 2030 which is a Science Based Target.

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, 2020, out of the 60 plants installed in 13 states of Brazil's five regions, 12 are certified in accordance with NBR ISO 9001 (for Quality), NBR ISO 14001 (for the Environment) and NBR OHSAS 18001 (for Occupational Health and Safety) standards, with an aggregate capacity of 77.9% of the total operated by the Company. The Jorge Lacerda Thermoelectric Complex, the three plants of which, are among the 12 which are certified according to the NBR ISO 50001 standard for Energy Efficiency.

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

Sustainability Forum

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

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

Highlights of the Quarter

- The Internal Accident Prevention Week was held in August (Sipat) under the aegis of the Company's Internal Accident Prevention Commissions (Cipas). In view of the pandemic, the event was held virtually with presentations and awareness exercises on themes such as mental health, anxiety, healthy and rational use in the virtual world and preventive actions for avoiding Covid-19 infections.
- As a means of creating local share value and engagement with the communities in which we carry on our business, in August we concluded the first course in Technical Specialization in Maintenance and Operation of Wind Farms in partnership with Senai in the municipality of Jacobina, state of Bahia. With its inception in October 2019, the course, consisting of 460 hours of classroom hours, was a pioneer in the region and was responsible for training technicians in Electrotechnology, Electromechanics and Electronics.
- As an initiative related to the Personal Data Protection Law, the aim of which is to establish clear rules on the gathering, storage, handling and sharing of personal data, in early September, the Company launched, the "ENGIE Brazil's Policy of Privacy and Personal Data Protection", and available from our website. In parallel, the attention of all employees was drawn to the theme through the "Personal Data Protection Awareness Program".
- In August, the ENGIE Group received ISO 37001 certification, which evaluates the requirements and provides guidance to establish, implement, maintain, revise, and improve the corporate antibribery management system. The Company had already received certification in 2018 at a global level and now after two years this certification has been revalidated.
- ENGIE held its Innovation week from August 22nd to 25th. This included activities dedicated to the theme in Brazil and in all ENGIE's operations throughout the world, the aim being to foster entrepreneurial creativity and award employees' innovative projects. Among the activities was the setting up of an innovative solutions marketplace, as well as lectures, masterclasses, round tables, showcasing Inove (Internal Innovation Program) projects and the Innovation Trophies (Global) award.

Social Responsibility – Covid-19

Since the beginning of the pandemic, our efforts to tackle its effects in society have totaled approximately R$ 6.2 million. The main donations/initiatives in the quarter were:

» R$ 1.0 million donated to the “Stimulus 2020” program, a movement offering training and support to small entrepreneurs in order to maintain their activities operational during the pandemic;

» Donation of R$ 500.0 thousand to the BNDES’ “Saving Lives” campaign, the bank to double the value of contributions in cash. This amount will be invested in the front line for meeting the challenge of the pandemic through the acquisition of materials, inputs, and protective equipment for doctors, nurses and other healthcare professionals working in hospitals. In the case of ENGIE Brasil Energia, the donation will go to the public hospitals in the state of Paraná;

» Donation of R$ 194.0 thousand for use in rest homes, hospitals, as well as the acquisition of tests and basic basket of goods in the communities surrounding our operational assets.

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 3Q20 X 3Q19, associating each indicator with GRI Standards recommendations.

Sustainability Indices[1]

Item	Dimension[2]	Index[3]	Material themes	GRI disclosure[4]	3Q20	3Q19	Change	9M20	9M19	Change
1	Quality	Operating plants	- Prioritization of renewable sources for energy generation - Emissions Managemen	102-7, EU1	60	60	0	60	60	0
2		Installed capacity		102-7, EU1	10,431	10,430	0.0%	10,431	10,430	0.0%
3		Proprietary capacity		102-7, EU1	8,710	8,710	0.0%	8,710	8,710	0.0%
4		Number of certified plants		102-16, EU6	12	12	0	12	12	0
5		Certified installed capacity (MW)		102-16, EU6	8,127	8,127	0.0%	8,127	8,127	0.0%
6		Certified installed capacity in relation to the total		102-16, EU6	77.9%	77.9%	0.0 p.p.	77.9%	77.9%	0.0 p.p.
7		Installed capacity from renewable sources		102-7, EU1	9,229	9,228	0.0%	9,229	9,228	0.0%
8		Installed capacity from renewable sources in relation to the total		102-7, EU1	88.5%	88.5%	0.0 p.p.	88.5%	88.5%	0.0 p.p.
9		Energy generation (GWh)		EU2	12,274	11,503	6.7%	24,944	32,611	-23.5%
10		Certified energy generation		102-16, EU6	9,196	8,692	5.8%	18,075	26,338	-31.4%
11		Certified energy generation in relation to the total		102-16, EU6	74.9%	75.6%	-0.6 p.p.	72.5%	80.8%	-8.3 p.p.
12		Energy generation from renewable sources (GWh)		EU2	10,889	9,730	11.9%	21,173	29,073	-27.2%
13		Energy generation from renewable sources in relation to the total		EU2	88.7%	84.6%	4.1 p.p.	84.9%	89.2%	-4.3 p.p.
14		Uptime ratio, excluding scheduled stoppages		EU30	96.3%	97.0%	-0.7 p.p.	95.5%	97.1%	-1.7 p.p.
15		Uptime ratio, including scheduled stoppages		EU30	90.1%	86.9%	3.2 p.p.	89.8%	89.8%	0.0 p.p.
16	Environment and climate change	Saplings donated and planted (sum-total of planted and donated saplings)	- Emissions Management - Boost of prosperity on local communities - Biodiversity	304-2, 413-1	77,843	96,152	-19.0%	238,220	296,799	-19.7%
17		Number of visitors at the plants and environmental education		413-1	8,779	26,921	-67.4%	18,712	65,210	-71.3%
18		CO2 Emissions (fossil fuel plants) (t/MWh)		D305-1, D305-2, D305-3	0.646	0.694	-6.9%	0.692	0.787	-12.1%
19		CO2 Emissions from Tractebel Energia's generation complex(t/MWh)		D305-1, D305-2, D305-3	0.073	0.107	-31.8%	0.105	0.088	18.8%
20	Occupational Heath and Safety (OH&S)	Frequency Rate ("Taxa de Frequência" - TF) own employees[5]	- Teams and community safety - Foster good social and environmental practices between suppliers and customers.	403-2	1.561	0.000	↑	0.550	0.000	↑
21		Severity Rate ("Taxa de Gravidade" - TG) own employees[6]		403-2	0.023	0.000	↑	0.008	0.000	↑
22		Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5]		403-2	0.832	3.290	↓	0.845	1.730	↓
23		Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5]		403-2	1.033	0.000	↑	0.687	0.810	↓
24	Social Responsibility[7]	Non-incentivized investments	- Generation of economic result and value sharing with society - Boost of prosperity on local communities	203-2, 413-1	1,694.0	822.7	105.9%	6,197.0	2,514.4	146.5%
25		Investments through the Infancy and Adolescence Fund (FIA)		203-2, 413-1	92.0	495.0	-81.4%	562.2	2,101.4	-73.2%
26		Investments through the Culture Incentive Law (Rouanet)		203-2, 413-1	1,958.0	4.5	43411.1%	2,171.0	5,792.4	-62.5%
27		Investments through the Sport Incentive Law		203-2, 413-1	240.0	0.0	-	240.0	340.0	-29.4%
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	221.0	100.0	121.0%	800.8	683.1	17.2%

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 9/30/2020.
[4] GRI: Global Reporting Initiative, Standards version and sector supplement version G4.
[5] TF = number of occupational accidents for every million hours of exposure to hazards.
[6] TG = number of days lost due to occupational accidents for every thousand hours of exposure to hazards.
[7] Amounts in thousands of reais.

CORPORATE GOVERNANCE

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

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

A Code of Ethics provides the basis of conduct at the Company: a public document available from its website. The Company also has an Ethics Forum responsible for constantly updating the Code and for evaluating ethical issues. **In 2013, ENGIE Brasil Energia signed up to the Brazilian Business Pact for Integrity and against Corruption:** an initiative of the Ethos Institute, in association with the United Nations Global Compact, of which ENGIE Brasil Energia has been a signatory since launch. In 2020, ENGIE Brasil's ISO 37001 certification was ratified, this evaluating the requirements and providing guidance in order to establish, implement, maintain, revise, and improve the corporate antibribery management system.

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

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

CAPITAL MARKETS

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

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

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

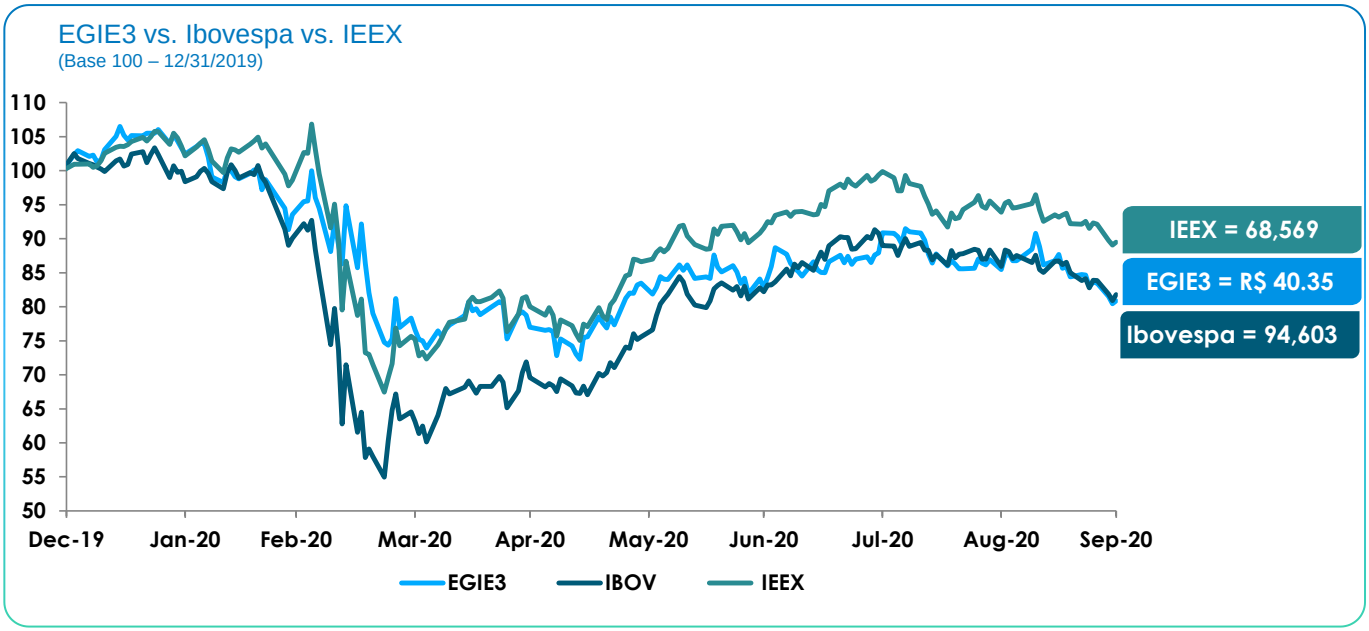
Share Performance – EGIE3

The third quarter saw the early green shoots of recovery in the world economy in the face of the Covid-19 crisis. However, fear of a second wave of contagion and its impact internationally loomed negatively on stock market sentiment. Notwithstanding, the Dow Jones Industrial Index closed the quarter up by 7.6% in the quarter. Meanwhile, the Ibovespa, the Brazilian bourse's leading stock index, failed to react with the same intensity for internal reasons related to nervousness surrounding the fiscal question and the consequent increase in market misgivings, closing the quarter down 0.5%, at around the 94 thousand points level.

ENGIE Brasil Energia's shares turned in a depreciation of 2.4% in the third quarter 2020, very similar to the Electric Energy Stock Index (IEEX), which closed 2.3% down, in relation to the Ibovespa's 0.5% negative.

EGIE3's average daily trading volume was R$ 78.0 million in 3Q20, 44.6% greater than the R$ 54.0 million in 3Q19.

On the last trading day of September 2020, EBE's shares closed at R$ 40.35/share**, equivalent to a Company market capitalization of R$ 32.9 billion.**



Upcoming Event

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

Earnings Release Video Conference
(In Portuguese — simultaneous translation into English)

Date: November 6, 2020
Time: 9:00 a.m. (EDT) / 11:00 a.m. (BRT)

Link to the connection in English: https://vcasting.voitel.com.br/?transmissionId=8681

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

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$)	9/30/2020	12/31/2019
Current Assets	**9,135,347**	**6,745,671**
Cash and cash equivalents	5,696,689	3,870,261
Accounts receivables from clients	1,682,403	1,451,227
Credit of income tax and social contribution	213,041	166,833
Inventory	238,765	220,964
Unrealized gains on hedging transactions	479,679	115,131
Unrealized gains on trading transactions	112,963	288,771
Restricted deposits	2,157	4,856
Renegotiation of hydrological risk to appropriate	15,089	15,089
Concession financial assets	300,587	296,232
Non current asset held for sale	4,577	4,829
Other current assets	389,397	311,478
Non Current Assets	**25,262,275**	**23,389,907**
Long Term Assets	**5,912,624**	**3,652,141**
Unrealized gains on hedging transactions	985,923	311,577
Unrealized gains on trading transactions	57,835	42,695
Restricted deposits	280,435	381,064
Deposits in court	82,486	102,878
Renegotiation of hydrological risk to appropriate	104,369	115,686
Concession financial assets	2,430,737	2,411,942
Contractual assets	1,746,756	217,611
Other non current assets	224,083	68,688
Investments	**2,376,526**	**2,948,920**
Property, Plant and Equipment	**15,217,889**	**15,330,211**
Intangible	**1,591,681**	**1,296,769**
Right of use of leases	**163,555**	**161,866**
Total	**34,397,622**	**30,135,578**

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

(In thousands of R$)	9/30/2020	12/31/2019
Current Liabilities	**5,880,623**	**5,979,644**
Suppliers	681,365	765,020
Dividends and interest on shareholder´s equity	686,169	1,197,924
Loans and financing	1,952,120	1,637,691
Debentures	1,419,483	1,204,469
Lease liabilities	20,383	19,824
Tax and social contribution obligations payable	131,463	176,395
Other fiscal and regulatory obligations	213,823	104,855
Labor obligations	109,134	106,005
Unrealized losses on trading transactions	98,456	258,305
Concessions payable	212,334	145,136
Provision	3,069	8,579
Obligations related to retirement benefits	42,909	42,909
Other current liabilities	309,915	312,532
Non Current Liabilities	**21,368,260**	**17,157,114**
Loans and financing	10,041,673	7,181,363
Debentures	4,600,450	4,739,535
Redeemable preferred shares	477,998	-
Lease liabilities	119,089	114,483
Unrealized losses on trading transactions	26,455	20,644
Concessions payable	3,518,701	3,091,354
Provision	291,096	288,301
Obligations related to retirement benefits	362,179	364,253
Deferred income taxes and social contribution	1,386,513	941,468
Other non current liabilities	544,106	415,713
Shareholders' Equity	**7,148,739**	**6,998,820**
Share capital	4,902,648	4,902,648
Net income reserves	2,139,271	2,123,245
Adjustment on fixed asset	(997,002)	(30,739)
Retained earnings	1,099,340	-
Non controlling interests	4,482	3,666
Total	**34,397,622**	**30,135,578**

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

(Valores em R$ mil)	3T20	3T19	Var. %	9M20	9M19	Var. %
Receita Operacional Líquida	**3,208,816**	**2,494,116**	**28.7**	**8,489,925**	**7,009,354**	**21.1**
Custos Operacionais	**(2,040,361)**	**(1,422,305)**	**43.5**	**(5,161,701)**	**(3,924,143)**	**31.5**
Compras de energia	(640,844)	(715,507)	-10.4	(1,834,260)	(1,937,389)	-5.3
Transações no mercado de energia de curto prazo	(22,666)	(19,169)	18.2	(198,110)	(202,017)	-1.9
Encargos de uso da rede elétrica e conexão	(140,913)	(133,522)	5.5	(418,329)	(380,576)	9.9
Combustíveis para geração	(45,793)	(49,319)	-7.1	(130,490)	(88,767)	47.0
Compensação financeira pela utilização de recursos hídricos (*royalties*	(36,748)	(33,593)	9.4	(57,814)	(99,114)	-41.7
Pessoal	(65,597)	(73,066)	-10.2	(206,067)	(196,647)	4.8
Materiais e serviços de terceiros	(88,135)	(76,816)	14.7	(247,023)	(193,954)	27.4
Depreciação e amortização	(217,914)	(221,656)	-1.7	(676,062)	(608,300)	11.1
Seguros	(21,904)	(9,995)	119.1	(60,514)	(44,234)	36.8
Reversão (Constituição) de provisões operacionais líquidas	(2,311)	(357)	547.3	17,688	2,552	593.1
Custo da implementação de infraestrutura de transmissão	(731,145)	(63,643)	1,048.8	(1,287,085)	(98,398)	1,208.0
Custo da venda de painéis solares fotovoltaicos	(11,136)	(11,362)	-2.0	(25,429)	(41,254)	-38.4
Outros	(15,255)	(14,300)	6.7	(38,206)	(36,045)	6.0
Lucro Bruto	**1,168,455**	**1,071,811**	**9.0**	**3,328,224**	**3,085,211**	**7.9**
Receitas (Despesas) Operacionais	**(61,514)**	**262,600**	**-123.4**	**(190,357)**	**141,073**	**-234.9**
Despesas com vendas, gerais e administrativas	(61,507)	(58,866)	4.5	(190,281)	(175,750)	8.3
Outras receitas (despesas) operacionais, líquidas	(7)	321,466	-100.0	(76)	316,823	-100.0
Resultado de Participações Societárias	**102,317**	**21,129**	**384.2**	**366,736**	**(5,680)**	**-6,556.6**
Equivalência patrimonial	102,317	21,129	384.2	366,736	(5,680)	-6,556.6
Lucro Antes do Resultado Financeiro e Tributos Sobre o Lucro	**1,209,258**	**1,355,540**	**-10.8**	**3,504,603**	**3,220,604**	**8.8**
Resultado Financeiro	**(598,921)**	**(295,738)**	**102.5**	**(1,159,715)**	**(800,133)**	**44.9**
Receitas financeiras	63,325	43,138	46.8	218,490	111,908	95.2
Despesas financeiras	(662,246)	(338,876)	95.4	(1,378,205)	(912,041)	51.1
Lucro Antes dos Tributos sobre o Lucro	**610,337**	**1,059,802**	**-42.4**	**2,344,888**	**2,420,471**	**-3.1**
Imposto de renda	(81,080)	(227,814)	-64.4	(411,872)	(520,080)	-20.8
Contribuição social	(39,246)	(89,281)	-56.0	(165,225)	(206,826)	-20.1
Lucro Líquido do Exercício	**490,011**	**742,707**	**-34.0**	**1,767,791**	**1,693,565**	**4.4**
Lucro atribuído aos:						
Acionistas da ENGIE Brasil Energia	489,707	742,397	-34.0	1,766,975	1,692,697	4.4
Acionista não controlador da Ibitiúva Bionergética S.A.	304	310	-1.9	816	868	-6.0
Número de Ações Ordinárias	**815,927,740**	**815,927,740**		**815,927,740**	**815,927,740**	
Lucro Líquido por Ação	**0.6002**	**0.9099**	**-34.0**	**2.1656**	**2.0746**	**4.4**

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

(In thousands of R$)	3Q20	3Q19	9M20	9M19
Cash Flow from Operating Activities				
Income before taxes on income	610,337	1,059,802	2,344,888	2,420,471
Reconciliation of net income with operating cash flow:				
Equity loss	(102,317)	(21,129)	(366,736)	5,680
Depreciation and amortization	223,392	225,787	691,534	620,541
Monetary variation	345,783	12,373	492,344	179,102
Interests	268,563	293,037	740,501	682,437
Remuneration of concession asset	(138,391)	(89,808)	(293,483)	(281,930)
Unrealized losses on trading operations, net	(5,953)	(34,954)	6,630	(1,249)
Others	2,277	19,075	(18,144)	5,001
Adjusted Net Income	**1,203,691**	**1,464,183**	**3,597,534**	**3,630,053**
Increase (reduction) in assets				
Accounts receivables from clients	(293,361)	(169,735)	(230,976)	(308,616)
Tax credits recoverable	(41,214)	1,926	(46,965)	(6,982)
Inventory	25,415	(10,303)	(17,801)	(99,032)
Deposits in court and restricted deposits	26,295	1,053	(17,754)	2,652
Renegotiation of hydrological risk to appropriate	3,772	3,772	11,317	11,317
Financial concession asset	71,618	68,868	212,948	199,005
Contract assets	(748,950)	(65,338)	(1,318,481)	(101,019)
Other assets	119,664	(114,902)	(89,087)	(32,947)
Increase (reduction) in liabilities				
Suppliers	(49,833)	57,536	(89,538)	56,921
Other fiscal and regulatory obligations	41,530	40,847	130,239	23,748
Obligations related to retirement benefits	(7,785)	(7,250)	(22,777)	(21,758)
Other liabilities	55,263	10,892	70,096	9,617
Cash Generated from Operating Activities	**406,105**	**1,281,549**	**2,188,755**	**3,362,959**
Payment of interests on debt, net of hedge	(160,816)	(177,527)	(390,110)	(376,320)
Payment of income tax and social contribution	(83,483)	(121,400)	(250,823)	(323,991)
Net Cash from Operating Activities	**161,806**	**982,622**	**1,547,822**	**2,662,648**
Investments Activities	**(406,114)**	**(20,785)**	**(857,512)**	**(4,390,581)**
Capital increase at joint ventures	-	-	-	(2,789,257)
Dividends received from subsidiaries	-	-	321,750	-
Payments on investments in companies, net of cash and cash equivalents acquired	(694)	-	(328,889)	(680,612)
Acquisitions of investments	(327,158)	-	(327,158)	-
Used in fixed assets and intangibles	(78,262)	(92,671)	(523,215)	(992,598)
Liquidated damages for the delay conclusion received	-	71,886	-	71,886
Financing Activities	**1,141,515**	**(884,734)**	**1,136,118**	**1,031,567**
Loans and financing contracted	1,300,381	(188)	2,517,125	1,389,823
Debentures contracted	(2,046)	1,569,319	497,064	4,065,291
Preferred shares issued	476,757	-	476,757	-
Payment of loans and financing, net of hedge	(84,977)	(87,328)	(545,630)	(341,693)
Payment of debentures, net of hedge	(500,001)	(1,535,008)	(596,130)	(1,623,870)
Payments of concessions payable	(36,597)	(18,489)	(109,468)	(55,031)
Debt servicing deposits	22,047	(80,533)	151,047	(125,566)
Payments of dividends and interest on shareholders' equity	(29,484)	(725,592)	(1,240,918)	(2,260,648)
Payments of leases	(5,065)	(2,561)	(15,228)	(12,277)
Others	500	(4,354)	1,499	(4,462)
Increase (Decrease) in Cash and Cash Equivalents	**897,207**	**77,103**	**1,826,428**	**(696,366)**
Reconciliation of Cash and Cash Equivalents				
Opening balance	-	1,642,323	3,870,261	2,415,792
Closing balance	897,207	1,719,426	5,696,689	1,719,426
Increase (Decrease) in Cash and Cash Equivalents	**897,207**	**77,103**	**1,826,428**	**(696,366)**
Transactions that do Not Affect Cash and Cash Equivalents				
Dividends intended by subsidiaries	-	-	321,750	-
Offsetting of income tax and social contribution	(38,012)	6,721	(34,435)	17,964
Capitalized interest and monetary variation	13,898	3,151	30,787	148,016
Transfer of property, plant and equipment to other non-current assets	-	-	-	(2,926)
Supplier's of fixed assets and intangibles	88,594	98,894	27,491	29,122
Unclaimed dividends and interest on equity	-	-	3,978	2,436
Fixed assets credit of PIS and COFINS	-	-	(29,413)	-
Net assets of subsidiaries acquired	-	-	136,093	-
Fair value of acquired project rights	-	-	236,021	-
Goodw ill	-	-	80,247	-
Capital increase w ith profit and profit	167,219	-	167,219	-