Quarterly Information

3Q19

ENGIE Brasil Energia S.A.
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Company Information / Capital Composition

Number of shares (Units)	Current quarter 9/30/2019
Paid-in capital	
Common	815,927,740
Preferred	0
Total	815,927,740
Treasury shares	
Common	0
Preferred	0
Total	0

Company Information / Profit Distribution in Cash

Event	Approval	Profit Distribution	Commencement of Payment	Type of Share	Class of Share	Profit Distribution per Share (Reais / Share)
Annual Shareholders Meeting	4/26/2019	Dividends	9/27/2019	Common shares		0.09401
Board of Directors' Meeting	10/312018	Dividends	9/27/2019	Common shares		1.00000
Board of Directors' Meeting	8/8/2018	Dividends	3/27/2019	Common shares		1.75573
Board of Directors' Meeting	10/31/2019	Interest on equity		Common shares		0.48656
Board of Directors' Meeting	11/5/2019	Dividends		Common shares		1.09495
Board of Directors' Meeting	11/5/2019	Interest on equity		Common shares		0.43386

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
1	Total assets	20,903,570	17,605,996
1.01	Current assets	1,653,060	2,260,734
1.01.01	Cash and cash equivalents	146,079	1,282,395
1.01.03	Accounts receivable	1,028,438	593,898
1.01.03.01	Trade accounts receivable	772,016	532,430
1.01.03.02	Other accounts receivable	256,422	61,468
1.01.03.02.01	Dividends receivable from subsidiaries	256,422	61,468
1.01.04	Inventories	15,282	14,604
1.01.06	Taxes recoverable	87,235	88,854
1.01.06.01	Current taxes recoverable	87,235	88,854
1.01.06.01.01	Income tax and social contribution credits	87,235	88,854
1.01.08	Other current assets	376,026	280,983
1.01.08.03	Other	376,026	280,983
1.01.08.03.01	Restricted deposits	1,238	4,471
1.01.08.03.02	Unrealized gains on hedge operations	191,888	0
1.01.08.03.03	Renegotiation of hydrological risk to appropriate	13,016	13,016
1.01.08.03.04	Insurance indemnification receivable	0	71,888
1.01.08.03.05	Other current assets	165,055	177,880
1.01.08.03.06	Non-current assets held for sale	4,829	13,728
1.02	Non-current assets	19,250,510	15,345,262
1.02.01	Long term assets	770,752	477,511
1.02.01.10	Other non-current assets	770,752	477,511
1.02.01.10.03	Restricted deposits	10,311	9,915
1.02.01.10.04	Judicial deposits	101,070	96,099
1.02.01.10.05	Renegotiation of hydrological risk to appropriate	93,543	103,306
1.02.01.10.06	Unrealized hedge gains	527,978	247,878
1.02.01.10.07	Right of use	29,462	0
1.02.01.10.08	Other non-current assets	8,388	20,313
1.02.02	Investments	14,317,706	10,540,737
1.02.02.01	Equity interest	14,317,706	10,540,737
1.02.02.01.02	Interest on subsidiaries	10,974,802	10,298,190
1.02.02.01.03	Interest in joint ventures	3,342,904	242,547
1.02.03	Property, plant and equipment	4,114,765	4,288,507
1.02.03.01	Property, plant and equipment in operation	4,020,495	4,163,547
1.02.03.03	Construction in progress	94,270	124,960
1.02.04	Intangible assets	47,287	38,507

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
2	Total liabilities	20,903,570	17,605,996
2.01	Current liabilities	1,787,199	3,278,588
2.01.01	Social and labor obligations	81,307	90,989
2.01.01.02	Labor obligations	81,307	90,989
2.01.02	Suppliers	131,447	466,734
2.01.02.01	Domestic suppliers	131,447	466,734
2.01.03	Tax Liabilities	38,358	59,389
2.01.03.01	Federal tax liabilities	38,358	59,389
2.01.03.01.01	Income tax and social contribution payable	38,358	59,389
2.01.04	Loans and financing	1,115,498	179,418
2.01.04.01	Loans and financing	1,082,619	142,536
2.01.04.01.01	In local currency	110,762	122,100
2.01.04.01.02	In foreign currency	971,857	20,436
2.01.04.02	Debentures	32,879	36,882
2.01.05	Other liabilities	377,344	2,438,809
2.01.05.02	Other	377,344	2,438,809
2.01.05.02.01	Dividends and interest on equity payable	11,735	2,136,939
2.01.05.02.04	Concessions payable	131,825	79,051
2.01.05.02.05	Other tax and regulatory liabilities	45,195	53,816
2.01.05.02.06	Lease payable	6,789	0
2.01.05.02.07	Other current liabilities	181,800	169,003
2.01.06	Provisions	43,245	43,249
2.01.06.01	Tax, social security, labor and civil Provisions	7,876	7,880
2.01.06.01.01	Fiscal provisions	150	150
2.01.06.01.02	Social security and labor provisions	1,395	1,394
2.01.06.01.04	Civil provisions	6,331	6,336
2.01.06.02	Other provisions	35,369	35,369
2.01.06.02.04	Retirement benefits obligations	35,369	35,369
2.02	Non-current liabilities	11,548,593	8,011,222
2.02.01	Loans and financing	7,606,692	4,421,161
2.02.01.01	Loans and financing	3,429,819	2,840,909
2.02.01.01.01	In local currency	119,032	195,261
2.02.01.01.02	In foreign currency	3,310,787	2,645,648
2.02.01.02	Debentures	4,176,873	1,580,252
2.02.02	Other liabilities	3,047,288	2,797,905
2.02.02.02	Other	3,047,288	2,797,905
2.02.02.02.03	Concessions payable	2,910,207	2,717,339
2.02.02.02.04	Lease payable	12,828	0
2.02.02.02.05	Other non-current liabilities	124,253	80,566
2.02.03	Deferred taxes	524,901	426,754
2.02.03.01	Deferred income tax and social contribution	524,901	426,754
2.02.04	Provisions	369,712	365,402
2.02.04.01	Tax, social security, labor and civil provisions	86,620	81,637
2.02.04.01.01	Tax provisions	6,569	6,920
2.02.04.01.02	Social security and labor provisions	13,647	12,228
2.02.04.01.04	Civil provisions	66,404	62,489

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
2.02.04.02	Other provisions	283,092	283,765
2.02.04.02.04	Retirement benefits obligations	283,092	283,765
2.03	Shareholders’ equity	7,567,778	6,316,186
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	1,055,576	1,106,277
2.03.04.01	Legal reserve	681,529	681,529
2.03.04.05	Retained earnings reserve	177,673	177,673
2.03.04.07	Tax incentive reserve	196,374	170,372
2.03.04.08	Additional dividend proposed	0	76,703
2.03.05	Retained earnings/losses	1,686,190	0
2.03.06	Assets valuation adjustments	268,672	285,731
2.03.08	Other comprehensive income	-345,308	21,530

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 9/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
3.01	Revenue from sales of goods and/or services	1,003,906	3,455,542	1,242,622	3,781,575
3.02	Cost of products and/or services sold	-475,189	-1,529,242	-955,030	-2,062,842
3.02.01	Energy purchases	-228,685	-791,919	-359,367	-952,345
3.02.02	Transactions in the short-term energy market	-4,134	-31,637	-395,585	-430,851
3.02.03	Charges for the use of and connection to the power grid	-83,884	-241,883	-79,705	-235,271
3.02.04	Operating costs	-150,297	-442,068	-115,004	-427,020
3.02.05	Cost of services rendered	-8,189	-21,735	-5,369	-17,355
3.03	Gross profit	528,717	1,926,300	287,592	1,718,733
3.04	Operating expenses/income	509,856	745,599	393,612	697,447
3.04.01	Sales expenses	-3,699	-11,262	6,956	1,014
3.04.02	General and administrative expenses	-51,264	-149,549	-47,423	-135,048
3.04.05	Other operating expenses	515	-4,573	-11,140	-34,246
3.04.05.01	Provision for impairment of assets	0	-4,900	-10,416	-32,827
3.04.05.02	Other operating expenses, net	515	327	-724	-1,419
3.04.06	Equity income	564,304	910,983	445,219	865,727
3.04.06.01	Equity	565,139	913,489	446,054	868,233
3.04.06.02	Goodwill amortization	-835	-2,506	-835	-2,506
3.05	Income before financial result and taxes	1,038,573	2,671,899	681,204	2,416,180
3.06	Financial result	-210,577	-616,390	-191,408	-535,432
3.06.01	Financial income	19,657	56,007	26,907	47,849
3.06.02	Financial expenses	-230,234	-672,397	-218,315	-583,281
3.07	Income before income taxes	827,996	2,055,509	489,796	1,880,748
3.08	Income tax and social contribution	-85,599	-362,812	-14,727	-327,668
3.08.01	Current	15,808	-264,665	14,005	-181,934
3.08.02	Deferred	-101,407	-98,147	-28,732	-145,734

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 9/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
3.09	Net income from continuing operations	742,397	1,692,697	475,069	1,553,080
3.11	Net income for the period	742,397	1,692,697	475,069	1,553,080
3.99	Earnings per share (r$ /share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.90988	2.07457	0.58224	1.90345
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.90988	2.07457	0.58224	1.90345

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 6/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
4.01	Net income for the period	742,397	1,692,697	475,069	1,553,080
4.02	Other comprehensive income	-366,130	-366,838	-825	10,508
4.02.01	Equity income in (losses) gains of subsidiaries, net of deferred taxes	-3,152	-3,860	-825	10,508
4.02.02	Equity income in losses of joint ventures, net of deferred taxes	-263,748	-263,748	0	0
4.02.03	Change in interest in joint venture	-99,230	-99,230	0	0
4.03	Comprehensive income for the period	376,267	1,325,859	474,244	1,563,588

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

Account Code	Account Description	YTD Current Year 1/1/2019 to 9/30/2019	YTD Prior Year 1/1/2018 to 9/30/2019
6.01	Net cash from operating activities	1,292,071	1,497,688
6.01.01	Cash generated from operations	2,018,850	1,823,379
6.01.01.01	Income before income taxes	2,055,509	1,880,748
6.01.01.02	Equity interest income	-910,983	-865,727
6.01.01.03	Depreciation and amortization	220,442	217,158
6.01.01.04	Monetary variation	151,654	202,704
6.01.01.05	Interest	510,424	364,654
6.01.01.07	Provision for impairment of assets	4,900	32,827
6.01.01.08	Other	-13,096	-8,985
6.01.02	Changes in assets and liabilities	-726,779	-325,691
6.01.02.01	Trade accounts receivable	-227,630	191,119
6.01.02.02	Inventories	2,505	-400
6.01.02.03	Restricted and judicial deposits	1,476	13,356
6.01.02.04	Renegotiation of hydrological risk to recognize	9,763	17,992
6.01.02.05	Income tax and social contribution credit	1,619	-5,298
6.01.02.06	Insurance indemnifications receivable	71,888	0
6.01.02.07	Other assets	6,273	-44,878
6.01.02.08	Suppliers	-141,359	-74,050
6.01.02.09	Payment of income tax and social contribution	-217,088	-284,620
6.01.02.10	Payment of interest on debt, net of hedge	-205,534	-116,967
6.01.02.13	Other tax and regulatory obligations	-9,434	-24,052
6.01.02.14	Retirement benefits obligations	-21,580	-20,093
6.01.02.15	Other liabilities	2,322	22,200
6.02	Net cash from investment activities	-3,679,428	-1,303,437
6.02.01	Capital increase in subsidiaries and joint venture	-3,284,943	-1,551,806
6.02.02	Acquisition investment	-680,612	-28,957
6.02.03	Capital decrease in subsidiaries	160,000	0
6.02.04	Dividends received from subsidiaries	184,314	375,639
6.02.05	Investment in property, plant and equipment and intangible assets	-58,187	-98,345
6.02.07	Other	0	32
6.03	Net cash from financing activities	1,251,041	-698,140
6.03.01	New loans and financing	1,127,997	700,248
6.03.02	Issue of debentures	4,065,291	727,724
6.03.03	Payment of dividends and interest on equity	-2,260,747	-1,989,943
6.03.04	Loans, financing and debentures paid, net of hedge	-1,626,989	-87,453
6.03.05	Payment of concession installments payable	-50,256	-48,046
6.03.06	Lease payment	-4,278	0
6.03.07	Other	23	-670
6.05	Increase (decrease) in cash and cash equivalents	-1,136,316	-503,889
6.05.01	Opening balance of cash and cash equivalents	1,282,395	1,305,015
6.05.02	Closing balance of cash and cash equivalents	146,079	801,126

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2018 to 9/30/2019

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186
5.03	Adjusted opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186
5.04	Capital transactions with partners	0	0	-76,703	2,436	0	-74,267
5.04.08	Additional dividends for 2018 paid	0	0	-76,703	0	0	-76,703
5.04.11	Dividends and interest on equity not claimed	0	0	0	2,436	0	2,436
5.05	Total comprehensive income	0	0	0	1,692,697	-366,838	1,325,859
5.05.01	Net income for the period	0	0	0	1,692,697	0	1,692,697
5.05.02	Other comprehensive income	0	0	0	0	-366,838	-366,838
5.05.02.06	Fair value hedge of cash flow of subsidiaries and joint ventures	0	0	0	0	-267,608	-267,608
5.05.02.07	Change in interest in joint ventures	0	0	0	0	-99,230	-99,230
5.06	Internal changes in shareholders' equity	0	0	26,002	-8,943	-17,059	0
5.06.05	Tax incentive reserve	0	0	26,002	-26,002	0	0
5.06.06	Realization of deemed cost	0	0	0	17,059	-17,059	0
5.07	Closing balances	4,902,648	0	1,055,576	1,686,190	-76,636	7,567,778

Parent Company Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2018 to 9/30/2018

(In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity
5.01	Opening balances	2,829,056	0	3,600,738	0	400,800	6,830,594
5.03	Adjusted opening balances	2,829,056	0	3,600,738	0	400,800	6,830,594
5.04	Capital transactions with partners	0	0	-636,755	-1,142,614	0	-1,779,369
5.04.08	Additional dividends for 2017 paid	0	0	-636,755	0	0	-636,755
5.04.09	Dividends in the first half of 2018	0	0	0	-1,146,037	0	-1,146,037
5.04.11	Dividends and interest on equity not claimed	0	0	0	3,423	0	3,423
5.05	Total comprehensive income	0	0	0	1,553,080	10,508	1,563,588
5.05.01	Net income for the period	0	0	0	1,553,080	0	1,553,080
5.05.02	Other comprehensive income	0	0	0	0	10,508	10,508
5.05.02.06	Fair value hedge of cash flow	0	0	0	0	10,508	10,508
5.06	Internal changes in shareholders' equity	0	0	17,507	71,873	-89,380	0
5.06.05	Tax incentive reserve	0	0	17,507	-17,507	0	0
5.06.06	Realization of deemed cost	0	0	0	89,380	-89,380	0
5.07	Closing balances	2,829,056	0	2,981,490	482,339	321,928	6,614,813

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

Account Code	Account Description	YTD Current Year 1/1/2019 to 9/30/2019	YTD Prior Year 1/1/2018 to 9/30/2018
7.01	Revenues	3,840,993	4,181,058
7.01.01	Sale of products and services	3,840,666	4,182,477
7.01.02	Other revenues	327	-1,419
7.02	Raw material acquired from third parties	-1,189,055	-1,762,055
7.02.01	Cost of products and services sold	-841,562	-1,414,292
7.02.02	Materials, energy, third parties services and other	-75,548	-59,200
7.02.04	Other	-271,945	-288,563
7.02.04.01	Charges for the use of and connection to the power grid	-241,883	-235,271
7.02.04.03	Provision for impairment	-4,900	-32,827
7.02.04.04	Other	-25,162	-20,465
7.03	Gross added value	2,651,938	2,419,003
7.04	Retentions	-220,442	-217,158
7.04.01	Depreciation, amortization and depletion	-220,442	-217,158
7.05	Net added value generated	2,431,496	2,201,845
7.06	Added value received in transfer	966,990	913,576
7.06.01	Equity income	910,983	865,727
7.06.02	Financial income	56,007	47,849
7.07	Total added value to distribute	3,398,486	3,115,421
7.08	Distribution of added value	3,398,486	3,115,421
7.08.01	Labor	161,105	131,877
7.08.01.01	Direct remuneration	101,031	86,589
7.08.01.02	Benefits	34,586	23,469
7.08.01.03	F.G.T.S. - workers' severance fund	8,808	6,599
7.08.01.04	Other	16,680	15,220
7.08.01.04.01	Profit sharing	16,680	15,220
7.08.02	Taxes, duties and contributions	757,591	740,920
7.08.02.01	Federal	737,110	722,095
7.08.02.02	State	17,739	16,788
7.08.02.03	Municipal	2,742	2,037
7.08.03	Third parties capital remuneration	376,417	241,509
7.08.03.01	Interest	379,607	242,326
7.08.03.02	Rentals	745	4,840
7.08.03.03	Other	-3,935	-5,657
7.08.03.03.02	Other financial expenses	-3,935	-5,657
7.08.04	Remuneration of own capital	1,686,190	1,628,376
7.08.04.02	Dividends	0	1,146,037
7.08.04.03	Retained earnings / loss for the period	1,686,190	482,339
7.08.05	Other	417,183	372,739
7.08.05.01	Sectorial charges	114,778	104,159
7.08.05.02	Charges on concessions payable	295,898	343,876
7.08.05.03	Tax incentive reserve	26,002	17,507
7.08.05.04	Realization of deemed cost	-17,059	-89,380
7.08.05.05	Prescribed dividends	-2,436	-3,423

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
1	Total assets	27,904,721	23,735,545
1.01	Current assets	4,474,457	4,556,677
1.01.01	Cash and cash equivalents	1,719,426	2,415,792
1.01.03	Accounts receivable	1,512,132	1,181,379
1.01.03.01	Trade accounts receivable	1,512,132	1,181,379
1.01.04	Inventories	227,895	125,681
1.01.06	Taxes recoverable	106,713	98,978
1.01.06.01	Current taxes recoverable	106,713	98,978
1.01.06.01.01	Income tax and social contribution credits	106,713	98,978
1.01.08	Other current assets	908,291	734,847
1.01.08.03	Other	908,291	734,847
1.01.08.03.01	Unrealized hedge gains	192,451	3,135
1.01.08.03.02	Unrealized trading gains	102,254	116,202
1.01.08.03.03	Restricted deposits	5,226	8,956
1.01.08.03.04	Renegotiation of hydrological risk to appropriate	15,089	15,089
1.01.08.03.05	Concession financial asset	293,894	277,502
1.01.08.03.06	Insurance indemnifications receivable	0	74,780
1.01.08.03.07	Other current assets	294,548	225,455
1.01.08.03.08	Non-current assets held for sale	4,829	13,728
1.02	Non-current assets	23,430,264	19,178,868
1.02.01	Long term assets	3,901,041	3,230,556
1.02.01.10	Other non-current assets	3,901,041	3,230,556
1.02.01.10.03	Unrealized hedge gains	527,978	256,464
1.02.01.10.04	Unrealized trading gains	57,818	44,429
1.02.01.10.05	Restricted deposits	369,620	232,450
1.02.01.10.06	Judicial deposits	102,735	97,721
1.02.01.10.07	Renegotiation of hydrological risk to appropriate	119,459	130,776
1.02.01.10.08	Concession financial asset	2,376,693	2,317,608
1.02.01.10.09	Right of use	115,836	0
1.02.01.10.10	Other non-current assets	230,902	151,108
1.02.02	Investments	3,101,211	0
1.02.03	Property, plant and equipment	15,140,472	14,635,467
1.02.03.01	Property, plant and equipment in operation	14,250,270	10,218,006
1.02.03.03	Construction in progress	890,202	4,417,461
1.02.04	Intangible assets	1,287,540	1,312,845

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
2	Total liabilities	27,904,721	23,735,545
2.01	Current liabilities	3,302,317	4,170,261
2.01.01	Social and labor obligations	102,478	99,572
2.01.01.02	Labor obligations	102,478	99,572
2.01.02	Suppliers	537,848	588,471
2.01.02.01	Domestic suppliers	537,848	588,471
2.01.03	Tax liabilities	199,446	102,033
2.01.03.01	Federal tax liabilities	199,446	102,033
2.01.03.01.01	Income tax and social contribution payable	199,446	102,033
2.01.04	Loans and financing	1,592,009	664,882
2.01.04.01	Loans and financing	1,359,617	454,513
2.01.04.01.01	In local currency	387,760	434,077
2.01.04.01.02	In foreign currency	971,857	20,436
2.01.04.02	Debentures	232,392	210,369
2.01.05	Other liabilities	826,283	2,671,051
2.01.05.02	Other	826,283	2,671,051
2.01.05.02.01	Dividends and interest on equity payable	13,621	2,137,039
2.01.05.02.04	Concessions payable	137,935	84,931
2.01.05.02.05	Other tax and regulatory liabilities	131,307	104,410
2.01.05.02.06	Unrealized trading losses	85,339	98,047
2.01.05.02.07	Lease payable	15,433	0
2.01.05.02.08	Other current liabilities	442,648	246,624
2.01.06	Provisions	44,253	44,252
2.01.06.01	Tax, social security, labor and civil provisions	8,880	8,883
2.01.06.01.01	Tax provisions	327	327
2.01.06.01.02	Social security and labor provisions	1,396	1,394
2.01.06.01.04	Civil provisions	7,157	7,162
2.01.06.02	Other provisions	35,373	35,369
2.01.06.02.04	Retirement benefits obligations	35,373	35,369
2.02	Non-current liabilities	17,031,154	13,244,707
2.02.01	Loans and financing	12,330,083	9,055,352
2.02.01.01	Loans and financing	6,589,275	5,854,915
2.02.01.01.01	In local currency	3,278,488	3,209,267
2.02.01.01.02	In foreign currency	3,310,787	2,645,648
2.02.01.02	Debentures	5,740,808	3,200,437
2.02.02	Other liabilities	3,357,315	3,047,799
2.02.02.02	Other	3,357,315	3,047,799
2.02.02.02.03	Concessions payable	2,958,886	2,765,538
2.02.02.02.04	Unrealized trading losses	30,295	19,395
2.02.02.02.05	Lease payable	71,926	0
2.02.02.02.06	Other non-current liabilities	296,208	262,866
2.02.03	Deferred taxes	966,508	768,814
2.02.03.01	Deferred income tax and social contribution	966,508	768,814
2.02.04	Provisions	377,248	372,742
2.02.04.01	Tax, social security, labor and civil provisions	93,593	88,977

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

Account Code	Account Description	Current Quarter 9/30/2019	Prior Year 12/31/2018
2.02.04.01.01	Tax provisions	6,725	7,073
2.02.04.01.02	Social security and labor provisions	14,035	12,879
2.02.04.01.04	Civil provisions	72,833	69,025
2.02.04.02	Other provisions	283,655	283,765
2.02.04.02.04	Retirement benefits obligations	283,655	283,765
2.03	Consolidated shareholders' equity	7,571,250	6,320,577
2.03.01	Paid-in capital stock	4,902,648	4,902,648
2.03.04	Profit reserves	1,055,576	1,106,277
2.03.04.01	Legal reserve	681,529	681,529
2.03.04.05	Retained earnings reserve	177,673	177,673
2.03.04.07	Tax incentive reserve	196,374	170,372
2.03.04.08	Additional dividend proposed	0	76,703
2.03.05	Retained earnings/losses	1,686,190	0
2.03.06	Assets valuation adjustments	268,672	285,731
2.03.08	Other comprehensive income	-345,308	21,530
2.03.09	Non-controlling interest	3,472	4,391

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 9/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
3.01	Revenue from sales of goods and/or services	2,494,116	7,009,354	2,488,646	6,492,471
3.02	Cost of products and/or services sold	-1,422,305	-3,924,143	-1,583,250	-3,549,896
3.02.01	Energy purchases	-715,507	-1,937,389	-657,715	-1,623,062
3.02.02	Transactions in the short-term energy market	-19,169	-202,017	-427,848	-505,935
3.02.03	Charges for the use of and connection to the power grid	-133,522	-380,576	-117,245	-340,588
3.02.04	Operating costs	-545,908	-1,382,388	-375,063	-1,062,922
3.02.05	Cost of services rendered	-8,199	-21,773	-5,379	-17,389
3.03	Gross profit	1,071,811	3,085,211	905,396	2,942,575
3.04	Operating expenses/income	283,729	135,393	-56,275	-178,580
3.04.01	Sales expenses	-5,406	-15,924	5,326	-2,866
3.04.02	General and administrative expenses	-53,460	-159,826	-50,865	-140,944
3.04.05	Other operating expenses	321,466	316,823	-10,879	-33,799
3.04.05.01	Provision for impairment of assets	0	-4,900	-10,416	-32,827
3.04.05.02	Other operating expenses, net	321,466	321,723	-463	-972
3.04.06	Equity income (loss)	21,129	-5,680	143	-971
3.05	Income before financial result and taxes	1,355,540	3,220,604	849,121	2,763,995
3.06	Financial result	-295,738	-800,133	-195,316	-537,953
3.06.01	Financial income	43,138	111,908	46,180	101,821
3.06.02	Financial expenses	-338,876	-912,041	-241,496	-639,774
3.07	Income before income taxes	1,059,802	2,420,471	653,805	2,226,042
3.08	Income tax and social contribution	-317,095	-726,906	-178,454	-672,197
3.08.01	Current	-147,148	-509,388	-109,754	-405,999
3.08.02	Deferred	-169,947	-217,518	-68,700	-266,198

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 9/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
3.09	Net income from continuing operations	742,707	1,693,565	475,351	1,553,845
3.11	Consolidated net income for the period	742,707	1,693,565	475,351	1,553,845
3.11.01	Attributable to the partners of the parent company	742,397	1,692,697	475,069	1,553,080
3.11.02	Attributable to non-controlling partners	310	868	282	765
3.99	Earnings per share (R$ /share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.90988	2.07457	0.58224	1.90345
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.90988	2.07457	0.58224	1.90345

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

Account Code	Account description	Current quarter 7/1/2019 to 9/30/2019	YTD Current Year 1/1/2019 to 9/30/2019	Same quarter previous year 7/1/2018 to 9/30/2018	YTD Previous Year 1/1/2018 to 9/30/2018
4.01	Consolidated net income for the period	742,707	1,693,565	475,351	1,553,845
4.02	Other comprehensive income	-366,130	-366,838	-825	10,508
4.02.01	Unrealized gains (losses) from cash flow hedge operations originated in the fiscal year	2,121	1,150	-3,654	11,380
4.02.02	Deferred income tax and social contribution	-599	-245	1,243	-3,869
4.02.03	Realized (losses) gains from cash flow hedge operations originated in the fiscal year	-4,674	-4,765	1,586	2,997
4.02.04	Realized losses from cash flow hedge operations in joint venture evaluated by MEP, net of taxes	-263,748	-263,748	0	0
4.02.05	Change in interest in joint venture	-99,230	-99,230	0	0
4.03	Consolidated comprehensive income for the period	376,577	1,326,727	474,526	1,564,353
4.03.01	Attributed to the parent company's shareholders	376,267	1,325,859	474,244	1,563,588
4.03.02	Attributed to non-controlling shareholders	310	868	282	765

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

Account Code	Account Description	YTD Current Year 1/1/2019 to 9/30/2019	YTD Prior Year 1/1/2018 to 9/30/2018
6.01	Net cash from operating activities	2,662,648	2,503,367
6.01.01	Cash generated from operations	3,630,053	3,070,277
6.01.01.01	Income tax before income	2,420,471	2,226,042
6.01.01.02	Equity interest income	5,680	971
6.01.01.03	Depreciation and amortization	620,541	486,465
6.01.01.04	Monetary variation	179,102	212,273
6.01.01.05	Interest	682,437	391,432
6.01.01.06	Remuneration of concession financial asset	-281,930	-270,127
6.01.01.08	Provision for impairment of assets	4,900	32,827
6.01.01.09	Unrealized trading gains	-1,249	0
6.01.01.11	Other	101	-9,606
6.01.02	Changes in assets and liabilities	-967,405	-566,910
6.01.02.01	Trade accounts receivable	-308,616	-49,225
6.01.02.02	Inventories	-99,032	607
6.01.02.04	Restricted and judicial deposits	2,652	13,790
6.01.02.05	Renegotiation of hydrological risk to recognize	11,317	19,547
6.01.02.06	Concession financial asset	199,005	226,890
6.01.02.07	Insurance indemnifications receivable	74,780	0
6.01.02.08	Income tax and social contribution credit	-6,982	-3,131
6.01.02.09	Other assets	-208,746	-123,211
6.01.02.10	Suppliers	56,921	-144,211
6.01.02.11	Payment of income tax and social contribution	-323,991	-379,808
6.01.02.12	Payment of interest on debt, net of hedge	-376,320	-289,126
6.01.02.13	Other tax and regulatory obligations	23,748	24,304
6.01.02.14	Retirement benefits obligations	-21,758	-20,093
6.01.02.15	Fuel payable to CDE	-26,598	149,880
6.01.02.17	Other liabilities	36,215	6,877
6.02	Net cash from investment activities	-4,390,581	-2,287,555
6.02.01	Capital increase in joint ventures	-2,789,257	0
6.02.02	Acquisition of investment	-680,612	-17,361
6.02.03	Acquisition of property, plant and equipment and intangible assets	-992,598	-2,324,365
6.02.04	Receipt of indemnifications due to violation of contractual obligations	71,886	0
6.02.06	Proceeds from divestments	0	54,171
6.03	Net cash from financing activities	1,031,567	296,684
6.03.01	New loans and financing	1,389,823	1,781,361
6.03.02	Issue of debentures	4,065,291	2,486,345
6.03.03	Loans, financing and debentures paid, net of hedge	-1,965,563	-1,890,285
6.03.04	Payment of concession installments payable	-55,031	-52,648
6.03.05	Payment of dividends and interest on equity	-2,260,648	-1,989,944
6.03.06	Deposits linked to debt service	-125,566	-34,702
6.03.08	Lease payment	-12,277	0
6.03.11	Other	-4,462	-3,443

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

Account Code	Account Description	YTD Current Year 1/1/2019 to 9/30/2019	YTD Prior Year 1/1/2018 to 9/30/2018
6.05	Increase (decrease) in cash and cash equivalents	-696,366	512,496
6.05.01	Opening balance of cash and cash equivalents	2,415,792	1,930,070
6.05.02	Closing balance of cash and cash equivalents	1,719,426	2,442,566

Consolidated Financial Statements / Changes in Shareholders’ Equity Statement / DMPL - 1/1/2019 to 9/30/2019 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186	4,391	6,320,577
5.03	Adjusted opening balances	4,902,648	0	1,106,277	0	307,261	6,316,186	4,391	6,320,577
5.04	Capital transactions with partners	0	0	-76,703	2,436	0	-74,267	-1,787	-76,054
5.04.08	Additional dividends for 2018 paid	0	0	-76,703	0	0	0	0	0
5.04.09	Dividends in the first half of 2019	0	0	0	0	0	0	-1,787	-1,787
5.04.10	Interim dividends credited	0	0	0	0	0	-76,703	0	-76,703
5.04.11	Dividends and interest on equity not claimed	0	0	0	2,436	0	2,436	0	2,436
5.05	Total comprehensive income	0	0	0	1,692,697	-366,838	1,325,859	868	1,326,727
5.05.01	Net income for the period	0	0	0	1,692,697	0	1,692,697	868	1,693,565
5.05.02	Other comprehensive income	0	0	0	0	-366,838	-366,838	0	-366,838
5.05.02.06	Fair value of cash flow hedge	0	0	0	0	-267,608	-267,608	0	-267,608
5.05.02.07	Change in interest in joint ventures	0	0	0	0	-99,230	-99,230	0	-99,230
5.06	Internal changes in shareholders' equity	0	0	26,002	-8,943	-17,059	0	0	0
5.06.05	Tax incentive reserve	0	0	26,002	-26,002	0	0	0	0
5.06.06	Realization of deemed cost	0	0	0	17,059	-17,059	0	0	0
5.07	Closing balances	4,902,648	0	1,055,576	1,686,190	-76,636	7,567,778	3,472	7,571,250

Consolidated Financial Statements / Changes in Shareholders' Equity Statement / DMPL - 1/1/2018 to 9/30/2018 (In thousands of Reais)

Account Code	Account Description	Paid-in Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings (Loss)	Other Comprehensive Income	Shareholders' Equity	Interest of Non-Controlling Shareholders	Consolidated Shareholders' Equity
5.01	Opening balances	2,829,056	0	3,600,738	0	400,800	6,830,594	4,131	6,834,725
5.03	Adjusted opening balances	2,829,056	0	3,600,738	0	400,800	6,830,594	4,131	6,834,725
5.04.08	Capital transactions with partners	0	0	-636,755	-1,142,614	0	-1,779,369	-687	-1,780,056
5.04.08	Additional dividends for 2017 paid	0	0	-636,755	0	0	-636,755	0	-636,755
5.04.09	Dividends in the first half of 2018	0	0	0	-1,146,037	0	-1,146,037	-687	-1,146,724
5.04.11	Dividends and interest on equity not claimed	0	0	0	3,423	0	3,423	0	3,423
5.05	Total comprehensive income	0	0	0	1,553,080	10,508	1,563,588	765	1,564,353
5.05.01	Net income for the period	0	0	0	1,553,080	0	1,553,080	765	1,553,845
5.05.02	Other comprehensive income	0	0	0	0	10,508	10,508	0	10,508
5.05.02.06	Cash flow hedge	0	0	0	0	10,508	10,508	0	10,508
5.06	Internal changes in shareholders' equity	0	0	17,507	71,873	-89,380	0	0	0
5.06.05	Tax incentive reserve	0	0	17,507	-17,507	0	0	0	0
5.06.06	Realization of deemed cost	0	0	0	89,380	-89,380	0	0	0
5.07	Closing balances	2,829,056	0	2,981,490	482,339	321,928	6,614,813	4,209	6,619,022

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

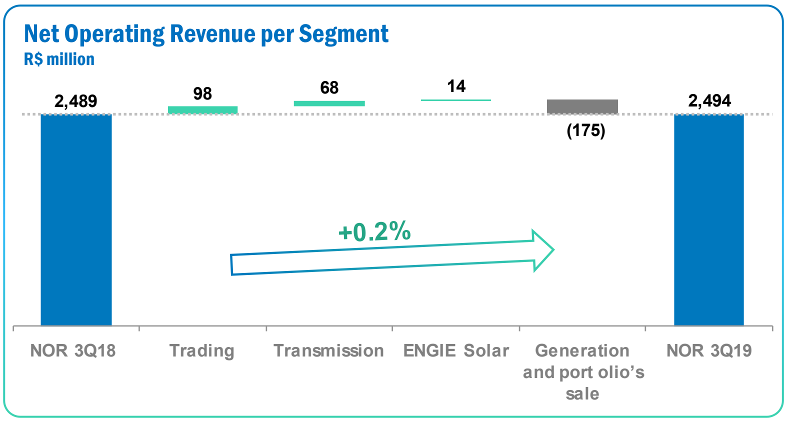
Account Code	Account Description	YTD Current Year 1/1/2019 to 9/30/2019	YTD Prior Year 1/1/2018 to 9/30/2018
7.01	Revenues	9,108,556	9,543,688
7.01.01	Sale of products and services	7,631,729	7,175,654
7.01.02	Other income	354,440	-972
7.01.03	Income related to the construction of own assets	1,122,387	2,369,006
7.02	Raw material acquired from third parties	-3,931,559	-5,042,128
7.02.01	Cost of products and services sold	-2,273,249	-2,306,778
7.02.02	Materials, energy, third parties services and other	-235,085	-174,751
7.02.04	Other	-1,423,225	-2,560,599
7.02.04.01	Charges for the use of and connection to the power grid	-380,576	-340,588
7.02.04.03	Construction costs	-971,750	-2,156,924
7.02.04.04	Provision for impairment	-4,900	-32,827
7.02.04.05	Other	-65,999	-30,260
7.03	Gross added value	5,176,997	4,501,560
7.04	Retentions	-620,541	-486,465
7.04.01	Depreciation, amortization and depletion	-620,541	-486,465
7.05	Net added value generated	4,556,456	4,015,095
7.06	Added value received in transfer	106,228	100,850
7.06.01	Equity income (loss)	-5,680	-971
7.06.02	Financial income	111,908	101,821
7.07	Total added value to distribute	4,662,684	4,115,945
7.08	Distribution of added value	4,662,684	4,115,945
7.08.01	Labor	250,229	197,910
7.08.01.01	Direct remuneration	156,710	130,305
7.08.01.02	Benefits	51,516	34,683
7.08.01.03	F.G.T.S. - workers' severance fund	16,410	11,074
7.08.01.04	Other	25,593	21,848
7.08.01.04.01	Profit sharing	25,593	21,848
7.08.02	Taxes, duties and contributions	1,505,738	1,372,008
7.08.02.01	Federal	1,479,797	1,352,487
7.08.02.02	State	22,595	16,948
7.08.02.03	Municipal	3,346	2,573
7.08.03	Third parties capital remuneration	763,775	508,684
7.08.03.01	Interest	581,309	279,326
7.08.03.02	Rentals	7,857	9,461
7.08.03.03	Other	174,609	219,897
7.08.03.03.01	Capitalized interest and monetary variation	148,016	212,082
7.08.03.03.02	Other financial expenses	26,593	7,815
7.08.04	Remuneration of own capital	1,686,190	1,628,376
7.08.04.02	Dividends	0	1,146,037
7.08.04.03	Retained earnings / loss for the period	1,686,190	482,339
7.08.05	Other	456,752	408,967
7.08.05.01	Sectorial charges	147,994	133,913
7.08.05.02	Charges on concessions payable	301,383	349,585
7.08.05.03	Non-controlling shareholder	868	765
7.08.05.04	Tax incentive reserve	26,002	17,507
7.08.05.05	Realization of deemed cost	-17,059	-89,380
7.08.05.06	Prescribed dividends	-2,436	-3,423

5

Economic-Financial Performance

ECONOMIC-FINANCIAL PERFORMANCE

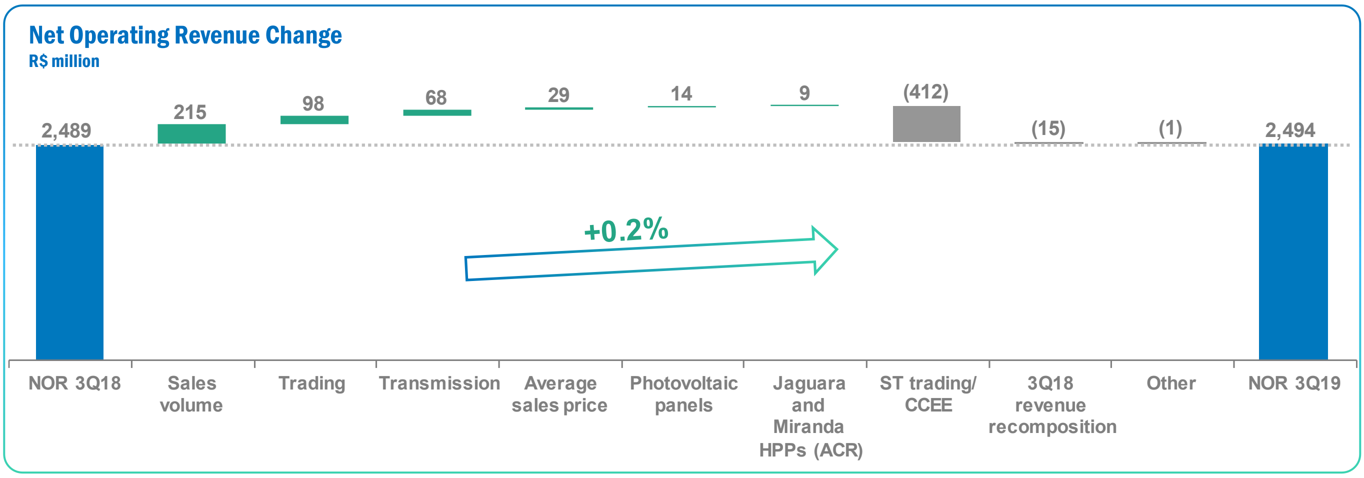
Net Operating Revenue

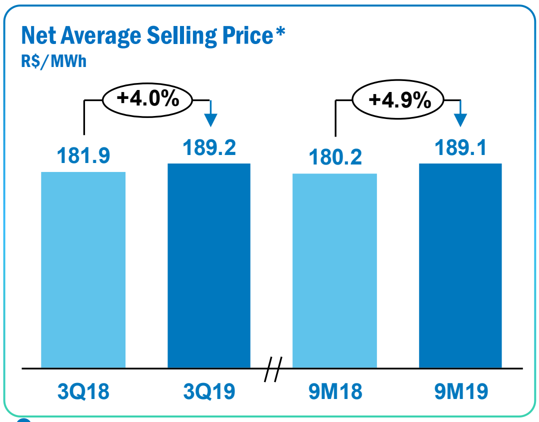


In 3Q19, net operating revenue recorded an increase of 0.2% (R$ 5.5 million) compared with 3Q18, rising from R$ 2,488.6 million to R$ 2,494.1 million. This variation was mainly a reflection of the following factors: (i) R$ 175.2 million (7.6%) decrease in the energy generation and sales from the Company's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

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

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

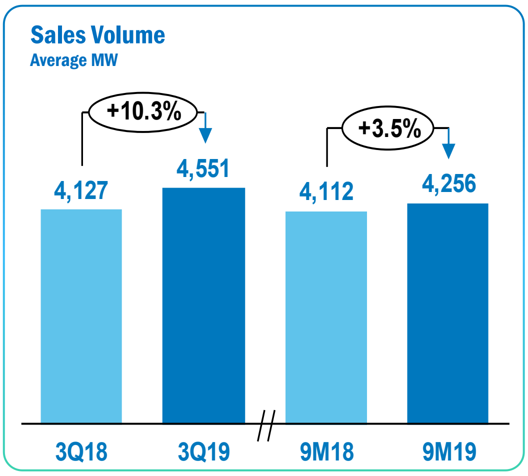




* Net of taxes, exports and trading operations.

➢ Net Average Selling Price

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



➢ Sales Volume

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

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

Comments on Variation in Net Operating Revenue

➢ Generation and Sales of Energy from the Portfolio

➢ Revenue from Sale of Electric Energy

- Distribution Companies:

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

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

- Trading Companies:

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

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

- Free Consumers:

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

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

- Transactions in the Short-term Energy Market

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

- Remuneration of Concession Financial Assets

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

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

- Revenue from Services Rendered

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

➢ Energy Trading

➢ Energy Trading Operations

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

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

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

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

➢ Energy Transmission

➢ Revenue from Transmission

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

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

➢ Solar Panels

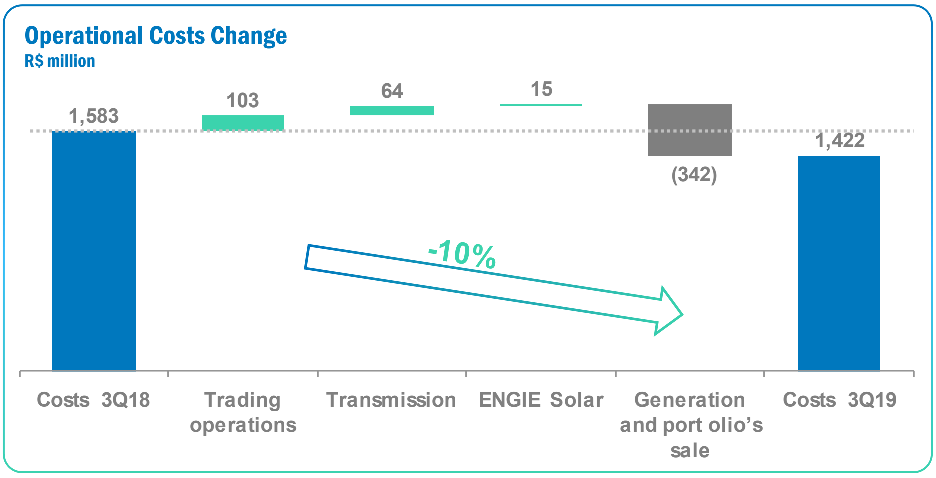
➢ Revenue from the Sale of Solar Panels

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

Operational Costs

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

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



These variations basically reflect the following key components:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Details of Short Term Operations

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

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

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

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

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

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

Selling, General and Administrative Expenses

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

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

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

Other Operating Revenues (Expenses), Net

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

Equity Income

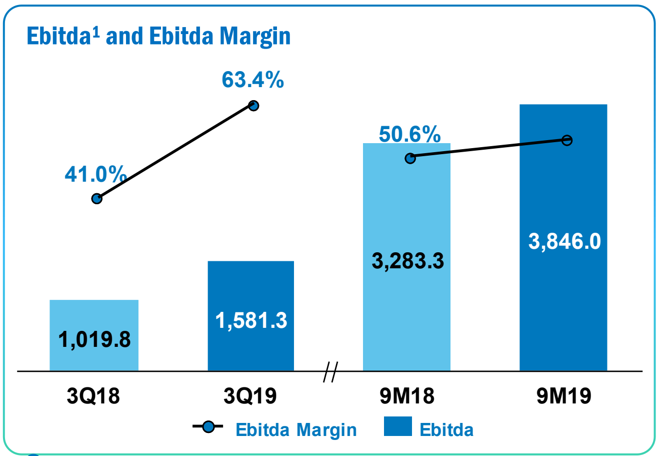
On June 13, 2019, the jointly controlled Aliança Transportadora de Gás S.A. ("Aliança") acquired a 90% corporate control in Transportadora Associada de Gás S.A. ("TAG"). The Company had a 32.5% direct corporate stake in the jointly controlled company, Aliança, and therefore a 29.25% indirect corporate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

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

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

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

Ebitda and Ebitda Margin



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

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

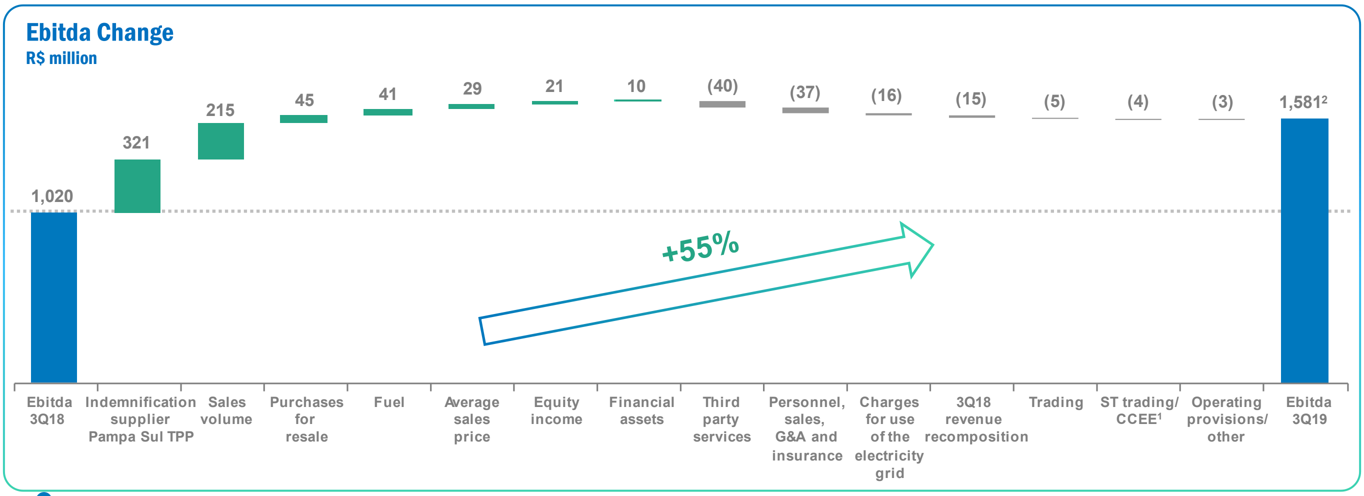
The above-mentioned positive effects were counterbalanced by the following **negative effects**: (i) an increase of R$ 40.4 million in costs with materials and third party services; (ii) a growth of R$ 22.6 million in payroll costs; (iii) increase of R$ 16.3 million in costs with electricity network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

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

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

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

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



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

The following table reconciles net income with Ebitda:

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

Financial Result

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

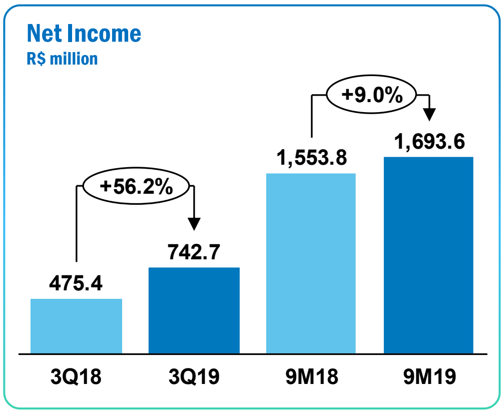
Financial expenses: financial expenses in **3Q19** were **R$ 338.9 million**, equivalent to R$ 97.4 million **or 40.3% above** those reported for the same quarter in 2018 when these were R$ 241.5 million. The principal changes were: (i) an increase of R$ 146.9 million in interest and monetary restatement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

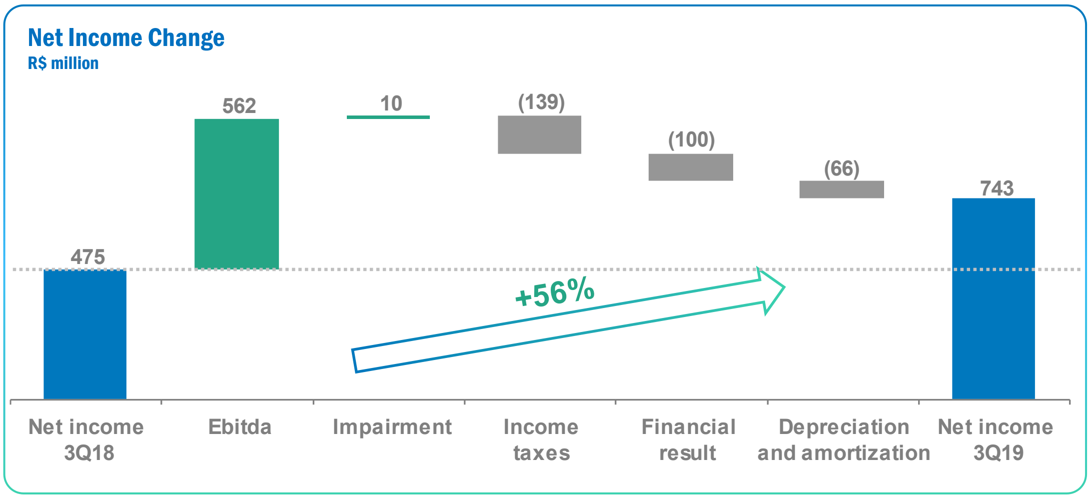
Income Tax and Social Contribution

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

Net Income

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




Net Income Change
R$ million
475
562
10
(139)
(100)
(66)
743
+56%
Net income 3Q18
Ebitda
Impairment
Income taxes
Financial result
Depreciation and amortization
Net income 3Q19

ENGIE BRASIL ENERGIA S.A.
CNPJ No. 02.474.103/0001-19 | NIRE Nº 42 3 0002438-4
NOTES TO THE QUARTERLY INFORMATION AS OF 9.30.2019
(In thousands of Reais or other currencies, unless otherwise indicated)

NOTE 1 – OPERATIONS

ENGIE Brasil Energia S.A. ("Company" or "ENGIE Brasil Energia" or "EBE") is an independent utility concessionaire and a publicly held corporation with its registered headquarters in the municipality of Florianópolis, Santa Catarina state, Brazil. The core business and main operating activity of the Company and its subsidiaries is the generation and sale of electricity, regulated by the Brazilian Electricity Regulatory Agency (ANEEL), which is linked to the Ministry of Mines and Energy (MME). The Company, through its subsidiaries, also has operations in the electricity trading and distributed generation segments, and is building the Gralha Azul Transmission Line. The amounts transacted in these new segments at 9.30.2019 had no significant impact on the Company's results.

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

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

ENGIE Brasil Energia is part of the largest independent energy producer in Brazil, accounting for approximately 6.6%[1] of the country's installed capacity. At 9.30.2019, its installed capacity, including its stakes in energy generation consortiums, was 8,710.5 MW. Out of this total, 73.4% arises from hydroelectric power plants, 13.8% from thermal power plants and 12.8% from complementary energy (wind, solar, biomass and small hydroelectric power plants). Physical guarantee for sale averaged was 4,975.5 MW, of which 377.4 average MW are related to the portion of 70% of physical guarantee of the Jaguara and Miranda Hydroelectric Power Plants, which were allocated to the Regulated Contracting Environment (ACR) in the Physical Guarantee Quota System.

On 9.30.2019, the Company's generation facilities in operation consisted of 60 plants, of which 11 hydroelectric power plants (HPP), 4 conventional thermal power plants (TPP), 38 wind farms, 3 biomass plants, 2 photovoltaic solar power plants and 2 small hydroelectric power plants (SHPP).

[1] The non-financial information contained in this quarterly information, such as MW, average MW, installed capacity and others, is not reviewed by the independent auditors.

The main corporate and operational events occurred in the first nine months of 2019 are as follows:

a) Payments of dividends and interest on equity for 2018

On 1.29.2019 and 3.27.2019, the Company paid interim dividends related to the first half of 2018, totaling R$1,146,037, and interest on equity for 2018, in the gross amount of R$397,000, respectively. Additionally, on 9.27.2019, interim and additional dividends proposed for fiscal year 2018 were paid in the amount of R$652,742 and R$76,703, respectively.

The additional dividends proposed totaling R$76.703, corresponding to R$0.0940069200 per share were approved on April 26, 2019 by the Annual Shareholders Meeting.

b) Start of construction of Campo Largo Wind Complex – Phase II

On 2.19.2019, the 181st Board of Directors Meeting approved the investments necessary for construction of the Campo Largo Wind Complex – Phase 2, located in the cities of Sento Sé and Umburanas, Bahia. The Complex will add 361.2 MW of installed capacity and approximately 202.6 average MW of physical guarantee to the Company's generating facilities. The 11 plants making up the project have installation licenses and the investments for building the Complex are estimated at R$1.6 billion and the entire Complex is expected to start commercial operations by early 2021.

c) Startup of commercial operations – Umburanas Wind Complex - Phase I

In the 1st four-month period of 2019, Aneel authorized the startup of commercial operations at the 18 wind farms that make up the Umburanas Wind Complex – Phase I, located in the city of Umburanas, Bahia, with installed capacity of 360.0 MW and physical guarantee of 213.3 average MW.

d) Winning offer for the acquisition of interest in gas transportation company

On 4.5.2019, the Company, together with a wholly-owned subsidiary of ENGIE S.A. (its holding company) and Caisse de Dépôt et Placement du Québec ("Offerors") took cognizance that they won the competitive bidding process conducted by Petrobras to acquire 90% of Petrobras' ownership interest in Transportadora Associada de Gás S.A. (TAG), which has a gas pipeline structure of approximately 4,500 km and 12 gas compression facilities (6 own and 6 subcontractors) and 91 delivery points.

The final and binding offer submitted by the Offerors amounts to R$35.1 billion for 100% of TAG on the base date of December 2017. Submission of the offer was approved by the Board of Directors of the Company at a meeting held on 3.26.2019, which also took into account the favorable opinion from the Special Independent Committee for Transactions with Related Parties, as set up in the 173rd Board of Directors Meeting held on 5.11.2018. On 4.25.2019, an agreement for the sale and other covenants was entered into between Aliança Transportadora de Gás Participações S.A. ("Aliança"), as buyer, the Company, GDF International (wholly -owned subsidiary of ENGIE S.A., its parent company) and Caisse de Dépôt et Placement du Québec, as members of the acquiring group, Petrobras, as seller, TAG, as consenting intervening party, and ENGIE Participações, as guarantor intervening party, which regulates the acquisition by the members of the acquiring group, through Aliança, of ownership interest in TAG equivalent to 90% of its capital stock owned by Petrobras. The Company's direct interest in Aliança was 32.5%. Accordingly, the Company held indirect interest of 29.25% in TAG. Petrobras continued to hold a non-controlling interest of 10% in TAG.

On 6.13.2019, after all the conditions precedent established in the sale agreement were met, Aliança, members of the acquiring group, TAG and Petrobras performed the closing acts, as set forth in the agreement, including the transfer of shares issued by TAG held by Petrobras, representing 90% of the total capital of TAG, to Aliança and the payment, by Aliança and members of the acquiring group, of approximately R$ 31.5 billion to Petrobras as consideration for the shares, and approximately R$ 2.0 billion, corresponding to the prepayment, by TAG, of its debts owed to the Brazilian Development Bank (BNDES) using the funds provided by Aliança to TAG. As a result of the share purchase operation, the Company injected capital into the joint venture Aliança, which totaled R$ 3.5 billion. On the same date, Aliança, members of the acquiring group and Petrobras signed a shareholders' agreement to regulate their relationship as direct and indirect shareholders of TAG, including the exercise of their respective voting rights and restrictions to share transfers.

On 9.2.2019, TAG merged with Aliança and the members of the acquiring group now hold direct interest in TAG at the same percentage of the indirect interest previously held. On 10.14.2019, the Extraordinary Shareholders Meeting of the Company ratified the acquisition of shared controlling interest in TAG. For more information, see Note 8 – Investments.

e) Reaffirmation of ratings

On 3.14.2019 and 4.9.2019, the rating agency Fitch Ratings reaffirmed the Company's 'AAA(bra)' long-term national rating with stable outlook and 'BB' international rating with stable outlook, remaining one level above the sovereign rating.

f) Fresh borrowings

In 2Q19, the Company took fresh loans and issued debentures, as mentioned below, to raise the working capital required to finance the implementation of the Company's business plan.

On 5.17.2019, the Company took loans amounting to US$ 285 million from overseas financial institutions and, at the same time, contracted hedge operations (swap). For more information on said transactions, see Note 13 – Loans and Financing.

On 5.21.2019 and 8.7.2019, the 8th and 9th issues of debentures were settled in the amount of R$2,500,000 and R$1,600,000, respectively. On 8.9.2019, R$1,570,930 was paid in advance for the 8th issue. For more information on the transactions, see Note 14 – Debentures.

g) Start of commercial operations of Pampa Sul Thermal Power Plant

On 6.28.2019, Aneel authorized the start of commercial operations of Pampa Sul Thermal Power Plant, located in the city of Candiota, Rio Grande do Sul, with installed capacity of 345.0 MW and commercial capacity of 323.5 average MW. The plant uses charcoal from the mine as fuel for power generation and its energy was contracted for 25 years at the A-5 Auction held on 11.28.2014, at the price of R$248.30/MWh, adjusted for inflation as of 9.30.2019.

The date established in the Engineering, Procurement and Construction (EPC) agreement for the conclusion of works is 12.31.2018.

Since the deadline and other conditions contracted were not honored , on 8.2.2019, Pampa Sul executed the contractual guarantees totaling R$353,702 (equivalent to US$89 million) and R$71,886 (corresponding to US$18 million) to cover the damages resulting from the delay in the conclusion of works and its technical acceptance and material obligations under the EPC agreement. These amounts were received by the Company on 8.12.2019.

According to the Company's management and legal advisors, there are solid technical and legal arguments to sustain that the amounts are practically accurate and that the amounts received from the execution of guarantees will not be returned, even partially, to the supplier if the latter claims them in the future.

Consequently, the amount of R$353,702 (R$320,984, net of PIS and Cofins) received to offset net gains that the Company failed to earn due to the delay in the conclusion of construction was recognized in the "Other operating income, net" item. The amount of R$71,886 received to cover material damages under the EPC agreement was recorded as a deduction from property, plant and equipment resulting from additional payments made to the supplier not established in the agreement.

NOTE 2 – PRESENTATION OF QUARTERLY INFORMATION

The parent company's Quarterly Information (ITR) was prepared in compliance with Accounting Pronouncement CPC 21 – Demonstração Intermediária and the consolidated ITR is presented simultaneously in accordance with IAS 34 – Interim Financial Reporting and CPC 21.

The Brazilian accounting standards converge with the International Financial Reporting Standards (IFRS), except for the recording in the parent company's balance sheet of joint ventures which, under Brazilian rules, is recognized by the equity method, whereas, according to IFRS, under the rules applicable to joint ventures, it stipulates that assets, liabilities and profit or loss are recognized in proportion to its share in the joint venture.

There is no difference between shareholders' equity and the results of the parent company and consolidated included, respectively, in the individual and consolidated quarterly information. There also is no difference between the net earnings per share – basic and diluted – as there was no issue of shares with diluting effects in the presented periods.

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

The preparation of ITR requires the Management of the Company to use estimates to record certain transactions that affect its assets, liabilities, revenues and expenses.

The content and amounts of certain notes presented in the accounting statements for the fiscal year ended 12.31.2018, which did not need significant updates, were not repeated in the notes selected for ITR as of 9.30.2019. This ITR, therefore, must be read together with the financial statements as of 12.31.2018.

The accounting practices and calculation methods adopted for preparing the ITR as of 9.30.2019, as well as the main judgments and uncertainties in estimates used in the application of accounting practices, were the same used in preparing the accounting statements for the fiscal year ended 12.31.2018, except for the amendment to CPC 06 (R2) – Leases (IFRS 16), as mentioned below.

a) Standards and amendments applicable to the Company starting 1.1.2019

The following standards and amendments will take effect on 1.1.2019: (i) Amendments to CPC 06 (R2) – Leases (IFRS 16); (ii) Amendments to CPC 18 (R2) – Investments in Associates and Joint Ventures (IAS 28); (iii) Amendments to CPC 33 (R1) – Employee Benefits (IAS 19); (iv) Amendments to CPC 48 – Financial Instruments (IFRS 9); (v) ICPC 22 – Uncertainty over Income Tax Treatments (IFRIC 23); and (vi) Annual Revision of CPC no. 13/2018 (IASB 2015-2017 cycle).

The adoption of these new standards and amendments did not have any material impact on the individual and consolidated financial statements of 2018 and the individual and consolidated quarterly information as of 9.30.2019, except for the amendments to CPC 06 (R2), whose impacts are presented below.

a.1) Amendments to CPC 06 (R2) – Leases (IFRS 16)

The amendments to CPC 06 (R2) introduced requirements for recognizing, measuring, presenting and disclosing leases. The amended standard requires lessees to recognize liabilities from future payments of lease agreements, in exchange for the right to use the leased asset.

The definition of lease covers all contracts granting the right to use and control an identifiable asset, including rental agreements and, potentially, some components of service agreements.

The Company examined its contracts and has identified as part of the standard's scope all leases of the areas where wind and photovoltaic solar farms are or will be installed, as well as the areas where the Company's registered office is located. Starting 1.1.2019, these lease contracts were recognized as a right to use the asset in exchange for an obligation.

As established in the pronouncement, the Company applied the simplified transition approach and will not restate the comparative figures for the year before the first adoption (1.1.2019). Assets subject to rights of use were measured at the value of lease liabilities at the time of adoption, plus early payments made until the date of adoption of CPC 06 (R2).

Due to the adoption of the new rules, the Company recognized right-of-use assets of approximately R$33,145 and R$119,805, plus lease advances, in the parent company and consolidated, respectively, on 1.1.2019, in exchange for the lease liabilities, totaling R$21,839 and R$89,187, in the parent company and consolidated, respectively. More details are presented in Note 15 – Lease operations.

These amounts were determined based on assumptions and estimates, such as the definition of discount rates and other aspects that required evaluation for the measurement.

The main accounting practices adopted in the application of CPC 06 (R2) were:

Leases payable

Leases payable are initially measured at present value of future payment flows, discounted by the incremental financing rate. Subsequently, the lease liability is measured at amortized cost using the effective interest method and remeasured (with corresponding adjustment in related right of use) when there is a change in future payments driven by inflation adjustments, renegotiation or change in discount rates.

Rights of use

The rights of use, initially, comprise lease liabilities plus advance payments. These assets are depreciated based on the term of the lease agreements.

b) EmpresasNet system

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

c) Approval of ITR

The ITR presented here was approved by the Board of Directors at a meeting held on 11.5.2019.

NOTE 3 – CASH AND CASH EQUIVALENTS

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Cash and bank deposits	**8,027**	**956**	**54,641**	**58,293**
Marketable securities:				
Exclusive investment fund				
Repurchase transactions backed by federal bonds	137,976	1,281,353	1,640,553	2,341,726
Other marketable securities	76	86	24,232	15,773
	138,052	**1,281,439**	**1,664,785**	**2,357,499**
	146,079	**1,282,395**	**1,719,426**	**2,415,792**

NOTE 4 – TRADE ACCOUNTS RECEIVABLE

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Transactions within the CCEE[2]	270,650	109,648	469,191	312,492
Free Consumers	33,739	27,691	369,382	367,873
Distributors	256,043	264,100	423,570	344,452
Traders	217,764	137,171	67,235	56,207
Trading operations	-	-	117,360	65,733
Others	-	-	71,591	40,819
Estimated losses with doubtful accounts	(6,180)	(6,180)	(6,197)	(6,197)
	772,016	**532,430**	**1,512,132**	**1,181,379**

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

The breakdown of overdue accounts receivable arising from sales through bilateral agreements recorded under current assets was as follows:

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Overdue up to 30 days	240	3,269	6,085	6,170
Overdue more than 30 days	6,928	6,928	14,779	9,560
	7,168	**10,197**	**20,864**	**15,730**

[2] Electric Energy Commercialization Chamber.

NOTE 5 – INVENTORIES

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Supplies	13,998	17,252	80,536	59,971
Inputs for energy production	-	-	60,704	52,404
Advances to suppliers	1,127	273	83,865	8,534
Other	157	261	2,790	7,954
Reduction to net realizable value	-	(3,182)	-	(3,182)
	15,282	**14,604**	**227,895**	**125,681**

In the first half of 2019, the subsidiary Usina Termelétrica Pampa Sul S.A. ("Pampa Sul") advanced R$58,947 to a coal supplier. The balance on 9.30.2019 was R$54,402, to be realized when the purchase of coal exceeds the minimum monthly quota established in the 106,000 ton agreement. The Company expects to fully pay the advance by the end of 2020.

NOTE 6 – RESTRICTED DEPOSITS

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Reinvestment deposits	807	3,241	807	3,241
Contractual commitment guarantees	400	1,200	400	1,920
Guarantees for negative balance at CCEE	31	30	4,019	3,795
Current assets	**1,238**	**4,471**	**5,226**	**8,956**
Financing guarantees	10,311	9,915	363,815	226,210
Others	-	-	5,805	6,240
Non-current assets	**10,311**	**9,915**	**369,620**	**232,450**
	11,549	**14,386**	**374,846**	**241,406**

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

NOTE 7 – CONCESSION FINANCIAL ASSET

a) Breakdown

	Consolidated					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Jaguara HPP	182,332	1,474,516	1,656,848	172,165	1,437,860	1,610,025
Miranda HPP	111,562	902,177	1,013,739	105,337	879,748	985,085
	293,894	**2,376,693**	**2,670,587**	**277,502**	**2,317,608**	**2,595,110**

b) Changes in financial assets were as follows:

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
Balances at 12.31.2018	**1,610,025**	**985,085**	**2,595,110**
Amounts received	(123,462)	(75,543)	(199,005)
Interest	114,999	70,360	185,359
Monetary variation	55,286	33,837	89,123
Balance at 9.30.2019	**1,656,848**	**1,013,739**	**2,670,587**

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

	Consolidated		
	Jaguara HPP	Miranda HPP	Total
October to December 2020	39,076	23,908	62,984
2021	146,896	89,876	236,772
2022	132,888	81,306	214,194
2023	120,217	73,554	193,771
2024	108,726	66,523	175,249
2025 to 2029	406,483	248,705	655,188
2030 to 2047	520,230	318,305	838,535
	1,474,516	**902,177**	**2,376,693**

NOTE 8 – INVESTMENTS

a) Breakdown

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Interest on subsidiaries:				
Measured at the equity method				
Equity in earnings of subsidiaries (b)	13,267,665	10,436,421	2,152,980	-
Goodwill from investment acquisition	60,982	63,488	-	-
Goodwill from expected future profitability	989,059	40,828	948,231	-
	14,317,706	**10,540,737**	**3,101,211**	**-**

b) Changes in investments evaluated through the equity method

	Balance at 12.31.2018	Capital increase/ Acquisition of investment	Allocation of goodwill	Capital decrease	Equity in earnings of subsidiaries	Dividends	Other comprehensive income	Balance at 9.30.2019
ECP[3]	**4,062,592**	422,151	-	(160,000)	226,112	-	-	**4,550,855**
Pampa Sul	**2,360,677**	50,156	-	-	273,555	-	(4,396)	**2,679,992**
CEE[4]	**1,111,608**	-	-	-	122,025	(79,276)	-	**1,154,357**
Jaguara[5]	**1,004,678**	-	-	-	114,996	(141,948)	-	**977,726**
Miranda[6]	**691,350**	-	-	-	65,331	(102,663)	-	**654,018**
Diamante[7]	**646,556**	-	-	(146,307)	66,993	(57,156)	-	**510,086**
EBC[8]	**210,019**	-	-	-	34,727	(30,000)	-	**214,746**
ENGIE Solar[9]	**40,695**	23,379	-	-	(2,109)	-	536	**62,501**
Lages[10]	**37,871**	-	-	-	5,842	(10,360)	-	**33,353**
ECV[11]	**19,238**	-	-	-	7,515	-	-	**26,753**
Outros	**8,590**	-	-	-	15	-	-	**8,605**
Itasa[12]	**242,547**	-	-	-	4,167	(5,021)	-	**241,693**
Aliança/TAG[13]	**-**	3,469,869	(948,231)	-	(5,680)	-	(362,978)	**2,152,980**
	10,436,421	**3,965,555**	**(948,231)**	**(306,307)**	**913,489**	**(426,424)**	**(366,838)**	**13,267,665**

b.1) ECP

The capital increase in the subsidiary ECP in the first nine months of 2019 was allocated to investments in Umburanas – Phase I and Campo Largo – Phase II Wind Complexes and Gralha Azul Transmission Line, controlled by the Company's subsidiary. This period, the Company also reduced the capital in ECP chiefly due to the release in 2018 and 2019 of the portion of financing taken from BNDES by the Campo Largo Wind Complex – Phase I. The construction of this Complex's plants was financed with own cash transferred by ECP, its controlling shareholder, until said financing was released.

b.2) Aliança and TAG

On 6.13.2019, all the conditions precedent were met for consummating the acquisition, by Aliança, a joint venture until 9.2.2019, not consolidated in the Company's financial statements, of ownership interest in TAG, representing 90% of the capital stock, owned by Petrobras, as per the agreement for sale and other covenants signed on 4.25.2019. TAG has a gas pipeline network spanning approximately 4,500 km, 12 gas compression facilities (6 own and 6 subcontracted) and 91 delivery points. The Company's direct interest in Aliança was 32.5%. Accordingly, the Company held a 9.25% indirect interest in TAG. Due to the share purchase operation, the Company increased the capital in the joint venture Aliança by R$2,789,257.

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

On 9.2.2019, TAG merged with Aliança and, therefore, the Company now holds direct interest in TAG, as shown below.

	Shareholders' Equity	OCI[14]	Shareholders' equity, except OCI[14]
Shareholders' Equity of TAG before merger	**11,812,881**	**-**	**11,812,881**
Negative net assets	**(4,612,423)**	**(961,440)**	**(3,650,983)**
Shareholders' equity of Aliança	7,513,033	(961,440)	8,474,473
Investment in TAG valued through the equity method	(10,623,956)	-	(10,623,956)
Goodwill recognized in TAG acquisition	(2,275,000)	-	(2,275,000)
Deferred taxes on goodwill	773,500	-	773,500
Shareholders' equity of TAG after merger	**7,200,458**	**(961,440)**	**8,161,898**

In light of this, the Company recognized R$99,230 in "Other comprehensive income" in "Changes in interest in joint venture," due to the effects of said merger, as already agreed to by the parties. In order to reestablish its 29.25% interest in TAG, defined in the purchase and sale agreement, the Company acquired TAG shares amounting to R$680,612. The Company, after said merger, recognized the allocation of its interest in the goodwill generated from the acquisition of TAG, in the amount of R$948,231.

The main asset and liability groups of TAG on 9.30.2019 were:

Balance Sheet – TAG	**9.30.2019**	
	100%	**Company's interest – 29.25%**
Assets		
Current Assets	3,052,444	
Non-current assets		
Long-term assets	2,382,554	
Property, plant and equipment	29,099,799	
Total	**34,534,797**	
Liabilities and shareholders' equity		
Current liabilities	2,866,986	
Non-current liabilities	24,307,188	
Shareholders' equity	7,360,623	2,152,980
Total	**34,534,797**	

[14] Other comprehensive income arising from operations to hedge cash flows contracted by Aliança.

Equity income (loss) of the Company was composed of the following items:

	3rd quarter of 2019	2019
Aliança		
General and administrative expenses	(159,517)	(325,409)
Amortization of surplus of assets	*(151,457)*	*(178,705)*
Expenses with TAG acquisition project	-	*(137,527)*
Others	*(8,060)*	*(9,177)*
Loss before financial result, interest and taxes	**(159,517)**	**(325,409)**
Financial result	(369,120)	(326,320)
Loss before taxes	**(528,637)**	**(651,729)**
Income tax and social contribution	94,335	62,803
Loss of Aliança	**(434,302)**	**(588,926)**[15]
Ownership interest in Aliança	**32.5%**	**32.5%**
Equity income from Aliança's results	**(141,148)**	**(191,401)**
TAG (29.25%)		
Net operating income	1,335,768	1,589,723
Cost of services rendered	(401,012)	(454,615)
Gross income	**934,756**	**1,135,108**
General, administrative and other expenses	(68,879)	(66,068)
Profit before financial result, interest and taxes	**865,877**	**1,069,040**
Financial result	(172,250)	(239,299)
Profit before taxes	**693,627**	**829,741**
Income tax and social contribution	(138,834)	(194,797)
Net income of TAG	**554,793**	**634,944**[16]
Ownership interest in TAG	**29.25%**	**29.25%**
Equity income from TAG's results	**162,277**	**185,721**
Equity income – Aliança and TAG	**21,129**	**(5,680)**

b.3) Diamante

On June 28, 2019, the capital stock of the subsidiary Diamante was reduced through an offset of balances payable to the subsidiary, in the amount of R$146,238, and the transfer of ownership of land from Diamante to the Company, whose cost was R$69.

[15] Loss related to the period prior to merger (1.1.2019 to 9.2.2019), excluding effects arising from effects from equity in the earnings (losses).

[16] Net income in the period between the acquisition of interest (6.13.2019) and 9.30.2019.

b.4) Information on the main consolidated subsidiaries

	ECP	Pampa Sul	CEE	Jaguara	Miranda	Diamante	EBC	ENGIE Solar	Lages	ECV	Itasa
Interest (%)	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**99.99**	**48.75**
12.31.2018											
Asset	5,684,076	2,800,818	2,309,227	2,258,057	1,430,063	1,042,725	614,942	73,909	40,496	31,169	535,116
Liability	1,762,516	667,612	1,197,619	1,253,379	738,713	396,169	404,923	33,214	2,625	11,931	37,584
Adjusted shareholders' equity	4,066,983	2,360,677	1,111,608	1,004,678	691,350	646,556	210,019	40,695	37,871	19,238	497,532
9.30.2019											
Asset	6,426,548	3,414,966	2,281,093	2,355,566	1,490,946	810,389	956,567	126,067	36,584	104,392	528,829
Liability	2,024,875	1,025,135	1,126,736	1,377,840	836,928	300,303	741,821	63,566	3,231	77,639	33,048
Adjusted shareholders' equity	4,554,327	2,679,992	1,154,357	977,726	654,018	510,086	214,746	62,501	33,353	26,753	495,781
3Q19											
Net revenue	289,121	453,051	130,128	115,552	61,164	181,251	1,268,101	18,450	9,080	83,053	39,403
Adjusted net income (loss)	90,134	216,957	54,586	46,586	25,605	52,682	51,641	(2,067)	816	6,237	2,314
9M19											
Net revenue	742,905	464,911	372,121	324,218	216,928	462,843	3,474,137	60,846	27,106	203,265	120,492
Adjusted net income (loss)	226,980	273,555	122,025	114,996	65,331	66,993	34,727	(2,109)	5,842	7,515	8,548

Capitalized interests

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

In the first nine months of 2019, capitalized interest, net of amortizations, in the direct subsidiaries ECP and Pampa Sul were R$7,231 and R$62,690, respectively. In the quarter ended 9.30.2019, capitalized interest, net of amortizations, in these subsidiaries were R$152,654 and R$290,161, respectively. In the table above, “Adjusted shareholders’ equity” and “Adjusted net income (loss)” include the items described above.

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

a) Breakdown

		Parent Company					
		9.30.2019			12.31.2018		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.1%	5,109,999	(3,258,732)	1,851,267	5,109,943	(3,158,818)	1,951,125
Buildings and improvements	2.3%	1,277,405	(803,836)	473,569	1,287,160	(784,639)	502,521
Machinery and equipment	3.6%	4,225,429	(2,489,391)	1,736,038	4,161,375	(2,408,876)	1,752,499
Furniture and fixtures	6.3%	7,218	(4,288)	2,930	6,929	(4,181)	2,748
Vehicles	14.3%	2,076	(1,690)	386	1,933	(1,581)	352
Special obligations		(49,655)	5,960	(43,695)	(50,539)	4,841	(45,698)
		10,572,472	**(6,551,977)**	**4,020,495**	**10,516,801**	**(6,353,254)**	**4,163,547**
In progress							
Reservoirs, dams and ducts		217	-	217	788	-	788
Buildings and improvements		4,184	-	4,184	3,710	-	3,710
Machinery and equipment		37,253	-	37,253	82,771	-	82,771
Advances to suppliers		41,996	-	41,996	28,113	-	28,113
Acquisitions to be apportioned		10,620	-	10,620	9,578	-	9,578
		94,270	**-**	**94,270**	**124,960**	**-**	**124,960**
		10,666,742	**(6,551,977)**	**4,114,765**	**10,641,761**	**(6,353,254)**	**4,288,507**

		Consolidated					
		9.30.2019			12.31.2018		
	Average rate of depreciation	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
In service							
Reservoirs, dams and ducts	3.8%	7,219,361	(3,908,501)	3,310,860	7,097,445	(3,751,594)	3,345,851
Buildings and improvements	2.6%	2,242,203	(1,124,999)	1,117,204	1,877,043	(1,089,580)	787,463
Machinery and equipment	4.1%	15,453,423	(5,595,692)	9,857,731	11,389,360	(5,264,505)	6,124,855
Furniture and fixtures	6.3%	13,836	(6,539)	7,297	10,810	(6,191)	4,619
Vehicles	14.3%	5,144	(3,936)	1,208	5,147	(3,886)	1,261
Special obligations		(50,146)	6,116	(44,030)	(51,030)	4,987	(46,043)
		24,883,821	**(10,633,551)**	**14,250,270**	**20,328,775**	**(10,110,769)**	**10,218,006**
In progress							
Reservoirs, dams and ducts		5,873	-	5,873	117,788	-	117,788
Buildings and improvements		17,241	-	17,241	340,129	-	340,129
Machinery and equipment		98,997	-	98,997	1,883,743	-	1,883,743
Advances to suppliers		744,662	-	744,662	1,373,386	-	1,373,386
Acquisitions to be apportioned		23,429	-	23,429	702,415	-	702,415
		890,202	**-**	**890,202**	**4,417,461**	**-**	**4,417,461**
		25,774,023	**(10,633,551)**	**15,140,472**	**24,746,236**	**(10,110,769)**	**14,635,467**

b) Changes in property, plant and equipment

	Parent Company						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2018	**1,951,125**	**502,521**	**1,752,499**	**3,100**	**124,960**	**(45,698)**	**4,288,507**
Additions	-	-	-	-	40,841	-	40,841
Transfers	(1,286)	433	68,758	700	(71,531)	-	(2,926)
Write-offs	-	-	(913)	(139)	-	575	(477)
Depreciation	(98,572)	(29,385)	(84,306)	(345)	-	1,428	(211,180)
Balance at 9.30.2019	**1,851,267**	**473,569**	**1,736,038**	**3,316**	**94,270**	**(43,695)**	**4,114,765**

	Consolidated						
	Reservoirs, dams and ducts	Buildings and improvements	Machinery and equipment	Other	Construction in progress	Special obligations	Total
Balance at 12.31.2018	**3,345,851**	**787,463**	**6,124,855**	**5,880**	**4,417,461**	**(46,043)**	**14,635,467**
Additions	-	-	-	-	1,008,681	-	1,008,681
Indemnifications for nonperformance of contractual obligations	-	-	-	-	(71,886)	-	(71,886)
Capitalized interest and monetary variation	-	-	-	-	148,016	-	148,016
Transfers	121,230	374,962	4,109,348	3,604	(4,612,070)	-	(2,926)
Write-offs	-	-	(1,115)	(139)	-	575	(679)
Depreciation	(156,221)	(45,221)	(375,357)	(840)	-	1,438	(576,201)
Balance at 9.30.2019	**3,310,860**	**1,117,204**	**9,857,731**	**8,505**	**890,202**	**(44,030)**	**15,140,472**

In 3Q19, the assets related to the Pampa Sul Thermal Power Plant totaling R$2,238,815 were transferred and put into service due to the commercial startup of the Plant on 6.28.2019. A portion of this amount was booked as provision for future payments for conclusion of the construction works, as an offset to other current liabilities. On 9.30.2019, the amount was R$115 million.

NOTE 10 – INTANGIBLE ASSETS

a) Breakdown

		Parent Company					
		9.30.2019			12.31.2018		
	Amortization period	Adjusted cost	Accumulated amortization	Net amount	Adjusted cost	Accumulated amortization	Net amount
Right to use	Until 2034	102,343	(55,056)	47,287	88,015	(49,508)	38,507

		Consolidated					
		9.30.2019			12.31.2018		
	Amortization period	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Grant bonus							
Jaguara	Until 2047	620,327	(39,538)	580,789	620,327	(24,067)	596,260
Miranda	Until 2047	411,223	(26,210)	385,013	411,223	(15,954)	395,269
		1,031,550	**(65,748)**	**965,802**	**1,031,550**	**(40,021)**	**991,529**
Project rights							
WPPs in operation	Until 2052	74,153	(5,210)	68,943	58,457	(3,694)	54,763
Assú Solar Power Plant	Until 2051	15,194	(825)	14,369	15,194	(471)	14,723
WPPs under construction / development		107,781	-	107,781	123,477	-	123,477
		197,128	**(6,035)**	**191,093**	**197,128**	**(4,165)**	**192,963**
Right to use assets	Until 2037	125,267	(59,407)	65,860	112,228	(53,171)	59,057
Energy purchase right	Until 2023	64,561	(40,604)	23,957	64,561	(36,093)	28,468
Premium - ENGIE Solar		40,828	-	40,828	40,828	-	40,828
		1,459,334	**(171,794)**	**1,287,540**	**1,446,295**	**(133,450)**	**1,312,845**

b) Changes in intangible assets

	Consolidated					
	Grant bonus	Project rights	Right to use assets	Energy purchase right	Goodwill – ENGIE Solar	Total
Balances on 12.31.2018	**991,529**	**192,963**	**59,057**	**28,468**	**40,828**	**1,312,845**
Addition	-	-	13,039	-	-	13,039
Amortization	(25,727)	(1,870)	(6,236)	(4,511)	-	(38,344)
Balances on 9.30.2019	**965,802**	**191,093**	**65,860**	**23,957**	**40,828**	**1,287,540**

NOTE 11 – SUPPLIERS

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Electricity purchased	76,901	399,497	135,945	207,553
Trading operations	-	-	109,576	57,004
Suppliers of materials and services	19,631	33,577	115,218	72,590
Suppliers of property, plant and equipment and intangible assets	1,249	1,729	45,351	153,345
Fossil fuels and biomass	-	-	73,274	47,831
Charges for the use of the power grid	32,310	30,580	55,478	49,436
Transactions in the short-term market	1,356	1,351	3,006	712
	131,447	**466,734**	**537,848**	**588,471**

NOTE 12 – RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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

In 2019, there was no change in the risks to which the Company and its subsidiaries are exposed or in their management and measurement, when compared to those presented in Note 15 – Risk management and financial instruments of accounting statements as of 12.31.2018.

a) Liabilities denominated in foreign currency

At 9.30.2019, the Company and its subsidiaries held no financial obligations denominated in foreign currencies whose exchange variation was not fully hedged against.

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

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Long position				
Fair value hedge on loans and debentures	719,866	247,878	719,866	259,549
Cash flow hedge on obligations	-	-	563	50
Short position[17]				
Fair value hedge on loans and debentures	(88,058)	(37,599)	(110,368)	(37,599)
Cash flow hedge on obligations	-	-	-	(637)
Net position	**631,808**	**210,279**	**610,061**	**221,363**

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

The Company contracted swap operations with the Brazilian subsidiaries of the same lending financial institutions in U.S. dollars, in order to hedge future payment flows of principal and interest, including any income tax levied thereon, against foreign exchange fluctuation. Additionally, the direct subsidiaries Jaguara and Miranda, to hedge the future payment flows of principal and interest of debentures against DI interest rate variation, contracted swap operations with Banco Itaú BBA.

[17] Recorded as part of "Other current liabilities" and "Other non-current liabilities".

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

Net changes in fair value hedge operations on loans and debentures

	Parent Company			Consolidated		
	Current	Non-Current	Total	Current	Non-Current	Total
(Liabilities) Assets at 12.31.2018	**(5,020)**	**215,299**	**210,279**	**(1,935)**	**223,885**	**221,950**
Interest	(27,706)	(18,319)	(46,025)	(35,124)	(19,976)	(55,100)
Exchange variation	57,412	137,200	194,612	57,412	137,200	194,612
Fair value adjustment	74,026	183,772	257,798	69,730	169,654	239,384
Transfers	63,443	(63,443)	-	75,805	(75,805)	-
Amortization of principal	-	-	-	2,059	-	2,059
Amortization of interest	15,144	-	15,144	6,593	-	6,593
(Liabilities) assets on 9.30.2019	**177,299**	**454,509**	**631,808**	**174,540**	**434,958**	**609,498**

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

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

The probable basic scenario for 9.30.2019 was defined using the following assumptions available in the market (source: Central Bank of Brazil Market Readout on the last business day of the month).

Variation in interest rates and indices:	Change 12 months 9.30.2019	Probable Scenario 9.30.2020	Sensitivity Probable	Δ + 25% (*)	Δ + 50% (*)
Risk of variation in interest rates and indices					
TJLP	7.0%	6.3%	-0.8 p.p.	1.6 p.p.	3.1 p.p.
CDI	6.4%	4.8%	-1.6 p.p.	1.2 p.p.	2.5 p.p.
IPCA	2.9%	3.4%	0.5 p.p.	0.9 p.p.	1.7 p.p.
IGP-M	3.4%	4.1%	0.8 p.p.	1.1 p.p.	2.1 p.p.

(*) Variations on probable scenario.

The probable sensitivity was calculated based on the variation of indices in the last 12 months, at 9.30.2019, and those expected for the following 12 months, ending 9.30.2020, and showed any additional impacts in Company's consolidated profit or loss. Variations that could impact the consolidated result, and consequently the shareholders' equity in the following 12 months, compared with the last 12 months, if the scenarios materialize are the following:

	Balance at 9.30.2019	Sensitivity		
		Probable	Δ + 25%	Δ + 50%
Risk of increase (liability)				
Loans and financing				
TJLP	3,488,553	26,143	(53,313)	(107,340)
CDI (Loans with swap to CDI rate)	3,412,149	30,647	(23,288)	(46,700)
IPCA (Loans with swap to IPCA rate)	870,495	(7,631)	(12,307)	(24,611)
IPCA	177,695	(457)	(738)	(1,476)
		48,702	**(89,646)**	**(180,127)**
Debentures				
IPCA	4,313,780	(24,057)	(38,808)	(77,613)
IPCA (debentures with swap for IPCA)	699,071	(3,371)	(5,437)	(10,870)
CDI	960,349	26,029	(19,767)	(39,717)
Concessions payable		**(1,399)**	**(64,012)**	**(128,200)**
IGP-M				
IPCA	2,490,305	(22,423)	(26,917)	(53,834)
CDI	606,516	(3,357)	(4,964)	(9,929)
		(25,780)	**(31,881)**	**(63,763)**
Risk of decrease (asset)				
Concession financial asset				
IPCA	2,670,587	1,741	(13,673)	(27,347)
Total		**23,264**	**(199,212)**	**(399,437)**

c) Risk related to energy prices in trading operations

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

The balance sheets for outstanding trading transactions on 9.30.2019 are presented below.

	Consolidated					
	9.30.2019			12.31.2018		
	Assets	Liabilities	Net (losses) gains	Assets	Liabilities	Net gains
Classification in balance sheet						
Current	102,254	(85,339)	16,915	116,202	(98,047)	18,155
Non-current	57,818	(30,295)	27,523	44,429	(19,395)	25,034
	160,072	**(115,634)**	**44,438**	**160,631**	**(117,442)**	**43,189**

The changes in balances, related to outstanding trading transactions at 9.30.2019 are:

	Consolidated
At 12.31.2018	**43,189**
Net gain recognized in the period	1,249
Balances at 9.30.2019	**44,438**

c.1) Sensitivity analysis regarding trading operations

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

The sensitivity analysis was prepared in accordance with CVM Instruction no 475/08, considering the increase of 25% and 50% in future prices, applied on the market curves on 9.30.2019. The results obtained are:

	Consolidated		
	9.30.2019	Δ + 25%	Δ + 50%
Unrealized gains (losses) on trading operations	44,438	(5,687)	(11,375)

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

d) Category and fair value of financial instruments

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Financial assets				
Fair value through profit or loss				
Marketable securities	138,052	1,281,439	1,664,785	2,357,499
Unrealized gains on fair value hedge operations	719,866	247,878	719,866	259,549
Unrealized gains on trading operations	-	-	160,072	160,631
Amortized cost				
Cash and bank deposits	8,027	956	54,641	58,293
Trade accounts receivable	772,016	532,430	1,512,132	1,181,379
Dividends receivable from subsidiaries	256,422	61,468	-	-
Restricted deposits	11,549	14,386	374,846	241,406
Fuel reimbursable [18]	-	-	55,125	52,136
Concession financial asset	-	-	2,670,587	2,595,110
Fair value through other comprehensive income				
Unrealized gains on cash flow hedge operations	-	-	563	50
	1,905,932	**2,138,557**	**7,212,617**	**6,906,053**
Financial liabilities				
Fair value through profit or loss				
Foreign currency	4,282,644	2,666,084	4,282,644	2,666,084
Debentures	-	-	699,071	778,317
Unrealized losses on fair value hedge operations [19]	88,058	37,599	110,368	37,599
Unrealized losses on trading operations	-	-	115,634	117,442
Amortized cost				
Suppliers	131,447	466,734	537,848	588,471
Dividends and interest on equity	11,735	2,136,939	13,621	2,137,039
Loans in foreign currency	229,794	317,361	3,666,248	3,643,344
Debentures	4,209,752	1,617,134	5,274,129	2,632,489
Concessions payable	3,042,032	2,796,390	3,096,821	2,850,469
Liabilities linked to investment acquisition[16]	-	-	65,020	8,582
Fuel payable to CDE[16]	-	-	47,382	180,959

[18] Presented under "Other current assets."

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

Fair value through other comprehensive income				
Unrealized losses on cash flow hedge operations[19]	-	-	-	637
	11,995,462	**10,038,241**	**17,908,786**	**15,641,432**

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

e) Market value of financial instruments

In operations involving financial instruments, differences were identified only between amounts presented in the balance sheet and their market values, in concession financial assets, loans and financing, debentures, and concessions payable. These differences occurred mainly because these instruments have long-term settlements and different costs in relation to interest rates currently used for similar contracts.

The market values were determined based on future cash flows discounted to present value at rates considered as adequate for operations with similar characteristics.

	Parent Company			
	9.30.2019		12.31.2018	
	Book	Market	Book	Market
Loans and financing in local currency	229,794	239,140	317,361	331,658
Debentures	4,209,752	4,270,072	1,617,134	1,649,870
Concessions payable	3,042,032	3,071,333	2,796,390	2,810,475
	7,481,578	**7,580,545**	**4,730,885**	**4,792,003**

	Consolidated			
	9.30.2019		12.31.2018	
	Book	Market	Book	Market
Assets				
Concession financial asset	2,670,587	2,592,626	2,595,110	2,591,844
	2,670,587	**2,592,626**	**2,595,110**	**2,591,844**
Liabilities				
Loans and financing in local currency	3,666,248	3,739,079	3,643,344	3,619,175
Debentures and promissory notes	5,274,129	5,355,191	2,632,489	2,689,900
Concessions payable	3,096,821	3,158,736	2,850,469	2,866,718
	12,037,198	**12,253,006**	**9,126,302**	**9,175,793**

NOTA 13 – LOANS AND FINANCING

a) Breakdown

	Parent Company					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
Local currency						
BNDES	79,691	51,284	130,975	91,481	107,253	198,734
NIB[20]	28,471	64,076	92,547	27,723	83,186	110,909
BNDES onlendings (Banks)	1,533	3,672	5,205	1,533	4,822	6,355
Charges	1,067	-	1,067	1,363	-	1,363
	110,762	**119,032**	**229,794**	**122,100**	**195,261**	**317,361**
Measured at fair value						
Foreign currency – with hedge						
Scotiabank	-	1,773,274	1,773,274	-	1,147,237	1,147,237
Bank of Tokyo	448,329	460,508	908,837	-	775,322	775,322
BNP Paribas	449,515	231,363	680,878	-	387,123	387,123
HSBC	-	845,642	845,642	-	335,966	335,966
Charges	74,013	-	74,013	20,436	-	20,436
	971,857	**3,310,787**	**4,282,644**	**20,436**	**2,645,648**	**2,666,084**
Loans and financing	**1,082,619**	**3,429,819**	**4,512,438**	**142,536**	**2,840,909**	**2,983,445**

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

	Parent Company					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,082,619**	**3,429,819**	**4,512,438**	**142,536**	**2,840,909**	**2,983,445**
Hedge (swap) effects on balance sheet						
Long position	(191,888)	(527,978)	(719,866)	-	(247,878)	(247,878)
Short position[21]	14,589	73,469	88,058	5,020	32,579	37,599
Loans and financing, net of hedge effects	**905,320**	**2,975,310**	**3,880,630**	**147,556**	**2,625,610**	**2,773,166**

[20] Nordic Investment Bank.

[21] Hedge short position is presented as part of “Other current liabilities” and “Other non-current liabilities.”

	Consolidated					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Measured at amortized cost						
Local currency						
BNDES	311,706	2,771,612	3,083,318	237,606	2,667,330	2,904,936
BNDES onlendings (Banks)	23,690	358,883	382,573	37,677	374,959	412,636
NIB	28,471	64,076	92,547	27,723	83,186	110,909
BNB[22]	-	83,917	83,917	-	83,792	83,792
Safra	-	-	-	115,497	-	115,497
Charges	23,893	-	23,893	15,574	-	15,574
	387,760	**3,278,488**	**3,666,248**	**434,077**	**3,209,267**	**3,643,344**
Measured at fair value						
Foreign currency – with hedge						
Scotiabank	-	1,773,274	1,773,274	-	1,147,237	1,147,237
Bank of Tokyo	448,329	460,508	908,837	-	775,322	775,322
BNP Paribas	449,515	231,363	680,878	-	387,123	387,123
HSBC	-	845,642	845,642	-	335,966	335,966
Charges	74,013	-	74,013	20,436	-	20,436
	971,857	**3,310,787**	**4,282,644**	**20,436**	**2,645,648**	**2,666,084**
Loans and financing	**1,359,617**	**6,589,275**	**7,948,892**	**454,513**	**5,854,915**	**6,309,428**

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

	Consolidated					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Loans and financing	**1,359,617**	**6,589,275**	**7,948,892**	**454,513**	**5,854,915**	**6,309,428**
Hedge (swap) effects on balance sheet						
Long position	(191,888)	(527,978)	(719,866)	-	(247,878)	(247,878)
Short position[23]	14,589	73,469	88,058	5,020	32,579	37,599
Loans and financing, net of hedge effects	**1,182,318**	**6,134,766**	**7,317,084**	**459,533**	**5,639,616**	**6,099,149**

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

[23] Hedge short position is presented as part of the items “Other current liabilities” and “Other non-current liabilities.

b) Changes in loans and financing

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2018	**142,536**	**2,840,909**	**2,983,445**	**454,513**	**5,854,915**	**6,309,428**
Additions	543	1,127,454	1,127,997	12,527	1,377,296	1,389,823
Interest	121,945	-	121,945	221,119	-	221,119
Inflation adjustment	973	2,256	3,229	(52)	12,687	12,635
Capitalized interest and Inflation adjustment	-	-	-	109,748	-	109,748
Exchange variations	51,822	142,790	194,612	51,822	142,790	194,612
Fair value adjustment	71,445	172,687	244,132	71,445	172,687	244,132
Transfers	856,277	(856,277)	-	971,100	(971,100)	-
Payment of principal	(91,983)	-	(91,983)	(341,693)	-	(341,693)
Payment of interest	(70,939)	-	(70,939)	(190,912)	-	(190,912)
Balances at 9.30.2019	**1,082,619**	**3,429,819**	**4,512,438**	**1,359,617**	**6,589,275**	**7,948,892**

c) Main transactions in 2019

c.1) Financing in domestic currency

- Release of funds

In 2019, BNDES released R$802, R$23,648, R$75,864 and R$162,314, net of transaction costs, related to the installments of the financing for the modernization of HPP Salto Santiago, expansion of UTE Ferrari and construction of the Pampa Sul Thermal Power Plant and Campo Largo Wind Power Complex – Phase I , respectively.

c.2) Loans in foreign currency with hedge

On 5.17.2019, the Company contracted three loans from overseas financial institutions - BNP Paribas, HSBC France and Scotiabank – amounting to US$50 million, US$135 million and US$100 million, equivalent to R$197,575, R$533,520 and R$396,100, respectively, and, at the same time, contracted hedge operations (swap) with the Brazilian subsidiary of the same financial institution in which the loan was contracted, to protect all future cash flows. These loans were taken to raise the working capital and to finance the implementation of the Company’s business plan.

The main conditions were:

		Conditions contracted	
Companies / Banks	**Interest**	**Maturity**	**Principal and interest**
BNP Paribas	3.5476% p.a. with swap to 101.85% of CDI (from 5.17.2019 to 5.17.2022)	5.2022	Principal: 5.2022 Interest: Semiannual
HSBC France	7.3706% p.a. with swap to 101.72% of CDI (from 5.17.2019 to 5.17.2022)	5.2022	Principal: 5.2022 Interest: Semiannual
Scotiabank	3.3600% p.a. with swap to 101.75% of CDI (from 5.17.2019 to 5.17.2022)	05.2022	Principal: 5.2022 Interest: Semiannual

Moreover, the covenants establish that EBITDA/financial expenses ratio be greater than or equal to 2.00 and the gross debt/EBITDA ratio be lesser than or equal to 4.5, both calculated annually.

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

	Parent Company	Consolidated
October to December 2020	341,754	438,619
2021	941,909	1,196,708
2022	2,132,073	2,383,415
2023	14,083	267,762
2024	-	256,978
2025 to 2029	-	1,251,712
2030 to 2034	-	657,150
2035 to 2038	-	136,931
Loans and financing	**3,429,819**	**6,589,275**

e) Contract commitments (covenants)

There were no changes in the financial covenants compared to those presented in Note 16 – Loans and Financing of the financial statements for 12.31.2018, except for information presented in main transactions conducted in 2019. The financial commitments are being entirely fulfilled by the Company and its subsidiaries.

NOTE 14 – DEBENTURES

a) Breakdown

	Parent Company					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
EBE – 5th issue	-	212,982	212,982	-	206,871	206,871
EBE – 6th issue	-	658,954	658,954	-	639,256	639,256
EBE – 7th issue	-	757,358	757,358	-	734,125	734,125
EBE – 8th issue	-	952,345	952,345	-	-	-
EBE – 9th issue	-	1,582,284	1,582,284	-	-	-
Charges	32,879	12,950	45,829	36,882	-	36,882
Debentures	**32,879**	**4,176,873**	**4,209,752**	**36,882**	**1,580,252**	**1,617,134**

	Consolidated					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
EBE – 5th issue	-	212,982	212,982	-	206,871	206,871
EBE – 6th issue	-	658,954	658,954	-	639,256	639,256
EBE – 7th issue	-	757,358	757,358	-	734,125	734,125
EBE – 8th issue	-	952,345	952,345	-	-	-
EBE – 9th issue	-	1,582,284	1,582,284	-	-	-
Jaguara – 1st issue	102,982	970,189	1,073,171	104,599	1,004,860	1,109,459
Miranda – 1st issue	63,665	593,746	657,411	64,700	615,325	680,025
Charges	65,745	12,950	78,695	41,070	-	41,070
Debentures	**232,392**	**5,740,808**	**5,973,200**	**210,369**	**3,200,437**	**3,410,806**
Hedge (swap) effects on balance sheet Short (long) position[24]	2,759	19,551	22,310	(3,085)	(8,586)	(11,671)
Debentures, net of hedge effects	**235,151**	**5,760,359**	**5,995,510**	**207,284**	**3,191,851**	**3,399,135**

b) Changes in debentures

	Parent company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2018	**36,882**	**1,580,252**	**1,617,134**	**210,369**	**3,200,437**	**3,410,806**
New debentures	-	4,065,291	4,065,291	-	4,065,291	4,065,291
Interest	118,205	12,931	131,136	189,487	12,931	202,418
Inflation adjustment	1,507	49,141	50,648	1,970	61,472	63,442
Interest and inflation adjustment capitalized	-	-	-	21,188	17,080	38,268
Adjustment to fair value	-	-	-	(8,388)	1,989	(6,399)
Transfers	1,530,742	(1,530,742)	-	1,618,392	(1,618,392)	-
Amortization of principal	(1,535,006)	-	(1,535,006)	(1,621,811)	-	(1,621,811)
Amortization of interest	(119,451)	-	(119,451)	(178,815)	-	(178,815)
Balances at 9.30.2019	**32,879**	**4,176,873**	**4,209,752**	**232,392**	**5,740,808**	**5,973,200**

c) Main transactions in 2019

c.1) 8th issue of debentures

On 5.17.2019, the Company issued unsecured, non-convertible debentures (8th issue) in a single series, in accordance with CVM Instruction 476/2009, at the unit par value of R$1, totaling R$2,500,000 (R$2,486,626, net of funding costs). The financial settlement was on 5.21.2019. On 8.9.2019, a part of these debentures was paid in advance, in the amount of R$1,570,930, of which R$1,535,006 refers to the principal.

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

The main conditions were:

		Payment Conditions			
	Remuneration	Charges	Principal	Maturity	Collateral
8th Issue – Single Series	102.5% p.a. on Δ DI Rate	At maturity	At maturity	11,2020	No collateral

Moreover, the covenants establish that the EBITDA/financial expenses ratio be greater than or equal to 2.00 and the gross debt/EBITDA ratio be lesser than or equal to 4.5, both calculated annually.

c.2) 9th issue of debentures

On 7.15.2019, the Company issued unsecured, non-convertible debentures (9th issue) for public distribution, in accordance with CVM Instruction 400 of 12.29.2003 at the unit par value of R$ 1, totaling R$1,600,000 (R$1,578,665, net of funding costs). The financial settlement occurred on 8.7.2019.

The main contractual terms were:

			Payment Terms			
	Number	Remuneration	Charges	Principal	Maturity	Guarantee
9th Issue – Series 1	576,095	IPCA + 3.70%	Annual	7.2025 and 7.2026	7.2026	No collateral
9th Issue – Series 2	539,678	IPCA + 3.90%	Annual	7.2027, 7.2028 and 7.2029	7.2029	No collateral
9th Issue – Series 3	378,827	IPCA + 3.60%	Half-yearly	Half-yearly	7.2026	No collateral
9th Issue – Series 4	105,400	IPCA + 3.70%	Half-yearly	Half-yearly	7.2029	No collateral

In addition, the covenants establish that the EBITDA/financial expenses ratio be higher than or equal to 2.00 and the gross debt/EBITDA ratio is equal to or higher than 4.5, both calculated annually.

d) Maturities of debentures recorded under non-current liabilities

	Parent Company	Consolidated
October to December 2020	952,822	1,053,803
2021	84,375	285,566
2022	155,816	371,359
2023	155,537	390,990
2024	463,096	697,209
2025 to 2029	2,365,227	2,941,881
Debentures	**4,176,873**	**5,740,808**

e) Contractual covenants

There were no changes in the financial covenants compared to those presented in Note 17 – Debentures and Promissory Notes of the financial statements for 12.31.2018, except for those presented in main transactions in 2019. The financial covenants of debentures are being fully met by the Company and its subsidiaries.

NOTE 15 – LEASE OPERATIONS

On 1.1.2019, the Company recognized a right-of-use asset and lease liability resulting from the adoption of changes in CPC 06 (R2), as mentioned in Note 2 – Presentation of quarterly information.

a) Right of use

		9.30.2019					
		Parent			Consolidated		
	Depreciation period	Cost	Depreciation	Net amount	Cost	Depreciation	Net amount
Buildings							
Headquarters - EBE	Up to 2025	33,145	(3,683)	29,462	33,145	(3,683)	29,462
Headquarters - ENGIE Solar	Up to 2025	-	-	-	2,027	(144)	1,883
Land							
CLWP – Phase I and II	Up to 2063	-	-	-	51,664	(861)	50,803
Trairí Wind Complex	Up to 2047	-	-	-	27,480	(1,066)	26,414
Santo Agostinho Wind Complex	Up to 2040	-	-	-	2,777	(97)	2,680
Assú Project	Up to 2043	-	-	-	4,739	(145)	4,594
		33,145	**(3,683)**	**29,462**	**121,832**	**(5,996)**	**115,836**

The change in right of use is presented below:

	Parent	Consolidated
First-time adoption	33,145	119,805
New	-	2,027
Depreciation	(3,683)	(5,996)
Balances at 9.30. 2019	**29,462**	**115,836**

The right of use was measured considering the cost of lease liability plus lease advances made until the date of adoption of CPC 06 (R2), which totaled R$11,306 and R$30,618, in the parent company and consolidated, respectively.

b) Lease payable

	Parent			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
First-time adoption	6,208	15,631	21,839	14,240	74,947	89,187
New	-	-	-	2,027	-	2,027
Interest	2,056	-	2,056	8,422	-	8,422
Transfers	2,803	(2,803)	-	3,021	(3,021)	-
Amortizations	(4,278)	-	(4,278)	(12,277)	-	(12,277)
Balances at 9.30. 2019	**6,789**	**12,828**	**19,617**	**15,433**	**71,926**	**87,359**

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

c) Maturity schedule of leases payable recognized in non-current liabilities

	Parent	Consolidated
October to December 2020	1,120	2,530
2021	4,245	9,547
2022	3,894	8,690
2023	3,569	7,910
2024	-	4,589
2025 to 2029	-	17,253
2030 to 2034	-	6,946
From 2035	-	14,461
Leases payable	**12,828**	**71,926**

NOTE 16 – CONCESSIONS PAYABLE

a) Breakdown

	Parent Company		Consolidated	
	9.30.2019	**12.31.2018**	**9.30.2019**	**12.31.2018**
Cana Brava Hydroelectric Power Plant	1,364,175	1,226,969	1,364,175	1,226,969
Ponte de Pedra Hydroelectric Power Plant	1,126,130	1,023,647	1,126,130	1,023,647
São Salvador Hydroelectric Power Plant	551,727	545,774	551,727	545,774
Estreito Hydroelectric Power Plant	-	-	54,789	54,079
	3,042,032	**2,796,390**	**3,096,821**	**2,850,469**
Classification in the balance sheet				
Current liabilities	131,825	79,051	137,935	84,931
Non-current liabilities	2,910,207	2,717,339	2,958,886	2,765,538
	3,042,032	**2,796,390**	**3,096,821**	**2,850,469**

b) Changes in concessions payable

	Parent Company			Consolidated		
	Current	Non-current	Total	Current	Non-current	Total
Balances at 12.31.2018	**79,051**	**2,717,339**	**2,796,390**	**84,931**	**2,765,538**	**2,850,469**
Interest	-	197,089	197,089	-	201,007	201,007
Inflation adjustment	-	98,809	98,809	-	100,376	100,376
Transfers	103,030	(103,030)	-	108,035	(108,035)	-
Amortizations	(50,256)	-	(50,256)	(55,031)	-	(55,031)
Balances at 9.30.2019	**131,825**	**2,910,207**	**3,042,032**	**137,935**	**2,958,886**	**3,096,821**

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

	Parent Company	Consolidated
October to December 2020	46,290	47,708
2021	175,681	181,029
2022	161,417	166,278
2023	233,145	237,565
2024	326,593	330,609
2025 to 2029	1,253,971	1,269,196
2030 to 2034	680,541	689,992
2035 to 2037	32,569	36,509
	2,910,207	**2,958,886**

NOTE 17 – PROVISIONS

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

a) Breakdown

	Parent Company		Consolidated	
	9.30.2019	12.31.2018	9.30.2019	12.31.2018
Civil				
Expropriations and administrative servitude	40,800	38,421	40,800	38,421
Environmental	12,296	11,655	12,296	11,655
Retirement benefits	2,953	2,803	2,953	2,803
Sundry lawsuits	16,686	15,946	23,942	23,308
	72,735	**68,825**	**79,991**	**76,187**
Labor	**15,042**	**13,622**	**15,430**	**14,273**
Tax	**6,719**	**7,070**	**7,052**	**7,400**
	94,496	**89,517**	**102,473**	**97,860**
Classification in the balance sheet				
Current liabilities	7,876	7,880	8,880	8,883
Non-current liabilities	86,620	81,637	93,593	88,977
	94,496	**89,517**	**102,473**	**97,860**

b) Possible and remote risks

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

	9.30.2019			12.31.2018		
	Possible risk	Remote risk	Total	Possible risk	Remote risk	Total
Parent Company						
Tax and social security	776,458	255,662	1,032,120	778,965	237,990	1,016,955
Civil	82,585	89,848	172,433	77,891	86,427	164,318
Labor	14,940	135,880	150,820	13,892	138,831	152,723
	873,983	**481,390**	**1,355,373**	**870,748**	**463,248**	**1,333,996**
Consolidated						
Tax and social security	843,301	269,625	1,112,926	856,780	260,570	1,117,350
Civil	97,627	89,995	187,622	93,329	86,569	179,898
Labor	16,129	156,119	172,248	16,774	157,278	174,052
	957,057	**515,739**	**1,472,796**	**966,883**	**504,417**	**1,471,300**

In the first nine months of 2019, there were no significant changes in the main lawsuits assessed as carrying possible risk, which are presented in Note 22 – Provisions in the financial statements as at12.31.2018.

NOTE 18 – RETIREMENT BENEFITS OBLIGATIONS

a) Breakdown

	Parent Company and Consolidated					
	9.30.2019			12.31.2018		
	Current	Non-current	Total	Current	Non-current	Total
Contracted obligations	18,222	162,927	181,149	17,101	171,688	188,789
Current contributions and service costs	24	-	24	18	-	18
Uncontracted deficit	17,127	120,728	137,855	18,250	112,077	130,327
Recorded actuarial liability	**35,373**	**283,655**	**319,028**	**35,369**	**283,765**	**319,134**

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

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

	ELOS	PREVIG	Total
October to December 2020	3,649	851	4,500
2021	15,448	3,732	19,180
2022	16,354	2,283	18,637
2023	17,315	1,559	18,874
2024	14,047	242	14,289
2025 to 2028	64,864	-	64,864
2029 to 2032	22,583	-	22,583
	154,260	**8,667**	**162,927**

b) Changes in obligations with retirement benefits

	Plans				
	ELOS BD	PREVIG BD	PREVIG BSPS[25]	GC[26]	Total
Liabilities registered on 12.31.2018	**296,685**	**17,800**	**994**	**3,655**	**319,134**
Contribution and cost of current service	-	35	-	(861)	(826)
Payment of contracted liabilities	(17,677)	(2,854)	(252)	-	(20,783)
Net interest on net actuarial liabilities/assets	20,138	1,126	59	180	21,503
Liabilities registered on 9.30.2019	**299,146**	**16,107**	**801**	**2,974**	**319,028**

[25] Paid Supplementary Proportional Benefit.
[26] Confidentiality Bonus.

NOTE 19 – DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

a) Breakdown

	Parent Company				
	9.30.2019				12.31.2018
Description of credits	**Calculation basis**	**IR**	**CSSL**	**Total**	**Total**
Liabilities:					
Accelerated depreciation	809,453	202,363	72,851	275,214	239,145
Property, plant and equipment deemed cost (fair value)	691,479	172,870	62,233	235,103	255,443
Unrealized gains on hedge operations	660,903	165,226	59,481	224,707	72,912
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Capitalized financial charges	62,421	15,605	5,618	21,223	21,814
Adjustment to fair value in business combination	33,053	8,263	2,975	11,238	11,801
Other	10,159	2,540	914	3,454	1,803
		593,731	**213,743**	**807,474**	**639,453**
Assets:					
Unrealized losses on hedge operations	269,056	67,264	24,215	91,479	-
Retirement benefits obligations	137,291	34,323	12,356	46,679	44,311
Estimated losses with doubtful accounts	129,166	32,292	11,625	43,917	43,917
Fair value adjustment in business combinations	105,827	26,457	9,524	35,981	36,406
Civil, tax and labor provisions	86,597	21,649	7,794	29,443	27,749
Provision for asset impairment	50,176	12,544	4,516	17,060	42,692
Interest on property, plant and equipment in progress (RIC)	34,040	8,510	-	8,510	9,037
Other	27,956	6,988	2,516	9,504	8,587
		210,027	**72,546**	**282,573**	**212,699**
Net total		**383,704**	**141,197**	**524,901**	**426,754**

	Consolidated				
	9.30.2019				12.31.2018
Description of credits	**Calculation basis**	**IR**	**CSSL**	**Total**	**Total**
Liabilities:					
Accelerated depreciation	1,065,132	266,283	95,862	362,145	316,630
Capitalized financial charges	733,352	183,349	65,991	249,340	213,911
Property, plant and equipment deemed cost (fair value)	691,479	172,870	62,233	235,103	255,443
Interest on concession financial asset	662,801	165,700	59,652	225,352	132,029
Unrealized gains on hedge operations	660,903	165,226	59,481	224,707	73,003
Amortization of intangible asset on the bonus paid for grant	159,309	39,827	14,338	54,165	32,970
Revenue from implementation of transmission infrastructure	147,591	36,898	13,283	50,181	15,833
Unrealized sale at MAE (currently CCEE)	107,456	26,864	9,671	36,535	36,535
Unrealized gains on trading operations, net	44,437	11,109	3,999	15,108	14,685
Fair value adjustment in business combinations	33,053	8,263	2,975	11,238	11,801
Other	72,156	17,979	6,494	24,473	2,266
		1,094,368	**393,979**	**1,488,347**	**1,105,106**
Assets:					
Revenue from Return of Grant Bonus (RBO)	517,620	129,405	46,586	175,991	107,241
Unrealized losses on hedge operations	296,676	74,169	26,700	100,869	-
Retirement benefits obligations	137,855	34,464	12,407	46,871	44,311
Estimated losses with doubtful accounts	131,033	32,758	11,793	44,551	44,551
Provision for asset impairment	50,176	12,544	4,516	17,060	42,692
Fair value adjustment in business combinations	105,827	26,457	9,524	35,981	36,406
Civil, tax and labor provisions	92,076	23,019	8,287	31,306	29,566
Tax losses and social contribution tax loss carryforwards	1,674	419	150	569	13,801
Construction costs of transmission line	143,761	35,940	12,938	48,878	15,423
Interest on property, plant and equipment in progress (RIC)	34,040	8,510	-	8,510	9,037
Fair value adjustment of property, plant and equipment	28,528	7,132	2,568	9,700	10,355
Other	43,174	10,793	3,949	14,742	16,167
		395,610	**139,418**	**535,028**	**369,550**
Net amount		**698,758**	**254,561**	**953,319**	**735,556**
Classification in the balance sheet					
Liabilities		708,455	258,053	966,508	768,814
Assets [27]		(9,697)	(3,492)	(13,189)	(33,258)
Total		**698,758**	**254,561**	**953,319**	**735,556**

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

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

	Parent Company	Consolidated
Balance at 12.31.2018	**426,754**	**735,556**
Taxes deferred in profit or loss	98,147	217,518
Taxes deferred in other comprehensive income	-	245
Balance at 9.30.2019	**524,901**	**953,319**

c) Expected realization and required payments

The Company's Management prepares a forecast of future taxable income, considering its discounts at present value, demonstrating its capacity to realize tax credits in the fiscal years specified. Based on the technical study of taxable income forecasts, the Company expects to recover tax credits in the following fiscal years:

	Parent Company		Consolidated	
	Assets	Liabilities	Assets	Liabilities
October to December 2019	10,047	2,273	31,777	35,166
2020	34,612	97,721	44,842	122,634
2021	81,148	134,207	148,718	225,066
2022	65,343	136,011	82,609	168,947
2023	10,614	49,210	29,733	79,475
2024 to 2026	24,843	142,066	58,855	236,726
2027 to 2029	31,465	112,432	57,935	196,296
2030 to 2032	20,609	79,208	38,501	152,718
After 2033	3,892	54,346	42,058	271,319
	282,573	**807,474**	**535,028**	**1,488,347**

NOTE 20 – SHAREHOLDERS' EQUITY

a) Authorized capital stock

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

The Company has no treasury shares and did not perform any purchase and sale transactions involving shares of its own issuance in the periods ended 9.30.2019 and 12.31.2018.

b) Subscribed and paid-in capital

At 9.30.2019 and 12.31.2018, the Company's fully subscribed and paid-in capital was R$4,902,648, represented by 815,927,740 registered common shares without par value.

The book value of the share in Reais, at 9.30.2019, was R$9.28 (R$7.74 for each share at 12.31.2018).

The Company's ownership structure at 9.30.2019 and 12.31.2018 was as follows:

	% of capital	
Shareholders	**9.30.2019**	**12.31.2018**
ENGIE Brasil Participações Ltda.	68.71%	68.71%
Banco Clássico S.A.	9.86%	10.00%
Other shareholders	21.43%	21.29%
	100.00%	**100.00%**

As of 9.30.2019 and 12.31.2018, the Board of Directors, the Board of Executive Officers and the Audit Board held 487,673 and 473,548 Company shares, respectively.

c) Other comprehensive income

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

NOTE 21 – RECONCILIATION OF NET OPERATING REVENUE

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

	Parent Company			
	3rd Quarter		First 9 months	
	2019	**2018**	**2019**	**2018**
Gross operating income				
Electricity distributors	617,758	595,575	1,840,845	1,822,491
Electricity traders	346,412	630,007	1,417,606	1,721,214
Free consumers	101,385	73,453	297,571	210,730
Transactions in the short-term market	31,497	52,807	228,549	295,716
Services rendered	15,858	11,830	43,404	36,485
Other revenues	2,898	11,111	12,691	95,841
	1,115,808	**1,374,783**	**3,840,666**	**4,182,477**
Deductions from operating income				
PIS[28] and Cofins[29]	(99,633)	(121,752)	(344,906)	(365,522)
Research and development	(5,851)	(5,209)	(24,004)	(21,700)
ICMS[30]	(5,580)	(4,600)	(13,984)	(11,858)
ISSQN[31]	(838)	(600)	(2,230)	(1,822)
	(111,902)	**(132,161)**	**(385,124)**	**(400,902)**
Net operating revenue	**1,003,906**	**1,242,622**	**3,455,542**	**3,781,575**

[28] Social Integration Program.
[29] Contribution to Social Security Financing.
[30] State Tax on Sales of Goods and Services related to Interstate and Intercity Transport and Communication.
[31] Taxes on services of any nature.

	Consolidated			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Gross operating income				
Free consumers	898,709	873,130	2,600,373	2,497,487
Electricity distributors	998,464	734,018	2,703,627	2,221,594
Trading operations [32]	316,393	208,327	867,338	373,775
Transactions in the short-term energy market	104,224	552,079	441,975	902,562
Electricity traders	213,037	243,622	538,246	695,165
Services rendered	35,637	34,771	116,514	104,225
Other revenues	28,343	25,830	81,726	110,719
	2,594,807	**2,671,777**	**7,349,799**	**6,905,527**
Deductions from operating income				
PIS and Cofins	(234,479)	(248,751)	(669,993)	(636,473)
Research and development	(11,712)	(9,318)	(32,917)	(33,017)
ICMS	(8,807)	(4,604)	(18,249)	(11,863)
ISSQN	(839)	(608)	(2,235)	(1,830)
	(255,837)	**(263,281)**	**(723,394)**	**(683,183)**
Other				
Interest on concession financial asset	89,808	80,150	281,930	270,127
Revenue from construction of transmission infrastructure	65,338	-	101,019	-
	155,146	**80,150**	**382,949**	**270,127**
Net operating revenue	**2,494,116**	**2,488,646**	**7,009,354**	**6,492,471**

NOTE 22 – DETAIL OF OPERATING EXPENSES BY NATURE

	Parent Company			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Energy purchase				
Energy purchase for portfolio management	228,685	359,367	791,919	952,345
Transactions in the short-term energy market				
Short-term purchases	4,134	395,585	31,637	430,851
	232,819	**754,952**	**823,556**	**1,383,196**

[32] Energy trading operations affected gross operating income by R$ 867,338 in 9M19, with R$ 859,131 related to sales already made, R$ 6,958 from transactions in the short-term energy market and R$ 1,249 from unrealized gains from the mark-to-market adjustment of pending trading operations. The impact in the 3rd quarter of 2019 was R$ 316,393, with R$ 313,255 related to sales already made, R$ 1,889 from transactions in the short-term energy market and R $ 1,249 from unrealized gains from the mark-to-market adjustment of pending trading operations.

	Consolidated			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Energy purchase				
Energy purchase for portfolio management	416,911	461,883	1,153,130	1,270,829
Trading operations	298,596	195,832	784,259	352,233
	715,507	**657,715**	**1,937,389**	**1,623,062**
Transactions in the short-term energy market				
Short-term purchases	19,169	427,848	195,361	504,361
Trading operations	-	-	6,656	1,574
	19,169	**427,848**	**202,017**	**505,935**

a) Costs with operations and services rendered

	Parent Company			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Depreciation and amortization	70,078	69,750	209,098	209,364
Personnel	31,809	23,840	94,095	78,902
Royalties[33]	28,279	28,690	80,665	73,958
Third party materials and services	14,208	(2,385)	38,987	26,825
Fuels	-	5,176	-	23,307
(Reversal) Recording of provisions for operations, net	350	(10,416)	(2,788)	1,827
Other	13,762	5,718	43,746	30,192
	158,486	**120,373**	**463,803**	**444,375**
Classification in profit or loss				
Operating costs	150,297	115,004	442,068	427,020
Costs of services	8,189	5,369	21,735	17,355
	158,486	**120,373**	**463,803**	**444,375**

	Consolidated			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Depreciation and amortization	221,656	157,617	608,300	478,623
Third party materials and services	76,816	36,375	193,954	139,717
Personnel	73,066	50,455	196,647	155,811
Cost of implementation of transmission infrastructure	63,643	-	98,398	-
Fuels	49,319	90,698	88,767	151,147
Royalties	33,593	33,006	99,114	88,101
Recording (reversal) of provisions for operations, net	357	(10,411)	(2,552)	1,252
Other	35,657	22,702	121,533	65,660
	554,107	**380,442**	**1,404,161**	**1,080,311**
Classification in profit or loss				
Operating costs	545,908	375,063	1,382,388	1,062,922
Costs of services	8,199	5,379	21,773	17,389
	554,107	**380,442**	**1,404,161**	**1,080,311**

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

b) Selling, general and administrative expenses

	Parent Company			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Personnel and Management	35,370	25,584	95,044	75,697
Third party materials and services	9,558	7,818	36,561	32,375
Depreciation and amortization	3,797	2,706	11,344	7,794
Contributions and donations	1,574	468	5,581	3,624
Pension funds	1,799	1,473	5,704	4,796
Other	2,865	2,418	6,577	9,748
	54,963	**40,467**	**160,811**	**134,034**
Classification in profit or loss				
Selling expenses	3,699	(6,956)	11,262	(1,014)
General and administrative expenses	51,264	47,423	149,549	135,048
	54,963	**40,467**	**160,811**	**134,034**

	Consolidated			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Personnel and Management	36,646	26,893	98,973	77,522
Third party materials and services	10,585	9,008	41,131	35,034
Depreciation and amortization	4,131	2,738	12,241	7,842
Contributions and donations	2,634	1,251	8,557	5,834
Pension funds	1,799	1,473	5,704	4,796
Other	3,071	4,176	9,144	12,782
	58,866	**45,539**	**175,750**	**143,810**
Classification in profit or loss				
Selling expenses	5,406	(5,326)	15,924	2,866
General and administrative expenses	53,460	50,865	159,826	140,944
	58,866	**45,539**	**175,750**	**143,810**

NOTE 23 – FINANCIAL RESULT

	Parent Company			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Financial income				
Income from marketable securities	12,336	10,791	37,256	25,335
Interest on receivables	3,825	14,510	12,695	18,931
Monetary variation on judicial deposits	957	1,173	3,212	2,222
Income from restricted deposits	144	140	420	465
Other financial income	2,395	293	2,424	896
	19,657	**26,907**	**56,007**	**47,849**
Financial expenses				
Interest and monetary variation on				
Concessions payable	69,703	116,008	295,898	343,876
Debentures	71,878	33,564	181,784	76,086
Loans and financing	49,053	34,430	125,174	87,540
Fair value hedge on loans	12,738	19,977	46,025	52,351
Retirement benefit obligations	7,168	6,967	21,503	20,900
Provisions	1,216	2,681	5,106	5,449
Interest on leases	665	-	2,056	-
Other	14	1,123	859	2,774
Exchange variation on				
Loans	(238,693)	89,546	(194,612)	400,250
Fair value hedge on loans	238,693	(89,546)	194,612	(400,250)
Fair value adjustment	15,562	1,960	(13,666)	(10,812)
Other financial expenses	2,237	1,605	7,658	5,117
	230,234	**218,315**	**672,397**	**583,281**
Financial expenses, net	**210,577**	**191,408**	**616,390**	**535,432**

	Consolidated			
	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Financial income				
Income from marketable securities	28,370	23,842	72,879	60,121
Interest on receivables	6,633	16,101	20,759	24,088
Income from restricted deposits	4,621	3,753	12,249	10,800
Monetary variation on judicial deposits	984	1,201	3,280	2,286
Other financial income	2,530	1,283	2,741	4,526
	43,138	**46,180**	**111,908**	**101,821**
Financial expenses				
Interest and monetary variation on				
Concessions payable	71,232	117,706	301,383	349,585
Debentures and promissory notes	106,051	55,715	265,860	145,434
Loans and financing	116,251	23,390	233,754	54,912
Fair value hedge on loans	11,662	19,977	55,100	52,351
Retirement benefit obligations	7,168	6,967	21,503	20,900
Provisions	1,282	2,813	5,076	5,729
Leases	2,784	-	8,422	-
Other	1,218	9,537	6,729	11,968
Exchange variation on				
Loans	(238,693)	89,546	(194,612)	400,250
Fair value hedge on loans	238,693	(89,546)	194,612	(400,250)
Fair value adjustment	13,986	1,960	(1,651)	(10,812)
Other financial expenses	7,242	3,431	15,865	9,707
	338,876	**241,496**	**912,041**	**639,774**
Financial expenses, net	**295,738**	**195,316**	**800,133**	**537,953**

NOTE 24 – RECONCILIATION OF INCOME TAXES, IN THE INCOME STATEMENT

	Parent Company							
	3rd Quarter				First 9 months			
	2019		2018		2019		2018	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**827,996**	**827,996**	**489,796**	**489,796**	**2,055,509**	**2,055,509**	**1,880,748**	**1,880,748**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(206,999)**	**(74,520)**	**(122,449)**	**(44,082)**	**(513,877)**	**(184,996)**	**(470,187)**	**(169,267)**
Permanent differences								
Equity in net income of subsidiaries	141,285	50,863	111,514	40,145	228,372	82,214	217,058	78,141
Tax incentives	6,514	-	1,053	-	27,440	-	18,658	-
Other	(1,857)	(885)	(761)	(147)	(1,625)	(340)	(1,720)	(351)
	(61,057)	**(24,542)**	**(10,643)**	**(4,084)**	**(259,690)**	**(103,122)**	**(236,191)**	**(91,477)**
Breakdown of taxes in the income statement								
Current	13,555	2,253	10,531	3,474	(187,384)	(77,281)	(127,343)	(54,591)
Deferred	(74,612)	(26,795)	(21,174)	(7,558)	(72,306)	(25,841)	(108,848)	(36,886)
	(61,057)	**(24,542)**	**(10,643)**	**(4,084)**	**(259,690)**	**(103,122)**	**(236,191)**	**(91,477)**
Effective rate	**7.4%**	**3.0%**	**2.2%**	**0.8%**	**12.6%**	**5.0%**	**12.6%**	**4.9%**

	Consolidated							
	3rd Quarter				First 9 months			
	2019		2018		2019		2018	
	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution	Income Tax	Social Contribution
Income before taxes	**1,059,802**	**1,059,802**	**653,805**	**653,805**	**2,420,471**	**2,420,471**	**2,226,042**	**2,226,042**
Standard rates	25%	9%	25%	9%	25%	9%	25%	9%
Tax expense at standard rates	**(264,951)**	**(95,382)**	**(163,451)**	**(58,842)**	**(605,118)**	**(217,842)**	**(556,511)**	**(200,344)**
Permanent differences								
Tax incentives	18,395	-	20,374	-	53,039	-	46,183	-
Variation between the calculation base of taxable and presumptive profit tax regimes	16,380	5,556	12,659	4,202	37,011	12,709	26,649	8,520
Equity in net income of subsidiaries	5,282	1,902	-	-	(1,420)	(511)	-	-
Other	(2,920)	(1,357)	4,797	1,807	(3,592)	(1,182)	2,334	972
	(227,814)	**(89,281)**	**(125,621)**	**(52,833)**	**(520,080)**	**(206,826)**	**(481,345)**	**(190,852)**
Breakdown of taxes in the income statement								
Current	(102,804)	(44,344)	(75,053)	(34,701)	(360,013)	(149,375)	(283,913)	(122,086)
Deferred	(125,010)	(44,937)	(50,568)	(18,132)	(160,067)	(57,451)	(197,432)	(68,766)
	(227,814)	**(89,281)**	**(125,621)**	**(52,833)**	**(520,080)**	**(206,826)**	**(481,345)**	**(190,852)**
Effective rate	**21.5%**	**8.4%**	**19.2%**	**8.1%**	**21.5%**	**8.5%**	**21.6%**	**8.6%**

NOTE 25 – TRANSACTIONS WITH RELATED PARTIES

The Company has related-party transactions that are described in more details in Note 31 – Transactions with Related Parties in the financial statements as at 12.31.2018. The main transactions are:

- Purchase and sale of energy;
- Operation and maintenance;
- Administrative services;
- Guarantees;
- Accommodations and suretyships; and
- Loan between Ibitiúva and Andrade Açúcar e Álcool S.A.

There was no significant change in related-party transactions in the first nine months of 2019.

a) Amounts recognized in balance sheet accounts – Parent Company

	ASSETS			LIABILITIES		
	Accounts receivable			Supplier		IOE[34]
	Energy	Services and other	Dividends	Energy	Other	Dividends
9.30.2019						
EBC	203,985	14,856	-	23,199	-	-
Jaguara	4,886	3,534	152,519	10,941	-	-
ECP and subsidiaries	3,365	21,240	5,834	-	-	-
Diamante	-	19,728	-	-	91	-
Itasa	-	4,034	-	9,455	-	-
Miranda	-	1,801	98,069	4,813	-	-
ENGIE Participações	-	508	-	-	-	-
Other	-	4,803	-	1,563	429	-
Total	**212,236**	**70,504**	**256,422**	**49,971**	**520**	**-**
12.31.2018	**182,908**	**46,175**	**61,468**	**320,457**	**529**	**1,467,847**

[34] Interest on equity.

b) Amounts recognized in the income statement – Parent Company

	Revenue			Cost	Expense
	Sale of energy	O&M Services	Administrative services	Energy purchase	Third party services
3rd quarter of 2019					
EBC	277,163	-	103	67,743	-
Miranda	-	-	-	14,401	-
Pampa Sul	12,527	-	103	-	-
Jaguara	14,968	-	-	41,600	-
ECP subsidiaries	-	-	1,027	1	-
Diamante	-	-	2,412	2,231	-
Itasa	-	4,772	-	26,313	-
Ceste	-	4,559	812	-	-
CEE	-	-	103	-	-
ESBR[35]	-	-	-	4,349	-
Other	-	-	1,806	-	1,031
Total	**304,658**	**9,331**	**6,366**	**156,638**	**1,031**
3rd quarter of 2018	**581,750**	**7,531**	**1,348**	**285,616**	**583**

	Revenue			Cost	Expense
	Sale of energy	O&M Services	Administrative services	Energy purchase	Third party services
First 9 months of 2019					
EBC	1,172,129	-	307	83,918	-
Miranda	24,330	-	-	71,848	-
Pampa Sul	22,476	-	307	7,082	-
Jaguara	16,536	-	-	94,003	-
ECP subsidiaries	11,444	-	3,068	21,425	-
Diamante	8,431	-	2,616	209,896	-
Itasa	-	14,123	-	79,731	-
Ceste	-	15,769	812	-	-
CEE	-	-	307	-	-
ESBR	-	-	-	11,227	-
Other	3,166	-	3,860	-	2,609
Total	**1,258,512**	**29,892**	**11,277**	**579,130**	**2,609**
First 9 months of 2018	**1,604,362**	**29,051**	**4,487**	**731,689**	**1,227**

c) Remuneration of key management personnel

The remuneration of key Management personnel, composed of Statutory Executive Board, Board of Directors and Fiscal Council, was approved at the Annual and Extraordinary Shareholders Meeting held on 4.26.2019, and is presented below:

	3rd Quarter		First 9 months	
	2019	2018	2019	2018
Fixed compensation	2,905	2,827	7,417	7,498
Variable compensation	2,936	1,833	4,445	5,632
Payroll charges	778	771	2,091	1,921
Other	345	335	1,108	1,196
	6,964	**5,766**	**15,061**	**16,247**

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NOTE 26 – INSURANCE

a) Operating and lost profit risks

The Company is part of the Property Damage and Business Interruption (PDBI) insurance policy, which make up the corporate insurance program of its parent company ENGIE, except for the Umburanas Wind Complex – Phase I, which has an individual insurance policy of R$1,663,000. The PDBI policy is in effect until 5.31.2020, while the Umburanas Wind Complex – Phase I's policy is in force until 12.31.2019, and the risks covered amounted to R$14,068,816 in the parent company and R$33,875,801 in the consolidated, namely:

	Parent Company		Consolidated	
Type of plant	Material damages	Loss of profit	Material damages	Loss of profit
Hydroelectric power plants	10,196,817	3,821,654	14,773,163	4,337,046
Thermal power plants	-	-	5,051,842	2,707,076
Complementary plants (wind, solar, biomass and SHPP)	49,291	1,054	5,535,401	1,471,273
	10,246,108	**3,822,708**	**25,360,406**	**8,515,395**

On 7.31.2019, the Pampa Sul Thermal Power Plant was added to the PDBI policy, expanding the coverage of material damages and loss of profits by R$1,912,959 and R$1,353,730, respectively.

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

b) Engineering risks

The insurance for Gralha Azul and Campo Largo Wind Complex – Phase II projects are under contracting process.

c) Other coverages

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

d) Accidents

In April 2018, there was an accident at a generation unit of the Jaguara Hydroelectric Power Plant, causing long-term loss of profits and material damages. The unit was shut down until December 2018. The indemnification estimates for damages and loss of profits are R$17 million and R$24 million, respectively. Of this amount, in March 2019, the Company received the amount related to loss of profits. The recognition of this amount in profit or loss will occur simultaneously with the effects from the loss of revenue resulting from the accident.

NOTE 27 – LONG-TERM COMMITMENTS

The Company has long-term agreements that are described in Note 33 – Long-term commitments in the financial statements as of 12.31.2018.

The Company's main long-term commitments are:

- Power grid connection agreement;
- Transmission and Distribution System Use Agreement (CUST and CUSD);
- Operation and maintenance agreements;
- Bilateral power purchase and sale agreements;
- Plant modernization agreements;
- Ongoing construction agreements; and
- Renegotiation of hydrological risk.

In the first quarter of 2019, the Company, through its indirect subsidiaries in the Campo Largo Wind Complex – Phase II, signed a long-term agreement to supply 86 wind turbines, related to the construction of the Complex, whose future commitments at 9.30.2019 totaled R$1,005,130. The Company estimates that this amount will be realized in 2020 and 2021, at R$954,397 and R$50,733, respectively. The Company is in the final phase of negotiations with suppliers for construction and electromechanical works. The operational startup of the Complex is scheduled for early 2021.

Apart from this agreement, there was no significant change in the long-term commitments in the first 9 months of 2019.

NOTE 28 – ADDITIONAL CASH FLOW INFORMATION

The following complementary cash low transactions were as follows:

	Parent Company		Consolidated	
	9.30.2019	9.30.2018	9.30.2019	9.30.2018
Dividends from subsidiaries	426,424	379,688	-	-
Offset of suppliers with capital reduction and dividends from subsidiaries	193,462	-	-	-
Income tax and social contribution offset	10,462	4,324	17,964	13,069
Capitalized interest and monetary variation	-	-	148,016	212,082
Capital increase in subsidiary through inventories and property, plant and equipment	-	(562,431)	-	-
Acquisition of non-current asset held for sale	-	(48,038)	-	(48,038)
Transfer of property, plant and equipment to other non-current assets	(2,926)	-	(2,926)	-
Estimate for future disbursements for investment in property, plant and equipment	(2,507)	(29,023)	137,116	(27,679)
Suppliers of fixed and intangible assets	(480)	(10,000)	(107,994)	100,549

NOTE 29 – SUBSEQUENT EVENTS

a) Interim dividends and interest on equity

At the meeting held on 11.5.2019, the Board of Directors approved the distribution of interim dividends based on the financial statements as of 6.30.2019, in the amount of R$893,400, corresponding to R$1.0949497919 per share, equivalent to 100% of the adjusted net income from the 1st half of 2019.

It also approved the credit of interest on equity related to the period from January 1 to December 31, 2019, in the gross amount of R$354,000, corresponding to R$0.4338619496 per share. The credit of interest on equity will be recorded in the Company's books on 12.31.2019, for shareholders of record on 12.2.2019. The interest, net of withholding income tax, will be calculated towards the minimum mandatory dividends and will be paid based on the shareholder information available with Itaú Unibanco Banco Múltiplo S.A.

The Company's shares will be traded ex-dividends and ex-interest on equity as of 12.3.2019, and the payment dates will be defined later by the Executive Board and informed through a Notice to Shareholders.

b) New financing for establishment of Umburanas Wind Complex – Phase I

On 10.29.2019, the Company signed a financing agreement with BNDES for the construction of the Umburanas Wind Complex – Phase I. This financing, approved by the Company's Board of Directors, in the amount of R$1.26 billion, with amortization over 230 months, represents around 78% of the project items eligible for financing. Compensatory interest on principal corresponds to IPCA + 3.91% p.a.

ACCOUNTING DEPARTMENT

Marcelo Cardoso Malta
Accountant - CRC RJ 072259/O-5 T-SC

Comments on Business Projections

Identification of projections

a. Purpose of projection

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

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

• Investments financed with own capital, including acquisitions, and

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

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

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

b. Period projected and projection term

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

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

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

• Schedule for maintenance of the generating units;

• Diagnosis of equipment;

• Regulatory obligations; and

• Strategic initiatives.

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

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

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

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

The estimated and actual amounts for the quarter ended 9.30.2019 are presented below. These amounts are expressed in millions of Brazilian real and do not include interest on financing that were capitalized during the construction of the plants.

d.1 Third quarter of 2019

Estimate for the years 2019, 2020 and 2021, announced in the second quarter of 2019:

Description \ Projection period	**2019**	**2020**	**2021**
Financed with debt	6,390	1,342	225
Financed with own capital[1]	(826)	1,283	755
Total	**5,564**	**2,625**	**980**

Estimate for the years 2019, 2020 and 2021, announced in the third quarter of 2019:

Description \ Projection period	**2019**	**2020**	**2021**
Financed with debt	6,390	1,342	225
Financed with own capital[1]	(893)	781	840
Total	**5,497**	**2,123**	**1,065**

Changes in the estimates informed for the years2019, 2020 and 2021between the second and third quarters of 2019:

Description \ Projection period	**2019**	**2020**	**2021**
Financed with debt	-	-	-
Financed with own capital	(67)	(502)	85
Total	**(67)**	**(502)**	**85**

Analysis of material changes:

Changes in relation to the last reporting period were largely due to the updates of physical and financial schedules of Gralha Azul Transmission Line and the Campo Largo Wind Complex – Phase II, the conclusion of the acquisition of ownership interest in Aliança Transportadora de Gás S.A. ("Aliança"), which acquired 90% ownership interest in Transportadora Associada de Gás S.A. ("TAG"), the review of projects related to the Pampa Sul Thermal Power Plant and review of projects related to the maintenance of the Company's generating complex.

The updated forecasts mainly refer to:

- 2019: the acquisition of ownership interest in Aliança, company acquiring 90% of interest in TAG in the 2nd quarter of 2019, the completion of the Pampa Sul Thermal Power Plant and Umburanas – Phase I, the construction of the Campo Largo Wind Power Complex – Phase II and the Gralha Azul Energy Transmission Line, the modernization of Salto Osório HPP and the maintenance of the Company's generation park;

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

- 2020: the construction of Gralha Azul Energy Transmission Line and Campo Largo Wind Complex – Phase II, and the maintenance of the Company's generation park;
- 2021: the construction of the Gralha Azul Energy Transmission Line and Campo Largo II Wind Power Complex projects, as well as the maintenance of the Company's generation park.

Investments made until the 3rd quarter of 2019:

In the first nine months of 2019, the Company invested R$4,648.1 million, of which (i) R$3,469.1 million refer to the acquisition of ownership interest in Aliança, acquirer of 90% of ownership interest in TAG; (ii) R$1,061.9 million invested in the construction new projects, as follows: R$376.5 million in Umburanas Wind Power Complex – Phase I, R$325.8 million in the construction of Pampa Sul Thermal Power Plant, R$163.2 million in Campo Largo Wind Complex – Phase II, R$108.4 million in Gralha Azul Energy Transmission Line and R$88.0 million in Campo Largo Wind Power Complex – Phase I; (iii) R$84.4 million was allocated to maintenance and renovation projects of the generation facilities; and (iv) R$31.9 million was allocated for modernization of Salto Santiago and Salto Osório Hydroelectric Power Plants.

Other Relevant Information

Other Relevant Information

There is no other information considered relevant by the Company.

Opinions and Statements / Special Review Report - Unqualified

To the Shareholders and Managers of

Engie Brasil Energia S.A.

Florianópolis - SC

Introduction

We have reviewed the interim, separate and consolidated financial information of Engie Brasil Energia S.A. (“Company”), identified as Parent Company and Consolidated, respectively, contained in the Quarterly Information – ITR Form for the quarter ended September 30, 2019, which comprise the balance sheet as of September 30, 2019 and the related statements of income, comprehensive income for the three- and nine-month periods then ended, changes in shareholders' equity and cash flows for the nine-month period then ended, including other explanatory notes.

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

Scope of review

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

Conclusion

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

Other matters

Value added statement

The interim financial information referred to above includes parent company and consolidated value added statements for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company management and presented as additional information in compliance with international standard IAS 34. These statements were reviewed together with the Quarterly Information (ITR Form) to ensure that they are in compliance with the interim financial information and accounting records, as applicable, and if their form and content are in compliance with the criteria defined in the technical pronouncement CPC 09 – Demonstração do Valor Adicionado. Based on our review, we are not aware of any other event that make us believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria defined in this standard and consistent with the parent company and consolidated interim financial information taken as a whole.

Joinville, November 5, 2019

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

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

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Generation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Júlio César Lunardi

Chief Administrative Officer

Florianópolis, November 5, 2019

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

STATEMENT OF THE EXECUTIVE OFFICERS OF THE COMPANY

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

Eduardo Antonio Gori Sattamini

Chief Executive and Investor Relations Officer

Marcelo Cardoso Malta

Chief Financial Officer

Gabriel Mann dos Santos

Chief Energy Commercialization Officer

Guilherme Slovinski Ferrari

Chief Business Development, Strategy and Innovation Officer

José Luiz Jansson Laydner

Chief Generation Officer

Marcos Keller Amboni

Chief Regulation and Market Officer

Júlio César Lunardi

Chief Administrative Officer

Florianópolis, November 5, 2019