NEOENERGIA

Consolidated Interim Financial Statements

June 30, 2020



Rio de Janeiro, July 21, 2020 – Today, Neoenergia discloses its results for the 2020 second quarter and first six months (2Q20 and 6M20).

NEOENERGIA

HIGHLIGHTS (R$ MM) 2Q20	2Q20	2Q19	Δ %	6M20	6M19	Δ %
Net Operating Revenue	6,580	6,573	0%	13,358	13,487	(1%)
Gross Margin	2,037	2,205	(8%)	4,427	4,354	2%
Operating Expenses (PMSO)	(711)	(772)	(8%)	(1,465)	(1,542)	(5%)
EBITDA	1,106	1,362	(19%)	2,631	2,699	(3%)
Financial Results	(169)	(371)	(54%)	(483)	(663)	(27%)
Net Profit	423	519	(18%)	999	1,011	(1%)
Concession Financial Assets (VNR)	(57)	79	(172%)	14	206	(93%)
IRFS 15	121	57	112%	222	97	129%
OPERATING INDICATORS						
Volume of energy injected (GWh)	15,119	16,605	(8.9%)	32,543	34,012	(4.3%)
Captive + Free market (GWh)	13,338	14,542	(8.3%)	28,164	29,407	(4.2%)
Captive Market (GWh)	9,963	10,835	(8.0%)	20,894	22,159	(5.7%)
Number of customers (thousand)	14,141	13,922	1.6%			

Debt Financial Indicators	2Q20	2019	Variation
Net Debt[1]/EBITDA[2]	3.07	3.00	0.1
EBITDA/Financial Income[2]	4.87	4.27	0.6
Corporate Rating (S&P)	AAA	AAA	

[1] Cash, financial investments and securities Debt

[2] EBITDA and Financial Income 12 months

NETWORKS

RENEWABLES

LIBERALIZED

HIGHLIGHTS

- **15,119 GWh of energy injected in 2Q20 (-8.95% vs. 2Q19) and 32.543 GWh in 6M20 (-4.32% vs. 6M19), impacted by the effects of Covid-19 on economic activity;**
- **Operating expenses of R$ 711 million in 2Q20 (-8% vs. 2Q19) and R$ 1.5 billion in 6M20 (-5% vs. 6M19), absorbing inflation for the period, growth in the distributors' customer base and the increase in headcount due to the insourcing processes at distributors;**
- **EBITDA of R$ 1.1 billion in 2Q20 (-19% vs. 2Q19) and R$ 2.6 billion in 6M20 (-3% vs. 6M19), impacted by the effects of Covid-19 on economic activity;**
- **Profit of R$ 423 million in 2Q20 (-18% vs. 2Q19) and R$ 999 million in 6M20 (-1% vs. 6M19), impacted by the effects of Covid-19 on economic activity;**
- **CAPEX of R$ 2.3 billion in 6M20;**
- **Leverage | Net Debt/EBITA 3.07 in 6M20;**
- **Negative impacts of Covid-19 on EBITDA| Distribution (market and default) and trade: R$ 292 million (2Q20) and R$ 312 million (6M20);**
- **On July 3rd, Neoenergia distributors adhered to Conta-Covid (Covid Account) in the total amount of R$ 1.7 billion.**

2Q20 TELECONFERENCE
Wednesday, July 22, 2020
Time: 10:00 (BRT) | 09:00 (EST)
(with simultaneous translation into English)
Telephone number for connecting: +55 11 4210-1803 or +55 11 3181-8565
EUA/Canada: (Toll Free) +1 844 204-8942 – **(Dial In)** +1 412 717-9627
Other Countries: +1 412 717-9627 or +55 (11) 3181-8565
Password: Neoenergia
Access to Webcast: https://choruscall.websiteseguro.com/neoenergia/2t20.htm

NEOENERGIA S.A., PRESENTS THE SECOND QUARTER RESULTS (2Q20) BASED ON MANAGEMENT ANALYSIS, WHICH THE BOARD UNDERSTANDS TO TRANSLATE THE COMPANY'S BUSINESS IN THE BEST MANNER, CONCILIATED WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS).

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1. ECONOMIC-FINANCIAL PERFORMANCE

1.1. Consolidated

CONSOLIDATED STATEMENT OF INCOME (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Operating Revenue [1]	6,580	6,573	7	-	13,358	13,487	(129)	(1%)
Energy Costs [2]	(4,486)	(4,447)	(39)	1%	(8,945)	(9,339)	394	(4%)
Gross Margin w/out VNR	**2,094**	**2,126**	**(32)**	**(2%)**	**4,413**	**4,148**	**265**	**6%**
Concession Financial Assets (VNR)	(57)	79	(136)	(172%)	14	206	(192)	(93%)
GROSS MARGIN	**2,037**	**2,205**	**(168)**	**(8%)**	**4,427**	**4,354**	**73**	**2%**
Operating Expenses (PMSO)	(711)	(772)	61	(8%)	(1,465)	(1,542)	77	(5%)
Provision for Doubtful Receivables (PECLD	(209)	(71)	(138)	194%	(317)	(139)	(178)	128%
(+) Equity Accounting	(11)	-	(11)	-	(14)	26	(40)	(154%)
EBITDA	**1,106**	**1,362**	**(256)**	**(19%)**	**2,631**	**2,699**	**(68)**	**(3%)**
Depreciation	(400)	(373)	(27)	7%	(780)	(718)	(62)	9%
Financial Income (Loss)	(169)	(371)	202	(54%)	(483)	(663)	180	(27%)
IR/CS	(102)	(78)	(24)	31%	(335)	(268)	(67)	25%
Minority shareholding	(12)	(21)	9	(43%)	(34)	(39)	5	(13%)
NET INCOME	**423**	**519**	**(96)**	**(18%)**	**999**	**1,011**	**(12)**	**(1%)**

[1] Considers Construction Revenues

[2] Considers Construction Costs

As expressed in Technical Guideline CPC 08, the recognition and measurement of the variations between the unmanageable costs actually incurred in relation to the approved tariffs are always classified in the Operating Revenue line as Amounts Receivable/Returnable from Parcel A and Other Financial Items. Considering that a large portion of Parcel A is recorded as energy cost, the isolated analysis of variations in revenue and cost may lead to distortions in the interpretation of the period's result. Accordingly, the Company believes it is more appropriate to explain the variations in the result based on Gross Margin.

Neoenergia recorded Gross Margin of R$ 2,037 million in 2Q20, a reduction of R$ 168 million vs. 2Q19, impacted by the effects of Covid-19 (of which -R$ 151 million at distributors and -R$ 14 million at commercialization due to reduced consumption by customers on the free market and the renegotiation of final customer agreements for changing billing) and Concession Financial Assets (-R$ 136 million) due to lower IPCA in 2Q20 vs.2Q19 (-1.14p.p.). These impacts were minimized by the effects of the April 2020 Annual Tariff Resets of Coelba, Celpe and Cosern, which are already being recorded in income, although the impact for the consumer was postponed to July 1st and by effects of Elektro's August 2019 Periodic Tariff Review, in addition to the application of IFRS15 of R$ 121 million in transmission in 2Q20 (+R$ 64 million vs. 2Q19).

In the semester, Gross Margin was R$ 4,427 million in 6M20, an increase of R$ 73 million vs. 6M19, impacted by the increase in customer base, the effects of the Annual Tariff Resets of April 2019 and April 2020 of Coelba, Celpe and Cosern and the effects of the Periodic Tariff Review of Elektro in August 2019, in addition to the application of R$ 222 million of IFRS15 in transmission in 2Q20 (+R$ 125 million vs. 2Q19). These effects were lessened by the negative impacts of Covid-19 (as mentioned in the paragraph above) and by the Concession Financial Asset (-R$ 192 million) due to lower IPCA in the period.

Neoenergia Operating Expenses totaled R$ 711 million in 2Q20 (-8.0% vs. 2Q19) and R$ 1,465 million in 6M20 (-5% vs. 6M19), proving cost discipline that was able to absorb both inflation and the growth of the distributors' customer base (+1.6% vs. 2Q19) and the increase in headcount due to the process of insourcing of the distributors' operating activities.

In 2Q20, Provision for Doubtful Receivables totaled R$ 209 million, an increase of R$ 138 million vs. 2Q19, of which R$ 127 million on account of Covid-19 (increase in overdue Accounts Receivable at distributors). In the semester, Provision for Doubtful Receivables was R$ 317 million, of which R$ 147 million reflects the impacts of Covid-19 and the receivable profile overdue for more than 90 days, as presented in the Collection and Default section.

It should be added that there was a negative impact of R$ 11 million in equity accounting in 2Q20 vs. 2Q19, explained by the smaller contribution of Belo Monte, due to the transmission restriction, which has caused the ACL energy to be settled to the Northern PLD. In 6M20, variation of R$ 40 million vs. 6M19 is also due to lower contribution from Belo Monte since, in addition to the effects highlighted in the quarter, it is worth mentioning the recording of R$ 17 million in 1Q19 regarding the difference in deferred taxes in Belo Monte.

As a result of the abovementioned effects, EBITDA ended 2Q20 at R$ 1,106 million, a reduction of R$ 256 million vs. 2Q19, of which -R$ 292 million refer to the impacts of Covid-19, lessened by the application of R$ 121 million of IFRS15 in transmission. In the semester, EBITDA was R$ 2,631 million, a reduction of R$ 68 million vs. 6M19, of which -R$ 312 million refer to impacts of Covid-19, lessened by the application of R$ 222 million of IFRS15 in transmission.

Neoenergia recorded net income of R$ 423 million in 2T20 (-18% vs. 2Q19) and R$ 999 million in 6M20 (-1% vs. 6M19), softened by postponement of the JSCP declaration in the four distributors, with a negative impact of R$ 56 million, to be captured by the end of the year, depending on the evolution of Covid-19

1.2. Networks

The result of the Networks segment includes the performance of both distributors and transmission assets.

STATEMENT OF INCOME (DRE) NETWORKS (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	6,331	6,170	161	3%	12,848	12,671	177	1%
Energy Costs	(4,555)	(4,358)	(197)	5%	(9,043)	(9,076)	33	(0%)
Gross Margin w/out VNR	**1,776**	**1,812**	**(36)**	**(2%)**	**3,805**	**3,595**	**210**	**6%**
Concession Financial Assets (VNR)	(57)	79	(136)	(172%)	14	206	(192)	(93%)
Gross Margin	**1,719**	**1,891**	**(172)**	**(9%)**	**3,819**	**3,801**	**18**	**0.5%**
Operating Expenses (PMSO)	(575)	(642)	67	(10%)	(1,206)	(1,309)	103	(8%)
PECLD	(209)	(70)	(139)	199%	(317)	(133)	(184)	138%
EBITDA	**935**	**1,179**	**(244)**	**(21%)**	**2,296**	**2,359**	**(63)**	**(3%)**
Depreciation	(290)	(265)	(25)	9%	(570)	(519)	(51)	10%
Financial Income (Loss)	(150)	(298)	148	(50%)	(409)	(579)	170	(29%)
IR CS	(111)	(75)	(36)	48%	(321)	(242)	(79)	33%
NET INCOME	**384**	**541**	**(157)**	**(29%)**	**996**	**1,019**	**(23)**	**(2%)**
IFRS15	**121**	**57**	**64**	**112%**	**222**	**97**	**125**	**129%**

The Networks segment ended 2Q20 with a Gross Margin of R$ 1,719 million, a reduction of R$ 172 million vs. 2Q19, impacted by the effects of Covid-19 (market impact of -R$ 151 million) and by Concession Financial Assets (-R$ 136 million) due to lower IPCA in 2Q20 vs. 2Q19 (-1.14p.p.), and lessened by the effects of the April 2020 Annual Tariff Resets of Coelba, Celpe and Cosern, which are already recorded in the result although the impact for the consumer was postponed until July 1st and by effects of Elektro's August 2019 Periodic Tariff Review, in addition to the application of R$ 121 million of IFRS15 in the transmission.

In the semester, the Gross Margin - which recorded R$ 3,819 million - remained practically stable, with an increase of R$ 18 million (+0.5% vs. 6M19), also impacted by the effects of Covid-19 (-R$ 151 million market) and Concession Financial Assets (-R$ 192 million vs. 6M19), lessened by the expansion in customer base, the effects of the Annual Tariff Resets of April 2019 and April 2020 of Coelba, Celpe and Cosern, and by effects of Elektro's August 2019 Periodic Tariff Review, in addition to the application of R$ 222 million of IFRS in transmission.

As to the Operating Expenses of the segment, R$ 575 million were recorded in 2Q20 (-10% vs. 2Q19) and R$ 1,206 million in 6M20 (-8% vs. 6M19), absorbing both the growth of distributors customer base (+1.6% vs. 2Q19) regarding inflation for the period and the increase in headcount due to the insourcing processes of distributors, proving cost discipline.

In 2Q20, Provision for Doubtful Receivables totaled R$ 209 million, an increase of R$ 139 million vs. 2Q19, of which R$ 127 million due to Covid-19 (increase in Accounts Receivable overdue at distributors). In the semester, Provision for Doubtful Receivables was R$ 317 million, of which R$ 147 million reflects the Covid-19 impacts and the receivable profile overdue for more than 90 days, as presented in the Collection and Default section.

As a result of the abovementioned effects, Network EBITDA ended 2Q20 at R$ 935 million, a reduction of R$ 244 million vs. 2Q19, of which -R$ 278 million refer to Covid-19 impacts, lessened by the application of R$ 121 million of IFRS15 in transmission. In the semester, EBITDA was R$ 2,296 million, a decrease of R$ 63 million vs. 6M19, of which –R$ 298 million refer to impacts of Covid-19, lessened by the application of R$ 222 million of IFRS15 in transmission.

The Networks segment recorded Net Income in 2Q20 of R$ 384 million (-29.0% vs. 2Q19) and R$ 996 million in 6M20 (-2% vs. 6M19), softened by postponement of the JSCP declaration in the four distributors, with a negative impact of R$ 56 million, to be captured by the end of the year, depending on the evolution of Covid-19.

1.2.1. COELBA

DRE COELBA (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	2,313	2,405	(92)	(4%)	4,774	4,870	(96)	(2%)
Energy Costs	(1,569)	(1,571)	2	(0%)	(3,165)	(3,269)	104	(3%)
Concession Financial Assets (VNR)	(28)	42	(70)	(167%)	10	109	(99)	(91%)
Gross Margin	**716**	**876**	**(160)**	**(18%)**	**1,619**	**1,710**	**(91)**	**(5%)**
Operating Expenses (PMSO)	(243)	(284)	41	(14%)	(520)	(569)	49	(9%)
PECLD	(65)	(24)	(41)	171%	(98)	(46)	(52)	113%
EBITDA	**408**	**568**	**(160)**	**(28%)**	**1,001**	**1,095**	**(94)**	**(9%)**
Depreciation	(137)	(122)	(15)	12%	(268)	(237)	(31)	13%
Financial Income (Loss)	(68)	(125)	57	(46%)	(185)	(241)	56	(23%)
IR CS	(29)	(26)	(3)	12%	(100)	(91)	(9)	10%
NET INCOME	**174**	**295**	**(121)**	**(41%)**	**448**	**526**	**(78)**	**(15%)**

Coelba ended 2Q20 with Gross Margin of R$ 716 million, a reduction of 18% compared to 2Q19, impacted by the effects of Covid-19 (market impact of -R$ 88 million) and by Concession Financial Assets (-R$ 70 million), lower IPCA in 2Q20 vs.2Q19 (-1.14p.p.), and lessened by the effects of the April 2020 Annual Tariff Reset, which is already recorded in the result, although the impact for the consumer was postponed to July 1. In the first half, the drop in Gross Margin - which reached R$ 1,619 million in 6M20 - was -5% vs. 6M19, also impacted by the effects of Covid-19 (-R$ 88 million) and Concession Financial Assets (-R$ 99 million vs. 6M19), minimized by the growth in customer base and the effects of the April 2019 and April 2020 Annual Tariff Resets.

Coelba's Operating Expenses were R$ 243 million in 2Q20 (-14% vs. 2Q19) and R$ 520 million in 6M20 (-9% vs. 6M19). The company continues to absorb both the growth in customer base (+1.8% vs. 2Q19) and the inflation for the period and follows its plan to insource operating processes.

In 2Q20, Provision for Doubtful Receivables totaled R$ 65 million, an increase of R$ 41 million vs. 2Q19, of which R$ 37 million due to Covid-19 (increase in due receivables). In the semester, Provision for Doubtful Receivables was R$ 98 million, of which R$ 41 million reflects the Covid-19 impacts and the receivable profile overdue for more than 90 days, as presented in the Collection and Default section.

Still on PECLD, it is important to remember that since 3Q19, the Company has adopted a more objective stance in provisioning based on the history of payment behavior, by customer class (aging) in the last 60 months, structured in 4 portfolios: (i) non-installment portfolio, (ii) installment portfolio, (iii) Fraud portfolio (retroactive billing resulting from inspection actions to combat losses) and (iv) Legal portfolio (overdue debts that are now being dealt with in court).

Coelba's EBITDA in 2Q20 was R$ 408 million, a reduction of R$ 160 million vs. 2Q19, of which -R$ 125 million was due to Covid-19 and -R$ 70 million due to lower Concession Financial Assets. In 6M20, EBITDA was R$ 1.0 billion, a reduction of R$ 94 million vs. 6M19, of which -R$ 129 million was due to Covid-19 and -R$ 99 million due to lower Concession Financial Assets.

The company recorded Net Income of R$ 174 million (-41% vs. 2Q19), impacted by Covid-19 and lower Concession Financial Assets. In the semester, Coelba recorded Net Income of R$ 448 million (-15% vs. 6M19), also impacted by Covid-19, lower Concession Financial Assets and by postponement of JSCP (R$ 37 million), to be captured by the end of the year, depending on the evolution of Covid-19.

1.2.2. CELPE

DRE CELPE (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	1,432	1,367	65	5%	2,956	2,969	(13)	(0%)
Energy Costs	(1,088)	(982)	(106)	11%	(2,191)	(2,201)	10	(0%)
Concession Financial Assets (VNR)	(10)	15	(25)	(167%)	2	39	(37)	(95%)
Gross Margin	**334**	**400**	**(66)**	**(17%)**	**767**	**807**	**(40)**	**(5%)**
Operating Expenses (PMSO)	(146)	(173)	27	(16%)	(328)	(353)	25	(7%)
PECLD	(82)	(24)	(58)	242%	(127)	(47)	(80)	170%
EBITDA	**106**	**203**	**(97)**	**(48%)**	**312**	**407**	**(95)**	**(23%)**
Depreciation	(70)	(62)	(8)	13%	(137)	(125)	(12)	10%
Financial Income (Loss)	(41)	(89)	48	(54%)	(126)	(175)	49	(28%)
IR CS	1	(9)	10	(111%)	(14)	(26)	12	(46%)
NET INCOME	**(4)**	**43**	**(47)**	**(109%)**	**35**	**81**	**(46)**	**(57%)**

Celpe ended 2Q20 with Gross Margin of R$ 334 million, a reduction of 17% compared to 2Q19, impacted by the effects of Covid-19 (market impact of -R$ 19 million) and by Concession Financial Assets (-R$ 25 million) due to lower IPCA in 2Q20 vs.2Q19 (-1.14p.p.), and lessened by the effects of the April 2020 Annual Tariff Reset, which is already recorded in income although the impact for the consumer was postponed to July 1. In the first half, the drop in Gross Margin - which recorded R$ 767 million in 6M20 - was -5% vs. 6M19, also impacted by the effects of Covid-19 (-R$ 19 million) and Concession Financial Assets (-R$ 37 million vs. 6M19), lessened by the customer base growth and the effects of the April 2019 and April 2020 Annual Tariff Resets.

Celpe's Operating Expenses in 2Q20 were R$ 146 million (-16% vs. 2Q19) and R$ 328 million in 6M20 (-7% vs. 6M19). The company continues to absorb both the growth of customer base (+ 1.5% vs. 6M19) and the inflation for the period and continues its plan to insource operating processes.

In 2Q20, Provision for Doubtful Receivables totaled R$ 82 million, an increase of R$ 58 million vs. 2Q19, of which R$ 48 million due to Covid-19 (increase in overdue Accounts Receivable). In the semester, Provision for Doubtful Receivables was R$ 127 million, an increase of R$ 80 million vs. 6M19, of which R$ 59 million reflects Covid-19 impacts and the receivable profile overdue for more than 90 days, as presented in the Collection and Default section.

Still on PECLD, it is important to remember that since 3Q19, the Company has adopted a more objective stance in provisioning based on the history of payment behavior, by customer class (aging) in the last 60 months, structured in 4 portfolios: (i) non-installment portfolio, (ii) installment portfolio, (iii) Fraud portfolio (retroactive billing resulting from inspection actions to combat losses) and (iv) Legal portfolio (overdue debts that are now being dealt with in court).

Celpe's EBITDA in 2Q20 was R$ 106 million, a decrease of R$ 97 million vs. 2Q19, of which -R$ 67 million was due to Covid-19 and -R$ 25 million due to the lowest Concession Financial Assets. In 6M20, EBITDA was R$ 312 million, a reduction of R$ 95 million vs. 6M19, of which -R$ 77 million was due to Covid-19 and -R$ 37 million due to lower Concession Financial Assets.

The company recorded a Net Income of -R$ 4 million in 2Q20 (-109% vs. 2Q19), impacted by Covid-19 and lower Concession Financial Assets. In the semester, Celpe presented Net Income of R $ 35 million (-57% vs. 6M19), also impacted by Covid-19, lower Concession Financial Assets and by postponement of JSCP (R$ 12 million), to be captured by the end of the year, depending on the evolution of Covid-19.

1.2.3. COSERN

DRE COSERN (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	602	610	(8)	(1%)	1,222	1,290	(68)	(5%)
Energy Costs	(417)	(433)	16	(4%)	(836)	(949)	113	(12%)
Concession Financial Assets (VNR)	(6)	9	(15)	(167%)	-	24	(24)	(100%)
Gross Margin	**179**	**186**	**(7)**	**(4%)**	**386**	**365**	**21**	**6%**
Operating Expenses (PMSO)	(55)	(60)	5	(8%)	(116)	(122)	6	(5%)
PECLD	(7)	(3)	(4)	133%	(7)	(5)	(2)	40%
EBITDA	**117**	**123**	**(6)**	**(5%)**	**263**	**238**	**25**	**11%**
Depreciation	(26)	(24)	(2)	8%	(50)	(46)	(4)	9%
Financial Income (Loss)	(8)	(23)	15	(65%)	(30)	(46)	16	(35%)
IR CS	(15)	(9)	(6)	67%	(33)	(23)	(10)	43%
NET INCOME	**68**	**67**	**1**	**1%**	**150**	**123**	**27**	**22%**

Cosern ended 2Q20 with a Gross Margin of R$ 179 million, a reduction of R$ 7 million compared to 2Q19, impacted by the effects of Covid-19 (market impact of -R$ 11 million) and by Concession Financial Assets (-R$ 15 million vs. 2Q19) due to lower IPCA in 2Q20 vs. 2Q19 (-1.14p.p.), and lessened by the effects of the April 2020 Annual Tariff Reset, which is already recorded in income, although the impact for the consumer was postponed to July 1st. In the semester, Gross Margin increased 6% vs. 6M19, reaching R$ 386 million, also impacted by the effects of Covid-19 (-R$ 11 million) and Concession Financial Assets (-R$ 24 million vs. 6M19), lessened by the increase in customer base and the effects of the Annual Tariff Resets of April 2019 and April 2020.

Cosern's Operating Expenses were R$ 55 million in 2Q20 (-8% vs. 2Q19) and R$ 116 million in 6M20 (-5% vs. 6M19). The company continues to absorb both the growth of the customer base (+ 1.8% vs. 2Q19) and the inflation in the period, and the increase in headcount due to the insourcing of operating processes.

In 2Q20, Provision for Doubtful Receivables totaled -R$ 7 million, an increase of -R$ 4 million vs. 2Q19, of which -R$ 9 million due to Covid-19 (increase in overdue receivables). In the semester, Provision for Doubtful Receivables was -R$ 7 million, of which R$ 9 million reflects the Covid-19 impacts.

Cosern's EBITDA was R$ 117 million in 2Q20, a decrease of R$ 6 million vs. 2Q19, impacted by -R$ 20 million due to Covid-19 and -R$ 15 million due to lower Concession Financial Assets. In the semester, EBITDA was R$ 263 million, an increase of R$ 25 million vs. 6M19 lessened by the impact of -R$ 20 million of Covid-19 and -R$ 24 million of lower Concession Financial Assets.

The company recorded Net Income of R$ 68 million in 2Q20 (+1% vs. 2Q19), impacted by Covid-19 and lower Concession Financial Assets. In the first half, Net Income was R$ 150 million (+ 22% vs. 6M19), a growth slowed by the negative impacts of Covid-19, lower Concession Financial Assets and by postponement of JSCP (R$ 7 million), to be captured by the end of the year, depending on the evolution of Covid-19.

1.2.4. ELEKTRO

DRE ELEKTRO (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	1,461	1,514	(53)	(4%)	3,004	3,147	(143)	(5%)
Energy Costs	(1,091)	(1,165)	74	(6%)	(2,211)	(2,381)	170	(7%)
Concession Financial Assets (VNR)	(13)	13	(26)	(200%)	2	34	(32)	(94%)
Gross Margin	**357**	**362**	**(5)**	**(1%)**	**795**	**800**	**(5)**	**(1%)**
Operating Expenses (PMSO)	(133)	(129)	(4)	3%	(243)	(271)	28	(10%)
PECLD	(55)	(19)	(36)	189%	(85)	(35)	(50)	143%
EBITDA	**169**	**214**	**(45)**	**(21%)**	**467**	**494**	**(27)**	**(5%)**
Depreciation	(58)	(57)	(1)	2%	(115)	(113)	(2)	2%
Financial Income (Loss)	(33)	(61)	28	(46%)	(64)	(117)	53	(45%)
IR CS	(26)	(12)	(14)	117%	(97)	(74)	(23)	31%
NET INCOME	**52**	**84**	**(32)**	**(38%)**	**191**	**190**	**1**	**1%**

Elektro ended 2Q20 with Gross Margin of R$ 357 million, a reduction of R$ 5 million compared to 2Q19, impacted by the effects of Covid-19 (market impact of -R$ 33 million), by Concession Financial Assets (-R$ 26 million vs. 2Q19) due to lower IPCA in 2Q20 vs. 2Q19 (-1.14 p.p.) and by effects of Elektro's August 2019 Periodic Tariff Review. In the year, the decrease in Gross Margin - which recorded R$ 795 million in 6M20 - was R$ 5 million vs. 6M19, also impacted by the effects of Covid-19 (-R$ 33 million) and Concession Financial Assets (-R$ 32 million vs. 6M19), lessened by the effects of the Periodic Tariff Review of August 2019.

Operating Expenses totaled R$ 133 million in 2Q20 (+3% vs. 2Q19) and R$ 243 million (-10% vs. 6M19). In this way, the company continues to absorb both inflation and growth in customer base (+1.8% vs. 2Q19).

In 2Q20, Provision for Doubtful Receivables totaled R$ 55 million, an increase of R$ 36 million vs. 2Q19, of which R$ 33 million due to Covid-19 (increase in overdue receivables). In the semester, Provision for Doubtful Receivables was R$ 85 million, of which R$ 38 million reflects the Covid-19 impacts and the receivable profile overdue for more than 90 days, as presented in the Collection and Default section.

Still on PECLD, it is important to remember that since 3Q19, the Company has adopted a more objective stance in provisioning based on the history of payment behavior, by customer class (aging) in the last 60 months, structured in 4 portfolios: (i) non-installment portfolio, (ii) installment portfolio, (iii) Fraud portfolio (retroactive billing resulting from inspection actions to combat losses) and (iv) Legal portfolio (overdue debts that are now being dealt with in court).

Elektro's EBITDA in 2Q20 was R$ 169 million, a reduction of R$ 45 million vs. 2Q19), of which -R$ 66 million was due to Covid-19 and -R$ 26 million due to the lower Concession Financial Assets. In 6M20, EBITDA was R $ 467 million, a reduction of R $ 27 million vs. 6M19, of which -R $ 70 million was due to Covid-19 and -R $ 32 million due to lowerConcession Financial Assets.

The company recorded Net Income of R$ 52 million (-38% vs. 2Q19), impacted by Covid-19 and lower Concession Financial Assets. In the semester, Elektro recorded Net Income of R$ 191 million (+1% vs. 6M19) impacted by Covid-19, lower Concession Financial Assets and by postponement of JSCP (R$ 23 million), to be captured by the end of the year, depending on the evolution of Covid-19.

1.3. Renewables

The result of the Renewables segment includes the performance of the Neoenergia Group's wind farms and hydroelectric plants.

DRE RENEWABLES (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	249	266	(17)	(6%)	452	485	(33)	(7%)
Energy Costs	(32)	(31)	(1)	3%	(77)	(73)	(4)	5%
GROSS MARGIN	**217**	**235**	**(18)**	**(8%)**	**375**	**412**	**(37)**	**(9%)**
Operating Expenses (PMSO)	(47)	(57)	10	(18%)	(103)	(100)	(3)	3%
PECLD	-	2	(2)	(100%)	-	(1)	1	(100%)
(+) Equity Accounting	(11)	-	(11)	-	(14)	26	(40)	(154%)
EBITDA	**159**	**180**	**(21)**	**(12%)**	**258**	**337**	**(79)**	**(23%)**
Depreciation	(49)	(53)	4	(8%)	(95)	(87)	(8)	9%
Financial Income (Loss)	(33)	(50)	17	(34%)	(75)	(78)	3	(4%)
IR/CS	2	(21)	23	(110%)	(4)	(43)	39	(91%)
NET INCOME	**79**	**56**	**23**	**41%**	**84**	**129**	**(45)**	**(35%)**

DRE HYDROPLANTS (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	164	165	(1)	(1%)	300	292	8	3%
Energy Costs	(24)	(22)	(2)	9%	(60)	(56)	(4)	7%
GROSS MARGIN	**140**	**143**	**(3)**	**(2%)**	**240**	**236**	**4**	**2%**
Operating Expenses (PMSO)	(23)	(30)	7	(23%)	(50)	(53)	3	(6%)
PECLD	-	(1)	1	(100%)	-	(1)	1	(100%)
(+) Equity Accounting	(11)	-	(11)	-	(14)	26	(40)	(154%)
EBITDA	**106**	**112**	**(6)**	**(5%)**	**176**	**208**	**(32)**	**(15%)**
Depreciation	(21)	(27)	6	(22%)	(40)	(35)	(5)	14%
Financial Income (Loss)	(16)	(26)	10	(38%)	(34)	(28)	(6)	21%
IR/CS	(16)	(17)	1	(6%)	(33)	(35)	2	(6%)
NET INCOME	**53**	**42**	**11**	**26%**	**69**	**110**	**(41)**	**(37%)**

DRE WIND FARMS (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	85	101	(16)	(16%)	152	193	(41)	(21%)
Energy Costs	(8)	(9)	1	(11%)	(17)	(17)	-	-
GROSS MARGIN	**77**	**92**	**(15)**	**(16%)**	**135**	**176**	**(41)**	**(23%)**
Operating Expenses (PMSO)	(24)	(27)	3	(11%)	(53)	(47)	(6)	13%
PECLD	-	3	(3)	(100%)	-	-	-	-
(+) Equity Accounting	-	-	-	-	-	-	-	-
EBITDA	**53**	**68**	**(15)**	**(22%)**	**82**	**129**	**(47)**	**(36%)**
Depreciation	(28)	(26)	(2)	8%	(55)	(52)	(3)	6%
Financial Income (Loss)	(17)	(24)	7	(29%)	(41)	(50)	9	(18%)
IR/CS	18	(4)	22	(550%)	29	(8)	37	(463%)
NET INCOME	**26**	**14**	**12**	**86%**	**15**	**19**	**(4)**	**(21%)**

The Renewables segment ended 2Q20 with a Gross Margin of R$ 217 million (-R$ 18 million vs. 2Q19), negatively impacted by wind farms (-R$ 15 million vs. 2Q19) due to lower wind power, resulting in 2% less generation than in 2Q19. In the semester, Gross Margin was R$ 375 million, a decrease of R$ 37 million vs. 6M19, also reflecting lower wind power in the period (negative impact of wind power of -R$ 41 million), and generation 13% below 6M19.

Operating expenses in 2Q20 were R$ 47 million (-R$ 10 million vs. 2Q19) due to efficiencies. In 6M20, expenses amounted to R$ 103 million (+ R $ 3 million vs. 6M19), due to an extraordinary tax-related legal contingency in wind farms (R$ 5 million), mitigated by efficiencies in hydroelectric plants.

It should be added that there was a negative impact of R$ 11 million in equity accounting in 2Q20 vs. 2Q19, explained by the smaller contribution of Belo Monte, due to the transmission restriction, which has caused the ACL energy to be settled to the Northern PLD. In 6M20, variation of R$ 40 million vs. 6M19 is also due to lower contribution from Belo Monte since, in addition to the effects highlighted in the quarter, it is worth mentioning the recording of R$ 17 million in 1Q19 regarding the difference in deferred taxes in Belo Monte.

EBITDA for the Renewables segment ended 2Q20 at R$ 159 million (-12% vs.2Q19) and at R$ 258 million in 6M20 (-23% vs. 6M19). Net income for the quarter of the segment was R$ 79 million (+41% vs. 2Q19) and 6M20 at R$ 84 million (-35% vs. 6M19).

1.4. Liberalized

DRE LIBERALIZED (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	519	630	(111)	(18%)	1,074	1,247	(173)	(14%)
Energy Costs	(412)	(544)	132	(24%)	(831)	(1,096)	265	(24%)
Gross Margin	**107**	**86**	**21**	**24%**	**243**	**151**	**92**	**61%**
Operating Expenses (PMSO)	(37)	(31)	(6)	19%	(81)	(56)	(25)	45%
EBITDA	**70**	**55**	**15**	**27%**	**162**	**95**	**67**	**71%**
Depreciation	(18)	(13)	(5)	38%	(31)	(25)	(6)	24%
Financial Income (Loss)	(12)	(28)	16	(57%)	(41)	(47)	6	(13%)
IR CS	3	14	(11)	(79%)	(8)	18	(26)	(144%)
NET INCOME	**43**	**28**	**15**	**54%**	**82**	**41**	**41**	**100%**

DRE TERMOPERNAMBUCO (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	269	246	23	9%	542	463	79	17%
Energy Costs	(130)	(120)	(10)	8%	(294)	(248)	(46)	19%
Gross Margin	**139**	**126**	**13**	**10%**	**248**	**215**	**33**	**15%**
Operating Expenses (PMSO)	(26)	(26)	0	0%	(60)	(45)	(15)	33%
Equity Accounting	21	21	0	0%	29	25	4	16%
EBITDA	**134**	**121**	**13**	**11%**	**217**	**195**	**22**	**11%**
Depreciation	(8)	(8)	0	0%	(16)	(16)	0	0%
Financial Income	(12)	(29)	17	(59%)	(38)	(47)	9	(19%)
IR CS	(13)	(2)	(11)	550%	(19)	(7)	(12)	171%
NET INCOME	**101**	**82**	**19**	**23%**	**144**	**125**	**19**	**15%**

DRE NC (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Revenue	249	383	(134)	(35%)	532	784	(252)	(32%)
Energy Costs	(282)	(423)	141	(33%)	(537)	(848)	311	(37%)
Gross Margin	**(33)**	**(40)**	**7**	**(18%)**	**(5)**	**(64)**	**59**	**(92%)**
Operating Expenses (PMSO)	(11)	(5)	(6)	120%	(21)	(10)	(11)	110%
EBITDA	**(44)**	**(45)**	**1**	**(2%)**	**(26)**	**(74)**	**48**	**(65%)**
Depreciation	(3)	(1)	(2)	200%	(3)	(1)	(2)	200%
Financial Income (Loss)	1	1	0	0%	(3)	0	(3)	0%
IR CS	16	16	0	0%	11	25	(14)	(56%)
NET INCOME	**(30)**	**(29)**	**(1)**	**3%**	**(21)**	**(50)**	**29**	**(58%)**

NOTE: In the Income Statement of Termopernambuco, the result of Itapebi in equity accounting is contemplated. In the consolidated Income Statement of Liberalized (managerial), Itapebi portion is not included, since it is included in the Renewables managerial Income Statement, where it is 100% consolidated.

The Liberalized segment consolidated Gross Margin of R$ 107 million in 2Q20, an increase of R$ 21 million vs. 2Q19, influenced by the result of Termopernambuco (+R$ 13 million vs. 2Q19 due to tariff resets) and by the new commercial positioning of NC, mitigated by the effects of Covid-19 (-R$ 14 million at commercialization due to the reduction in customer consumption in the free market and the renegotiation of final customer agreements to change billing). In the semester, the segment's Gross Margin was R$ 243 million (+ R$ 92 million vs. 6M19), impacted by + R$ 33 million by Termopernambuco (by tariff readjustment and +57 GWh generated in 6M20 vs. 6M19), mitigated by the effects of Covid-19 in NC.

Operating expenses for the segment in 2Q20 were R$ 37 million (+R$ 6 million vs. 2Q19). In 6M20, expenses totaled R$ 81 million (+R$ 25 million vs. 6M19), due to higher generation in Termopernambuco in the semester.

Liberalized EBITDA reached R$ 70 million in 2Q20 (+R$ 15 million vs. 2Q19), impacted by the effects of the Termopernambuco tariff reset and the new commercial positioning of the Neoenergia Comercializadora – NC (Energy Trade Company), mitigated by the effects of Covid-19. In 6M20, the segment's EBITDA was R$ 162 million (+R$ 67 million vs. 6M19), due to the Termopernambuco tariff reset and the greater generation of the plant vs. 6M19, absorbing the effect of Covid-19 in the NC.

The segment recorded Net Income of R$ 43 million in 2Q20 (+R$ 15 million vs. 2Q19) and R$ 82 million in 6M20 (+R$ 41 million vs. 6M19).

2. EBITDA

2.1. EBITDA Reconciliation

In compliance with CVM Instruction nº 527, in the table below we show the reconciliation of EBITDA (acronym for Profit Before Interest, Taxes, Depreciation and Amortization) and, we add that the calculations displayed are in line with the criteria of that same instruction:

EBITDA (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Net Income for the period (A)	423	519	(96)	(18%)	999	1,011	(12)	(1%)
Income assigned to minority shareholding	(12)	(21)	9	(43%)	(34)	(39)	5	(13%)
Financial Expenses (B)	(312)	(485)	173	(36%)	(773)	(888)	115	(13%)
Financial Revenue (C)	120	139	(19)	(14%)	253	262	(9)	(3%)
Other Net Financial Income (D)	23	(25)	48	(192%)	37	(37)	74	(200%)
Income Tax and Social Contribution (E)	(102)	(78)	(24)	31%	(335)	(268)	(67)	25%
Depreciation and Amortization (F)	(400)	(373)	(27)	7%	(780)	(718)	(62)	9%
EBITDA = (A-(B+C+D+E+F))	**1,106**	**1,362**	**(256)**	**(19%)**	**2,631**	**2,699**	**(68)**	**(3%)**

3. FINANCIAL INCOME

NET FINANCIAL INCOME (R$ MM)	2Q20	2Q19	Variation		6M20	6M19	Variation	
			R$	%			R$	%
Revenue from financial investments	**38**	**47**	**(9)**	**(19%)**	**77**	**94**	**(17)**	**(18%)**
Charges, monetary and exchange variations and debt derivative financial instruments	**(172)**	**(376)**	**204**	**(54%)**	**(501)**	**(684)**	**183**	**(27%)**
Other financial income not related to debt	**(35)**	**(42)**	**7**	**(17%)**	**(59)**	**(73)**	**14**	**(19%)**
Interest, commissions and arrears interest	97	52	45	87%	155	104	51	49%
Monetary and exchange variations - other	(22)	(12)	(10)	83%	(33)	(16)	(17)	106%
Adjustment to provisions for contingencies/ judicial deposits	(39)	(21)	(18)	86%	(85)	(53)	(32)	60%
Adjustment to sector financial assets / liabilities	(1)	14	(15)	(107%)	3	22	(19)	(86%)
Post-employment liabilities	(14)	(21)	7	(33%)	(30)	(41)	11	(27%)
Other net financial revenues (expenses)	(56)	(54)	(2)	4%	(69)	(89)	20	(22%)
Total	**(169)**	**(371)**	**202**	**(54%)**	**(483)**	**(663)**	**180**	**(27%)**

Neoenergia's Net Financial Income was -R$ 169 million in 2Q20 (+R$ 202 million vs. 2Q19) and -R$ 483 million in 6M20 (+R$ 180 million vs. 6M19). The variations both in the quarter and in the semester are explained by the drop of financial indexes in the period, resulting in lower yields from financial investments and debt service of the Company, which has 59% of its debt indexed to the CDI (-0.81p. vs. 2Q19), and 27% indexed to the IPCA (-1.14 pp vs. 2Q19).

In the table below we present the main indexers:

Indexes	2Q20	2Q19	Δ (p.p.)	%
CDI	0.73%	1.54%	-0.81	-52.60%
TJLP	4.94%	6.26%	-1.32	-21.09%
Δ USD[1]	0.2773	-0.0645	0.34	-529.92%
IPCA	-0.43%	0.71%	1.14	-160.56%

Note 1: exchange variation between the closing of March 31 to June 30.

4. INVESTMENTS

Neoenergia made investment of R$ 1.4 billion in 2Q20 and R$ 2.3 billion in 6M20 in the companies that it consolidates, as shown in the managerial view below:

CAPEX Neoenergia (R$ million)	2Q20	2Q19	Δ %	6M20	6M19	Δ %
Networks	**1,168**	**875**	**34%**	**2,073**	**1,685**	**23%**
Distributors	796	675	18%	1,466	1,422	3%
Transmission	372	200	86%	607	263	131%
Renewables	**165**	**22**	**655%**	**205**	**49**	**317%**
Liberalized	**34**	**21**	**61%**	**54**	**62**	**(12%)**
Holding	**0.2**	**0.4**	**(50%)**	**0.5**	**0.5**	**-**
TOTAL	**1,368**	**918**	**49%**	**2,332**	**1,797**	**30%**

4.1. Subsidiary and Affiliated companies

Investments made by jointly owned subsidiaries or affiliated companies correspond to R$ 8 million in 2Q20 and R$ 27 million in 6M20.

Subsidiary and Affiliated*	2Q20	2Q19	Δ %	6M20	6M19	Δ %
EAPSA	0	0	-	0.4	0.1	300%
Teles Pires	1	1	-	1.0	0.8	25%
Belo Monte	7	9	(17%)	25	39	(35%)
Total	**8**	**10**	**(20%)**	**27**	**40**	**(33%)**

* Companies not consolidated by Neoenergia. Amounts equivalent to to Neoenergia share percentage in the companies

4.2. Networks

4.2.1. Distribution

In 6M20, the Group's distributors had CAPEX in the amount of R$ 1,466 million, of which R$ 876 million were allocated to Network Expansion (net of subsidies), R$ 238 million were allocated to Asset Renewal, R$ 138 million were used for Network Improvement, and R$ 214 million were allocated to projects to fight losses, default and other.

INVESTMENTS MADE	COELBA	CELPE	COSERN	ELEKTRO	CONSOLIDATED		
Type of Investment (Current Price - amounts in R$ MM)	2Q20	2Q20	2Q20	2Q20	2Q20	6M20	
Network expansion	(290)	(86)	(43)	(82)	(501)	(925)	60%
Program *Luz para Todos*	(118)	-	-	-	(118)	(236)	
New Connections	(101)	(55)	(20)	(42)	(218)	(433)	
New SE's and RD's	(71)	(31)	(22)	(41)	(166)	(255)	
ECV Commitment	-	(0)	-	-	(0)	(0)	
Assets renewal	(43)	(30)	(16)	(39)	(127)	(238)	16%
Network improvement	(24)	(23)	(8)	(19)	(73)	(138)	9%
Losses and Default	(28)	(23)	(5)	(7)	(64)	(109)	7%
Other	(24)	(15)	(11)	(10)	(60)	(105)	7%
Material Movement (Inventory x Works)	(59)	(27)	(13)	(24)	(122)	(233)	
(=) Gross Investment	(468)	(203)	(94)	(181)	(947)	(1,747)	
SUBSIDIES	18	2	0	9	29	48	
(=) Net Investment	(449)	(202)	(94)	(173)	(918)	(1,699)	
Material Movement (Inventory x Works)	59	27	13	24	122	233	
(=) CAPEX	(391)	(175)	(82)	(149)	(796)	(1,466)	100%
BAR	(24)	(15)	(11)	(10)	(60)	(105)	7%
BRR	(367)	(160)	(71)	(139)	(736)	(1,361)	93%

4.2.2. Transmission

In 6M20, total CAPEX invested in the transmission companies was R$ 607 million.

As regards the April 2017 auction lots, 100% of the expected CAPEX is contracted. Highlight for the entry into operation of lots 20 and 27, with start of receipt of RAP (Annual Permitted Revenue). For the lots purchased in December 2017, 100% of the expected CAPEX is already contracted, contractors are mobilized and delivers are according to the construction project schedule. The lots sold at the December 2018 Auction have 100% of the main equipment, cables and towers already contracted and the project progresses according to plan. Finally, the lot auctioned at the December 2019 auction has 97% of expected CAPEX contracted.

4.3. Renewables

4.3.1. Wind Farms

Actual CAPEX of the Group's wind farms amounted to R$ 171 million in 6M20, used for the construction project of the Chafariz Complex, which already have 100% of estimated CAPEX contracted, with currency hedge and agreements for connection with transmission companies already signed.

The wind farms of the Oitis Complex are in the licensing and elaboration phase of executive projects.

4.3.2. Hydroelectric Plants

Investments in hydroelectric plants of R$ 34 million in 6M20, essentially sustaining CAPEX, were R$ 16 million smaller than those made in 6M19, mainly due to the construction of Baixo Iguaçu in 2019.

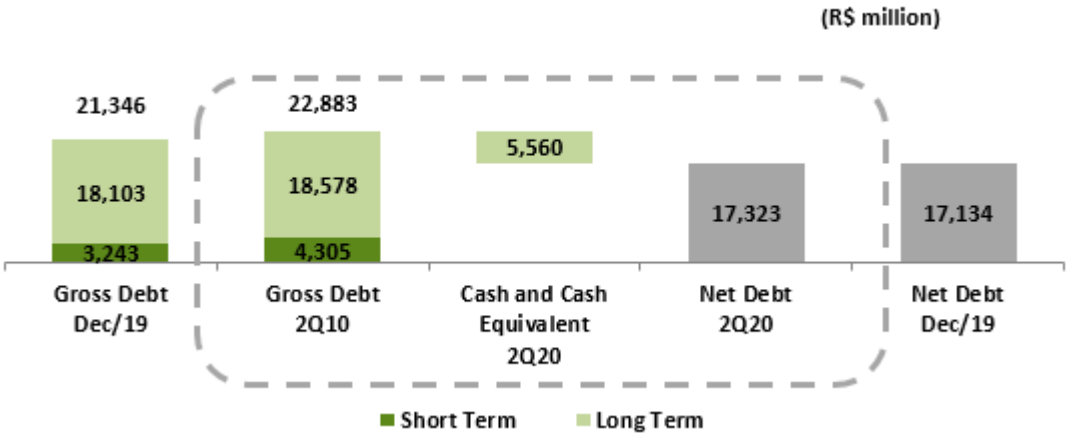
4.4. Liberalized

Termopernambuco made investments in the amount of R$ 34 million in 2Q20, 61% in excess of those made in 2Q19 due to the closing of the side of the engine building. In 6M20, the plant recorded R$ 54.3 million in investments (-12.6% vs. 6M19), due to the fact that expenses with the main scheduled shutdown of 2019 were concentrated in the first half.

5. INDEBTEDNESS

5.1. Debt and Financial Leverage situation

In June 2020, Neoenergia's consolidated gross debt, including loans, financing, debentures and financial instruments, reached R$ 22,883 million (net debt R$ 17,323 million), showing an increase of 7% (R$ 1,537 million) compared to December 2019. Regarding the segregation of the outstanding balance, Neoenergia has 81% of the debt recorded in the long term and 19% in the short term.

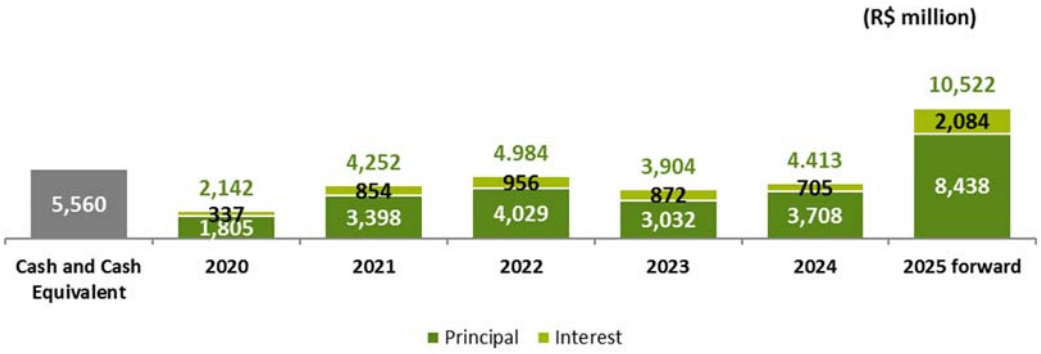


The financial indicator of the Total Net Debt /EBITDA increased from 3.00 on December 31, 2019 to 3.07 On June 30, 2020.



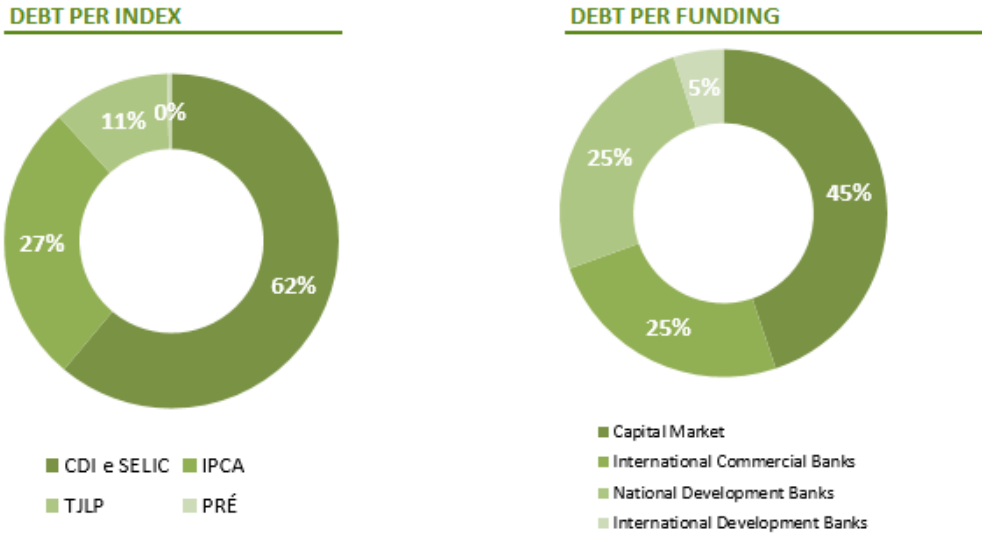
5.2 Debt amortization schedule

The chart below shows the schedule of maturities of the debt principal and interest (in millions of reais), using the forward market curves for the indexes and currencies associated with the Company's indebtedness in effect on June 30, 2020.



5.3. Debt profile

The charts below show the balance of the debts segregated by funding source and index. The average 12-month cost of the consolidated debt in 2Q20 was 5.3% (vs. 6.4% in December 2019).



For the second quarter 2020, we point out debt contracting lines as follows:

(i) Grant from BNDES for the Chafariz Complex in the total amount of R$ 365 million, constant principal and interest amortization from 2023 and 24-year term;

(ii) BNDES financing for Lot 4, Auction Dec/17 (Neoenergia Jalapão Transmissão de Energia S.A.), in the amount of R$ 274 million, constant amortization from 2023 and a 24-year term;

(iii) 8th Issue of Elektro debentures, in one single series, in the amount of R$ 260 million, half yearly interest payment, bullet amortization and 2-year term;

(iv) Funding of Celpe with Crédit Agricole, in the amount of R$ 100 million, principal and interest bullet amortization, with one-year term;

(v) Funding of Coelba with MUFG, in the amount of R$ 200 million, bullet amortization of principal and interest, with one-year term;

(vi) Grant from BNB for Chafariz Complex, in the total amount of R$ 30 million, constant principal and interest amortization and 24-year term.

6. RECONCILIATION NOTE

Neoenergia S.A. presents the results for the second quarter (2Q20) and six months (6M20) based on management analyzes intended to better translate the company's business, reconciled with the International Financial Reporting Standards - IFRS.

	Current Year		Previous Year		
Calculation Memory (CONSOLIDATED)	**Quarter**	**Year-to-date**	**Quarter**	**Year-to-date**	**Corresponding Explanatory Notes**
(+) Net Revenue	6,602	13,522	6,726	13,830	Statement of Income
(-) Estimated Concession Assets	57	(14)	(79)	(206)	Note 5
(-) Other Revenues	(69)	(155)	(74)	(142)	Note 5
(+) Other revenues - Other revenues	(10)	5	0	5	Note 5,4
= Net Operating REVENUE	**6,580**	**13,358**	**6,573**	**13,487**	
(+) Electric energy costs	(3,076)	(6,367)	(3,378)	(7,265)	Statement of Income
(+) Fuel for energy production	(85)	(223)	(88)	(166)	Note 7
(+) Construction Costs	(1,325)	(2,355)	(981)	(1,908)	Statement of Income
= Energy Costs	**(4,486)**	**(8,945)**	**(4,447)**	**(9,339)**	
(+) Estimated Concession Financial Assets	(57)	14	79	206	Note 5
= GROSS MARGIN	**2,037**	**4,427**	**2,205**	**4,354**	
(+) Operating costs	(829)	(1,764)	(842)	(1,674)	Statement of Income
(+) Sales expenses	(69)	(138)	(66)	(134)	Statement of Income
(+) Other general and administrative expenses	(335)	(633)	(357)	(670)	Statement of Income
(-) Fuel for energy production	85	223	88	166	Note 7
(-) Depreciation	358	697	331	633	Note 7
(+) Other revenues	69	155	74	142	Note 5
(-) Other revenues - Other revenues	10	(5)	0	(5)	Note 5,4
= Operating Expenses (PMSO)	**(711)**	**(1,465)**	**(772)**	**(1,542)**	
(+) PECLD	(209)	(317)	(71)	(139)	Statement of Income
(+) Equity Accounting	(11)	(14)	0	26	Statement of Income
EBITDA	**1,106**	**2,631**	**1,362**	**2,699**	
(+) Depreciation and amortization	(400)	(780)	(373)	(718)	Statement of Income and Note 7
(+) Financial Income (Loss)	(169)	(483)	(371)	(663)	Statement of Income
(+) IR/CS	(102)	(335)	(78)	(268)	Statement of Income
(+) Minority	(12)	(34)	(21)	(39)	Statement of Income
NET INCOME	**423**	**999**	**519**	**1,011**	Statement of Income

DISCLAIMER

This document was prepared by NEOENERGIA S.A. with a view at indicating the general situation and progress of the Company's business. The document is a property of NEOENERGIA and should not be used for any purpose without prior written consent of NEONERGIA.

The information contained in this document reflects current conditions and our view to date, and is subject to change. The document contains statements that represent NEOENERGIA expectations and projections about future events, which the Company cannot guarantee will materialize, since they involve a number of risks and uncertainties and mat have results or consequences other than those discussed and anticipated herein.

All relevant information regarding the period and used by management in the running of the Company is evidenced in this document and in the Financial Statements.

Further information about the Company can be obtained on the Reference Form available on CVM website and on Neoenergia Group Investor Relations website (ri.neoenergia.com).

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Independent Auditor's Review Report on quarterly information – ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM), prepared in accordance with CPC 21(R1) - Demonstração Intermediária and the IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board IASB).

To the Board of Directors of
Neoenergia S.A.
Rio de Janeiro - RJ

Introduction
We have reviewed the parent and consolidated interim accounting information of Neoenergia S.A. ("Company"), included in the quarterly information form - ITR for the quarter ended June 30, 2020, which comprises the parent and consolidated financial position as of June 30, 2020 and the respective statements of income and comprehensive income for the three and six month period then ended, of changes in shareholders' equity and of cash flows for the six month period then ended, including the explanatory notes.

Company`s Management is responsible for the preparation of these parent and consolidated interim accounting information in accordance with the CPC 21(R1) - Demonstração Intermediária and the IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – (IASB), as well as the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of quarterly information (ITR). Our responsibility is to express our conclusion on this interim accounting information based on our review.

Scope of Review
We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

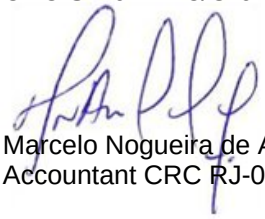
KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Conclusion on parent and consolidated interim information
Based on our review, we are not aware of any fact that might lead us to believe that the parent and consolidated interim accounting information included in the aforementioned quarterly information form was not prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, issued by the IASB, applicable to the preparation of the quarterly review - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value
The quarterly information referred above includes the parent and consolidated statements of added value (DVA) for the period of six months ended June 30, 2020, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the review procedures followed together with the review of the Company's quarterly information, in order to form our conclusion, we evaluated whether these statements are reconciled to the interim financial information and accounting records, as applicable, and whether their forms and contents are in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Added Value. Based on our review, we are not aware of any other event that make us believe that these statements of added value were not prepared, in all material respects, in accordance with the parent and consolidated interim financial information taken as a whole.

Rio de Janeiro, July 21, 2020

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ



Marcelo Nogueira de Andrade
Accountant CRC RJ-086312/O-6

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STATEMENT OF INCOME
For the Three and Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais, except for earnings per share amounts)

	Notes	Consolidated				Parent Company			
		Tree-month period ended		Six-month period ended		Tree-month period ended		Six-month period ended	
		06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net revenue	**5**	**6,602**	**6,726**	**13,522**	**13,830**	**1**	**1**	**2**	**2**
Service costs		**(5,230)**	**(5,201)**	**(10,486)**	**(10,847)**	**-**	**-**	**-**	**-**
Energy costs	**6**	(3,076)	(3,378)	(6,367)	(7,265)	-	**-**	**-**	-
Operating costs	**7**	(829)	(842)	(1,764)	(1,674)	-	**-**	**-**	-
Construction costs		(1,325)	(981)	(2,355)	(1,908)	-	**-**	**-**	-
Gross profit		**1,372**	**1,525**	**3,036**	**2,983**	**1**	**1**	**2**	**2**
Provision for credit risk on trade receivables	**11,.2**	(209)	(71)	(317)	(139)	-	(2)	-	(5)
Sales expenses	**7**	(69)	(66)	(138)	(134)	-	**-**	-	-
Other general and administrative income (expenses), net	**7**	(335)	(357)	(633)	(670)	(61)	(53)	(90)	(91)
Participation in investees results	**14**	**(53)**	**(42)**	**(97)**	**(59)**	**452**	**561**	**1,046**	**1,065**
Participation in subsidiaries, associates and joint ventures results		(11)	-	(14)	26	493	604	1,127	1,150
Amortization of appreciation		(42)	(42)	(83)	(85)	(41)	(43)	(81)	(85)
Operating income		**706**	**989**	**1,851**	**1,981**	**392**	**507**	**958**	**971**
Financial results	**8**	**(169)**	**(371)**	**(483)**	**(663)**	**27**	**6**	**37**	**41**
Financial income		120	139	253	262	39	50	86	94
Financial expenses		(312)	(485)	(773)	(888)	(5)	(45)	(38)	(56)
Other financial income (expenses), net		23	(25)	37	(37)	(7)	1	(11)	3
Income before taxes		**537**	**618**	**1,368**	**1,318**	**419**	**513**	**995**	**1,012**
Income taxes	**9.1.1**	**(102)**	**(78)**	**(335)**	**(268)**	**4**	**6**	**-**	**(1)**
Current		(130)	(8)	(282)	(129)	4	6	-	(1)
Deferred		28	(70)	(53)	(139)	-	-	-	-
Net income for the period		**435**	**540**	**1,033**	**1,050**	**423**	**519**	**995**	**1,011**
Attributable to									
Controlling interest		423	519	999	1,011	423	519	995	1,011
Non-controlling interest		12	21	34	39	-	-	-	-
Attributable to									
Basic and diluted earnings per share - R$	**21.2**	0.36	0.44	0.85	0.86	0.35	0.43	0.82	0.83

The accompanying notes are an integral part of these consolidated interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME
For the Three and Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais, except for earnings per share amounts)

	Consolidated				Parent Company			
	Tree-month period ended		Six-month period ended		Tree-month period ended		Six-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Net income for the period	**435**	**540**	**1,033**	**1,050**	**423**	**519**	**995**	**1,011**
Other comprehensive income/(loss)								
Items which will not be reclassified to profit or loss:								
Post-employment benefits obligations	(18)	-	(41)	1	-	-	-	-
Cash flow hedge	27	(10)	283	(19)	9	-	9	-
Deferred income taxes on comprehensive income/(loss)	4	-	12	-	(3)	-	(3)	-
Participation on investees' comprehensive income/(loss)	-	-	-	-	7	(11)	248	(18)
Total items which will not be reclassified to profit or loss	**13**	**(10)**	**254**	**(18)**	**13**	**(11)**	**254**	**(18)**
Items which will be reclassified to profit or loss:								
Cash flow hedge	(6)	(12)	(69)	(20)	-	-	-	-
Deferred income taxes on comprehensive income/(loss)	60	61	241	105	(1)	-	(1)	-
Participation on investees' comprehensive income/(loss)	(40)	(20)	(40)	(15)	-	-	-	-
Total Items which will be reclassified to profit or loss	-	-	-	-	15	28	132	67
	14	**29**	**132**	**70**	**14**	**28**	**131**	**67**
Other comprehensive income/(loss) for the period, net of income taxes	**27**	**19**	**386**	**52**	**27**	**17**	**385**	**49**
Comprehensive income for the period	**462**	**559**	**1,419**	**1,102**	**450**	**536**	**1,380**	**1,060**
Attributable to:								
Controlling interest	450	536	1,384	1,060	450	536	1,380	1,060
Non-controlling interest	12	23	35	42	-	-	-	-

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF CASH FLOWS
For the Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais)

	Consolidated		Parent Company	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Cash flows from operating activities				
Net income for the period	**1,033**	**1,050**	**995**	**1,011**
Adjusted by:				
Depreciation and amortization*	707	644	3	2
Writte-off on non-current assets	52	61	-	-
Participation in investees results	97	59	(1,046)	(1,065)
Income taxes	335	268	-	1
Financial results, net	483	663	(37)	(41)
Others	(21)	(300)	(7)	28
Changes in working capital:				
Trade and other receivables	562	(341)	-	5
Service concession arrangements (contractual assets)	(843)	28	-	-
Trade payables and payables to contractors	(586)	(245)	(36)	(16)
Wages, employment benefits and related charges	(84)	(77)	(6)	(7)
Sectoral financial assets and liabilities, net (Portion A and others)	164	134	-	-
Other recoverable (payable) taxes and sectoral charges, net	296	(165)	17	(54)
Provisions, net from judicial deposits	59	(102)	-	4
Other assets and liabilities, net	(141)	160	(7)	(3)
Cash flow from operating activities, net	**2,113**	**1,837**	**(124)**	**(135)**
Proceeds from dividends	-	1	178	1,100
Payments of charges on loans and financings	(532)	(626)	(49)	(17)
Derivative financial instruments paid, net	98	89	-	-
Financial income on cash equivalents and marketable securities	77	-	10	-
Payments of interest on leases	(6)	-	-	-
Income taxes paid	(248)	(167)	(6)	(3)
Cash flow provided by operating activities	**1,502**	**1,134**	**9**	**945**
Cash flows from investing activities				
Property, plant and equipment (“PP&E”) and intangible assets acquisition	(265)	(163)	**-**	-
Service concession arrangements (contractual assets)	(1,723)	(2,030)	**-**	-
Capital increase	(20)	(33)	(412)	(352)
Marketable securities deposits	(86)	(61)	-	-
Marketable securities redemption	42	32	-	-
Cash flow used in investing activities	**(2,052)**	**(2,255)**	**(412)**	**(352)**
Cash flows from financing activities				
Proceeds from loans and financings	2,753	4,097	-	-
Borrowing costs paid	(34)	(23)	-	-
Loans and financings amortization	(993)	(3,903)	-	(382)
Collateral deposits (redemption), net	17	(34)	-	-
Service concession arrangements obligations	50	163	-	-
Payments of principal on leases	(13)	(17)	-	-
Derivative financial instruments paid, net	271	-	-	-
Dividends paid to Neoenergia’s shareholders	(195)	(329)	(198)	(330)
Dividends paid to non-controlling interest	-	(41)	-	-
Cash flow used in financing activities	**1,856**	**(87)**	**(198)**	**(712)**
Increase (decrease) in cash and cash equivalents for the period	**1,306**	**(1,208)**	**(601)**	**(119)**
Cash and cash equivalents at the beginning of the period	4,041	3,934	999	254
Cash and cash equivalents at the end of the period	**5,347**	**2,726**	**398**	**135**
Non-cash transactions:				
Capital increase through equity instruments conversion	1	-	-	68
Interest and other financial charges capitalized on PP&E and intangible assets	25	-	-	-
Leases additions	10	91	-	-
Addition and updating capitalized provisions	16	-	-	-

*Gross amount, not deducted from PIS and COFINS credits.

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF FINANCIAL POSITION
As of June 30, 2020 and December 31, 2019
(Amounts expressed in millions of Reais)

	Note	Consolidated		Parent Company	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets					
Current					
Cash and cash equivalents	**10**	5,347	4,041	398	999
Trade and other receivables	**11**	5,345	5,718	-	-
Marketable securities		38	25	-	-
Derivative financial instruments	**18.3**	1,968	509	9	-
Recoverable income taxes	**9.1.3**	696	456	174	234
Other recoverable taxes	**9.2.1**	1,360	1,299	-	-
Dividends	**14**	14	15	368	312
Sectoral financial assets (Portion A and others)	**12**	275	395	-	-
Service concession arrangements (contractual assets)	**13.2**	98	90	-	-
Other current assets		615	383	19	22
Total current assets		**15,756**	**12,931**	**968**	**1,567**
Non-current					
Trade and other receivables	**11**	264	298	-	-
Marketable securities		175	146	-	-
Derivative financial instruments	**18.3**	2,357	861	-	-
Recoverable income taxes	**9.1.3**	1	3	-	-
Other recoverable taxes	**9.2.1**	2,982	2,785	-	-
Dividends	**14**	-	-	26	77
Deferred income taxes	**9.1.2**	736	752	-	-
Judicial deposits	**19**	935	920	52	51
Service concession arrangements (financial assets)	**13.1**	12,592	11,743	-	-
Service concession arrangements (contractual assets)	**13.2**	6,664	5,543	-	-
Other non-current assets		101	115	157	160
Investments in subsidiaries, associates and joint ventures	**14**	2,507	2,501	20,781	19,128
Rights of use		88	91	-	-
Property, Plant & Equipment (“PP&E”)	**16**	6,183	6,160	29	30
Intangible assets	**15**	9,308	9,366	-	1
Total non-current assets		**44,893**	**41,284**	**21,045**	**19,447**
Total assets		**60,649**	**54,215**	**22,013**	**21,014**

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF FINANCIAL POSITION
As of June 30, 2020 and December 31, 2019
(Amounts expressed in millions of Reais)

	Note	Consolidated		Parent Company	
		06/30/2020	12/31/2019	06/30/2020	12/31/2019
Liabilities					
Current					
Trade payables and payables to contractors	**17**	2,541	3,049	57	92
Loans and financings	**18.2**	6,261	3,706	2	20
Lease obligations		24	27	-	-
Derivative financial instruments	**18.3**	12	47	-	-
Wages, employee benefits and related charges	**20**	335	379	13	19
Payable income taxes	**9.1.3**	274	9	-	-
Other taxes and sectoral charges payables	**9.2.2**	1,297	903	55	81
Reimbursement to consumers – Federal taxes	**9.3**	6	6	-	-
Dividends		268	214	253	198
Provisions	**19**	262	188	-	-
Other current liabilities		1,074	1,024	246	321
Total current liabilities		**12,354**	**9,552**	**626**	**731**
Non-current					
Trade payables and payables to contractors	**17**	123	136	-	-
Loans and financings	**18.2**	20,935	18,958	1,271	1,266
Lease obligations		70	70	-	-
Derivative financial instruments	**18.3**	-	5	-	-
Other taxes and sectoral charges payables	**9.2.2**	342	291	-	-
Deferred income taxes	**9.1.2**	316	222	6	3
Reimbursement to consumers – Federal taxes	**9.3**	3,460	3,276	-	-
Provisions	**19**	1,155	1,104	9	15
Wages, employee benefits and related charges	**20**	814	791	-	-
Sectoral financial liabilities (Portion A and others)	**12**	356	313	-	-
Other non-current liabilities		324	238	24	24
Total non-current liabilities		**27,895**	**25,404**	**1,310**	**1,308**
Shareholders' equity	**21**				
Attributable to controlling interest		20,081	18,975	20,077	18,975
Attributable to non-controlling interest		319	284	-	-
Total shareholders' equity		**20,400**	**19,259**	**20,077**	**18,975**
Total liabilities and shareholders' equity		**60,649**	**54,215**	**22,013**	**21,014**

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais)

Consolidated

					Profit reserves						
	Share capital	Capital reserve	Shareholders' transactions reserve	Other comprehensive income/(loss)	Legal reserve	Unrealized profit reserve	Retained profit reserve	Retained earnings	Attributable to controlling interest	Attributable to non-controlling interest	Total
Balance as of December 31, 2019	**12,920**	**93**	**(1,597)**	**(123)**	**866**	**234**	**6,582**	**-**	**18,975**	**284**	**19,259**
Net income for the period	-	-	-	-	-	-	-	999	999	34	1,033
Other comprehensive income (note 21.3)	-	-	-	385	-	-	-	-	385	1	386
Interest on equity (nota 21.4)	-	-	-	-	-	-	-	(278)	(278)	-	(278)
Balance as of June 30, 2020	**12,920**	**93**	**(1,597)**	**262**	**866**	**234**	**6,582**	**721**	**20,081**	**319**	**20,400**

					Profit reserves						
	Share capital	Capital reserve	Shareholders' transactions reserve	Other comprehensive income/(loss)	Legal reserve	Unrealized profit reserve	Retained profit reserve	Retained earnings	Attributable to controlling interest	Attributable to non-controlling interest	Total
Balance as of December 31, 2018	**12,920**	**93**	**(1,594)**	**(172)**	**754**	**234**	**5,019**	**-**	**17,254**	**323**	**17,577**
Net income for the period	-	-	-	-	-	-	-	1,011	1,011	39	1,050
Other comprehensive income (note 21.3)	-	-	-	49	-	-	-	-	49	3	52
Remuneration to non-controlling interest	-	-	-	-	-	-	-	-	-	(55)	(55)
Interest on equity (nota 21.4)	-	-	-	-	-	-	-	(338)	(338)	-	(338)
Balance as of June 30, 2019	**12,920**	**93**	**(1,594)**	**(123)**	**754**	**234**	**5,019**	**673**	**17,976**	**310**	**18,286**

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais)

Parent Company

					Profit reserves				
	Share capital	Capital reserve	Shareholders' transactions reserve	Other comprehensive income/(loss)	Legal reserve	Unrealized profit reserve	Retained profit reserve	Retained earnings	Total
Balance as of December 31, 2019	**12,920**	**93**	**(1,597)**	**(123)**	**866**	**234**	**6,582**	**-**	**18,975**
Net income for the period	-	-	-	-	-	-	-	995	995
Other comprehensive income/(loss)	-	-	-	385	-	-	-		385
Interest on equity (nota 21.4)	-	-	-	-	-	-	-	(278)	(278)
Balance as of June 30, 2020	**12,920**	**93**	**(1,597)**	**262**	**866**	**234**	**6,582**	**717**	**20,077**

					Profit reserves				
	Share capital	Capital reserve	Shareholders' transactions reserve	Other comprehensive income/(loss)	Legal reserve	Unrealized profit reserve	Retained profit reserve	Retained earnings	Total
Balance as of December 31, 2018	**12,920**	**93**	**(1,594)**	**(172)**	**754**	**234**	**5,019**	**-**	**17,254**
Net income for the period	-	-	-	-	-	-	-	1,011	1,011
Other comprehensive income/(loss)	-	-	-	49	-	-	-	-	49
Interest on equity (nota 21.4)	-	-	-	-	-	-	-	(338)	(338)
Balance as of June 30, 2019	**12,920**	**93**	**(1,594)**	**(123)**	**754**	**234**	**5,019**	**673**	**17,976**

The accompanying notes are an integral part of these consolidated interim financial statements.

NEOENERGIA S.A.

STATEMENT OF ADDED-VALUE
For the Six-Month Period ended June 30, 2020 and 2019
(Amounts expressed in millions of Reais)

	Consolidated		Parent Company	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Revenues				
Energy, services and other sales	19,359	20,415	2	2
Provision for credit risk on trade receivables	(317)	(139)	-	(5)
Disposal of assets and rights	-	2	-	-
	19,042	**20,278**	**2**	**(3)**
Inputs purchased from third parties				
Electricity purchased for resale	(5,911)	(7,487)	-	-
Transmission network use charges	(1,148)	(608)	-	-
Raw materials consumed	(223)	(166)	-	-
Materials, third party services and others	(3,215)	(2,830)	(63)	(65)
	(10,497)	**(11,091)**	**(63)**	**(65)**
Gross added-value	**8,545**	**9,187**	**(61)**	**(68)**
Depreciation and amortization	(790)	(729)	(84)	(88)
Net added-value produced by Company	**7,755**	**8,458**	**(145)**	**(156)**
Added-value transferred to the Company				
Financial income	3,914	1,744	103	121
Participation in investees results	(14)	26	1,127	1,150
	3,900	**1,770**	**1,230**	**1,271**
Total added-value to allocate	**11,655**	**10,228**	**1,085**	**1,115**
Added-value allocation				
Staff				
Wages	343	345	-	-
Provision for vacation and 13th salary	78	74	-	-
Social charges (except INSS)	50	49	-	-
Employee benefits	3	2	-	2
Management compensation	33	28	20	18
Other	122	136	-	-
Subtotal	**629**	**634**	**20**	**20**
Taxes, fees and contributions				
National Institution of Social Security (INSS) (on the	97	91	2	2
Value-Added Tax on Sales and Services (ICMS)	3,271	3,425	-	-
Taxes on revenue (PIS/COFINS)	880	910	5	5
Income taxes	335	269	-	1
Intra-sectoral obligations	981	1,426	-	-
Others	29	26	1	1
Subtotal	**5,593**	**6,147**	**8**	**9**
Financings				
Interest and foreign exchange rate variations	4,397	2,387	62	75
Leases	3	10	-	-
Subtotal	**4,400**	**2,397**	**62**	**75**
Stakeholders' remunerations				
Retained earnings	278	338	278	338
Non-controlling interest	721	673	717	673
	34	39	-	-
	1,033	**1,050**	**995**	**1,011**
Added-value distributed	**11,655**	**10,228**	**1,085**	**1,115**

The accompanying notes are an integral part of these consolidated interim financial statements.

1. CORPORATE INFORMATION

Neoenergia S.A. and its direct and indirect subsidiaries ("Company" or "Neoenergia") are primarily dedicated to energy distribution, transmission, generation and sale activities, represented in three strategic operating segments (i) Networks, (ii) Renewable and (iii) Liberalized).

NEOENERGIA S.A. ("Parent Company"), has its registered address at 78, Praia do Flamengo – 3rd floor, Flamengo - Rio de Janeiro – RJ, Brazil, and was incorporated as a publicly-held company (NEOE3) with shares traded at B3 S.A. – Brasil, Bolsa, Balcão ("B3"), acting as a holding company with participation in other entities.

1.1 Service concession arrangements

During the six-month period ended June 30, 2020, changes were made to the structure of the service concession arrangements that the Company operates as follows:

Networks

Transmission operators Sobral, located in the State of Ceará, and Atibaia, located in the State of São Paulo, started their operations on January 22 and March 7, 2020, 13 months and 11 months in advance, respectively. The Company won the bidding of such service concession arrangements in Auction No. 05/2016 held in April 2017 and the date for start of operations set by ANEEL in the provisions of such arrangements were by February 2021.

On March 20, 2020, the Company signed the service concession arrangement for Lot 09 that was won by the Company in Auction No. 2/2019. Such lot is located in Bahia and comprises one 210 km transmission line and 2 substations. The infrastructure construction term is 48 months as from the date of signature of the aforementioned arrangement.

Complete information on the Company's service concession arrangements is disclosed in the consolidated financial statements for the year ended December 31, 2019, therefore this consolidated financial statement for the three-month period ended June 30, 2020 should be read in conjunction with the aforementioned financial statements.

1.2 Coronavirus ("Covid-19")

a) General information

On March 11, 2020, the World Health Organization ("WHO") reported Coronavirus outbreak (COVID-19) as a pandemic. In Brazil, as in other countries in the world, measures to stimulate the economy, credit (including a cycle of interest rate cuts, supported by the low level of inflation) and stability of the national electricity sector were announced. Some measures adopted by Federal, State and Municipal Governments and also by ANEEL have been extended at least until July 31, 2020.

b) Governmental assistance resolutions

On June 30, 2020, 100 days after the beginning of the pandemic in Brazil and considering the current stage of the spread of the COVID-19 outbreak, it is possible to identify the pandemic's impacts in a more assertive way compared to the previous quarter. The Company's performance was mainly affected by the following items:

(i) Energy billing due to reduced demand for electricity in the free and regulated markets;

(ii) Increase in Accounts Receivable due as a result of the increase in defaults, whose prohibitions on court actions hampered the collection of invoices and consequently increased Expected Credit Losses (PCE).

The COVID-19 Pandemic impacts presented below represent Management's best estimates. These events affected the business results in 2020, however, we believe that there will be gradually a predictable return to normal, in addition to the expectation that the calculated losses should be subject to an Extraordinary Tariff Recomposition for the economic and financial rebalancing of the Concession, so that expects this to significantly affect the recoverability of long-term business investments in the Neoenergia group. The effects of COVID-19 must be analyzed as non-recurring items

(i) Networks: The revenues of this segment are mainly linked to the supply of electricity and the availability of distribution and transmission networks. In distribution, the COVID-19 effect had a negative impact on the Company's results as follows, per cash-generating unit:

	3-month period ended in June 30, 2020				
	Coelba	**Celpe**	**Cosern**	**Elektro**	**TOTAL**
Downturn in market demand	(88)	(19)	(11)	(33)	(151)
Expected credit losses	(37)	(48)	(9)	(33)	(127)
EBITDA	**(125)**	**(67)**	**(20)**	**(66)**	**(278)**
Taxes on profit	31	24	5	22	82
Net effect	**(94)**	**(43)**	**(15)**	**(44)**	**(196)**

	6-month period ended in June 30, 2020				
	Coelba	**Celpe**	**Cosern**	**Elektro**	**TOTAL**
Downturn in market demand	(88)	(19)	(11)	(33)	(151)
Expected credit losses	(41)	(59)	(9)	(38)	(147)
EBITDA	**(129)**	**(78)**	**(20)**	**(71)**	**(298)**
Taxes on profit	32	28	5	24	89
Net effect	**(97)**	**(50)**	**(15)**	**(47)**	**(209)**

In the transmission, we continue to monitor the works in progress, taking all the measures within the group's reach to avoid and / or mitigate possible delays. So far, any delays do not impact the original schedule for the start-up of projects in progress.

(ii) Renewables: Revenues of this segment are related to availability of infrastructure, hydrological risk ("GSF") and the value of the Preço de Liquidação das Diferenças - PLD ("Differences Settlement Price"). There have been no changes in generators availability caused by the acts to combat COVID-19, so far. We observed a fall in GSF in the second quarter of around 3% compared to the same period in 2019. The PLD in the 2nd quarter decreased in relation to the same period of the previous year, by 31%, by 43% in the South and Southeast and 14 submarkets % in the Northeast submarket. The variations in these items have no significant impact on the results of this business segment.

(ii) Liberalized: Revenues of this segment are related to thermoelectric generation infrastructure availability as well as PLD's value, and energy purchase and sale contracts with other agents and final consumers in free market. No changes have been noticed in generators availability caused by acts to combat COVID19, so far. However, a decrease in consumption occurred on the free market, due to the reduction in economic activity, generating a reduction of R$ 14 million in the trader's gross margin.;

c) Operational and financial resilience measures

In view of the scenario described above, several measures of economic and financial assistance were introduced by the three levels of administration of the Brazilian Federation, with the objective of assisting companies in mitigating the effects of the pandemic:

- **(i)** postponement of the payment of PIS and COFINS (R$ 450), and FGTS (R$ 11), temporary exemption from IOF (R$ 2), resulting in a temporary relief in the cash flow of R$ 463.
- **(ii)** adherence to the temporary suspension of interest payments and amortization of loans contracted with BNDES and BNB (stand still), effective between April and October, and May and December, respectively, which will provide an additional net cash of approximately R$ 405 (nominal basis), with the dilution of this amount for the remaining term of the loans contracted with BNDES;
- **(iii)** release of the Reserve Fund of the Electric Energy Trading Chamber (CCEE) so that distribution agents and free consumers can maintain their obligations to the electricity sector, corresponding to R$ 203 for Neoenergia Group distributors received in April 2020.
- **(iv)** the publication of Provisional Measure No. 950/2020, which determines a 100% discount on the electricity bill less than or equal to 220 kWh / month in the period from April 1 to June 30, 2020 and extended until July 31, 2020, it will allow distributors to be fully refunded for this discount by CDE and avoid default in this consumer segment.
- **(v)** deferral of the tariff readjustment of the Northeast energy distributors to July 1, 2020, with no effect on the result and with a cash impact offset by the non-payment of the CDE quota during the same period, totaling R$ 100.

In addition to the measures indicated above, the Company will carefully analyze any new government policy guidelines in response to the pandemic aimed at providing financial relief to taxpayers. The Company understands that such guidelines must respect, in any circumstance, the right to economic-financial balance of the Concessions, in accordance with the legal framework, the clauses contained in the respective Contracts signed with the Granting Authority and with the guidelines published by the National Agency of Electricity - ANEEL.

In addition to the government measures introduced to mitigate the financial effects of the pandemic, the Company also took the following measures to minimize the economic and financial impacts:

- **(i)** Adoption of measures to minimize the increase in overdue accounts receivable. Witch could result in a significant increase in the amount of expected credit losses, among which we highlight.

  a. The. Implementation of new collection channels, such as the Negotiation Portal plugged into the distributors' website, allowing customers to negotiate their debts without leaving home;
  b. Flexibility in the negotiation conditions (reduction in the entry percentage, increase in parcel and exemption from financing interest) offered to customers for a limited time (until September 30, 2020);
  c. Payment and installment of energy consumption invoices for the Distributors' customers by credit card (up to 12x), without default risk for the distributors;
  d. Intensification of digital collection actions (SMS / IVR, E-mail and Whatsapp), directing our customers to the Negotiation Portal;
  e. Pioneer in launching a new payment method through the Caixa Virtual Card (Emergency Benefit);
  f. Media campaign (TV and Radio) in partnership with Flexpag with a bonus offer of R$ 35.00 (cashback) for the first customers to pay their bills in arrears, by credit card.

(ii) Measures to reduce over contracting

During the year 2020, the Neoenergia Group's distributors are using the existing management mechanisms of their energy purchase portfolio, making the utmost effort to adjust their contracting level within the regulatory limits. However, due to the general increase in over-contracting due to the market reduction resulting from COVID-19, such mechanisms have had low effectiveness.

Since the beginning of the Pandemic COVID 19 in March 2020, the MCSDs of Energia Nova that allowed compensation for the current year have not been processed, due to the lack of declaration of deficits by other distributors. The Existing Energy MCSD, on the other hand, has been processed monthly, with Coelba being the only Neoenergia distributor that fulfills the participation requirements with declaration of surpluses, however the effectiveness is low, allowing only the return of the amount associated with consumer migrations to the ACL. Finally, MVE also considering the extraordinary processing approved by Aneel, since few products have been negotiated and the effectiveness has been low and only Cosern was able to sell on this mechanism.

(iii) Postponement of the payment of earnings from the energy distributors, and

(iv) Anticipation of fundraising from financial institutions, in the amount of R$ 560 and approval of a new funding in the amount of R$ 3.4 billion.

d) Measures adopted by the Company to assist society

The Company has adopted several measures to contribute to government efforts to mitigate the effects of the pandemic on society. Among these measures, the following stand out:

(i) Technical inspection of the electrical installations of hospitals, sanitation companies and prisons, in addition to the main industries in our concession areas;
(ii) Supply of refrigeration and lighting equipment for field hospitals;
(iii) Donations of breathing apparatus and masks;
(iv) Adoption of telework for its employees, whose activities are compatible with this type of work to avoid displacement and potential risk of contagion, and
(v) Donation to the *Oswaldo Cruz Instituto* (FIOCRUZ) together with other companies in the Electric Sector with resources for the preparations of rapid tests for the detection of COVID-19.

2. INTERIM FINANCIAL STATEMENTS BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These consolidated and individual interim financial statements were prepared and presented under IAS 34 - Interim Financial Reporting (CPC 21 – *Demonstração Intermediária*) and shall be read in conjunction with the last annual consolidated financial statements for the year ended December 31, 2019 previously published. The Company's financial statements are prepared according to the accounting standards approved by *Comissão de Valores Mobiliários* - CVM ("Brazilian Securities and Exchange Commission").

The Company's consolidated interim financial statements present main variations during the period, avoiding repetition of certain notes to the previously published annual financial statements, and are presented on a new basis of groups of accounts and changing the order of tables and explanatory notes, when compared to the annual financial statements, aiming to improve presentation of accounting information to readers. As a consequence, comparative balances for the previous period were also regrouped for comparability purposes.

The Company also uses the guidelines contained in the Brazilian Electricity Sector Accounting Manual and the standards defined by ANEEL, when those do not conflict with the accounting practices adopted in Brazil and/or IFRS.

In the preparation of these consolidated interim financial statements, the subsidiaries are consolidated as from the date on which the Company assumes their control until the date on which control ceases. The Company's participation on the results of investments accounted for as joint ventures and associates are included in the consolidated interim financial statements as from the date on which significant influence or joint control begins, until the date on which significant influence or joint control ceases. All transactions between Neoenergia S.A. and its direct and indirect subsidiaries are entirely eliminated.

These consolidated interim financial statements were approved and authorized for issuance by the Company's Board of Directors on July 21, 2020.

All relevant information specific to the consolidated interim financial statements are disclosed and correspond to those used by Management.

2.2 Critical accounting standards, policies and estimates

The critical accounting standards, policies and estimates applied to these consolidated interim financial statements are equal as those applied to the audited consolidated financial statements for the year ended December 31, 2019, and therefore should be read in conjunction.

2.3 Functional and presentation currency

The Company's consolidated financial statements are presented in millions of Reais (R$), which is the Company's functional currency.

Foreign currency transactions are initially recognized at the exchange rate of the functional currency on the date of the transaction, and the monetary assets and liabilities denominated in foreign currency are translated into functional currency by using the exchange rate on the date of the statement of financial position. Gains and losses arising from foreign exchange rate variations from the update of these assets and liabilities are recognized in the statement of income.

2.4 New standards and interpretations in force and in force

The main regulations amended, issued or under discussion by the International Accounting Standards Board (IASB) and the Accounting Pronouncements Committee are as follows:

a) Changes in current accounting pronouncements

Norms	Description of the change	Effective date
IFRS 3/ CPC 15: Business Combination.	Establishes new requirements to determine whether a transaction should be recognized as a business acquisition or an asset acquisition.	January 1, 2020
IFRS 9 / CPC 48: Financial instruments; FRS 7 / CPC 40: Financial Instruments - Disclosure and IAS 39 / CPC 38: Financial Instruments - Recognition and Measurement.	Inclusion of temporary exceptions to current hedge accounting requirements to counteract the effects of uncertainties caused by the reform of the benchmark interest rate (IBOR).	January 1, 2020
IAS 1 / CPC 26: Presentation of the Financial Statements and IAS 8 / CPC 23: Accounting Policies, Changes in Estimates and Correction of Errors.	Changes the definition of "material", establishing that an information is material if its omission, distortion or obscurity can reasonably influence the decision making of the users of the financial statements.	January 1, 2020
IFRS 16 / CPC 06 (R2): Leases.	Requirements for the purpose of making it easier for lessees to account for possible concessions obtained in contracts as a result of COVID-19, such as forgiveness, suspension or even temporary reductions in payments.	January 1, 2020

b) Normative issued by the IASB and not yet approved by the CPC

Norms	Description of the change	Effective date
IAS 37 / CPC 25: Provisions, contingent liabilities and contingent assets.	Specification of what costs a company should include when assessing whether a contract is costly. The costs directly related to the fulfillment of the contract must be considered in the cash flow assumptions (Ex: Cost of labor, materials and other expenses related to the operation of the contract).	January 1, 2022
IAS 16 / CPC 27: Fixed assets	Allow revenue and cost recognition of amounts related to the sale of items produced during the asset's testing phase.	January 1, 2022

The amendments to Pronouncements that took effect on January 1, 2020 did not have a material impact on the interim financial statements. In relation to the regulations under discussion at the IASB or with an effective date established in a future exercise, the Company is following the discussions and has so far not identified the possibility of significant impacts.

3. NET INCOME FOR THE PERIOD CONCILIATION

Parent company and consolidated net income for the period conciliation is as follows:

	Net income for the six-month period ended 06/30/2020
Parent company	995
Interest capitalized (a)	6
Deferred income taxes (a)	(2)
Consolidated	999

a) Capitalization of a portion of the interest on the debentures issued in July 2019 by Neoenergia S.A. to the PP&E related to the wind farms under construction.

4. SEGMENT INFORMATION

The Company operates the following reportable segments: Networks, Renewables, Liberalized and Others. The segments were defined based on the products and services provided by the Company and reflect the structure used by Management to assess the Company's performance in the normal course of its operations. The bodies responsible for making operational decisions, resource allocation and performance evaluation include the Executive Boards and the Board of Directors.

The main activities of the operating segments are as follows: (i) Networks - comprise the business regarding the service concession arrangements related to energy distribution and transmission services; (ii) Renewables - comprise the activities regarding the service concession arrangements related to energy generation services from natural renewable resources, such as wind farms and hydroelectric plants; (iii) Liberalized - comprise energy generation activities from thermoelectric plants and energy commercialization activities; and (iv) Others - include activities that support operations.

Allocation of segment information for the six-month period ended June 30, 2019 has been changed, aiming to improve business management and to comply with Management's view on the operation, as follows:

Entity	Previous Segment	Current Segment
Neoserv	Networks	Liberalized
Neoinvest	Liberalized	Other
Elektro O&M	Liberalized	Networks
Teles Pires	Other	Renewables
EAPSA	Other	Renewables

4.1 Segments results

Segment information according to criteria set by the Company's Management are as follows:

	Consolidated										
	Tree-month period ended June 30, 2020										
			Networks			Renewables			Liberalized	Other	
	Distribution	Transmission	**Total networks**	Wind farms	Hydroelectric plants	**Total renewables**	Thermoeletric plants	Commercialization and services	**Total liberalized**	**Other**	**Result**
Gross revenues from third-parties	8,396	532	**8,928**	86	71	**157**	1	277	**278**	**-**	**9,363**
Gross revenues inter-segments	2	8	**10**	10	115	**125**	367	17	**384**	**1**	**520**
Gross revenues' deductions	(2,582)	(3)	**(2,585)**	(11)	(22)	**(33)**	(98)	(45)	**(143)**	**-**	**(2,761)**
Operating costs and expenses[1]	(4,420)	(401)	**(4,821)**	(29)	(35)	**(64)**	(147)	(185)	**(332)**	**(59)**	**(5,276)**
Inter-segments operating costs and expenses[1]	(388)	-	**(388)**	(3)	(12)	**(15)**	(9)	(108)	**(117)**	**-**	**(520)**
Provision for credit risk on trade receivables	(209)	-	**(209)**	-	-	**-**	-	-	**-**	**-**	**(209)**
Participation in investees results	-	-	**-**	-	(11)	**(11)**	-	-	**-**	**-**	**(11)**
EBITDA	**799**	**136**	**935**	**53**	**106**	**159**	**114**	**(44)**	**70**	**(58)**	**1,106**
Depreciation and amortization[2]	(290)	-	**(290)**	(28)	(21)	**(49)**	(15)	(3)	**(18)**	**(43)**	**(400)**
Operating profit	**509**	**136**	**645**	**25**	**85**	**110**	**99**	**(47)**	**52**	**(101)**	**706**
Financial income, net	(150)	-	**(150)**	(17)	(16)	**(33)**	(13)	1	**(12)**	**26**	**(169)**
Income taxes	(70)	(41)	**(111)**	18	(16)	**2**	(13)	16	**3**	**4**	**(102)**
Net income	**289**	**95**	**384**	**26**	**53**	**79**	**73**	**(30)**	**43**	**(71)**	**435**

([1]) Do not include depreciation and amortization.
([2]) Includes appreciation appropriation.

	Consolidated										
	Six-month period ended June 30, 2020										
			Networks			Renewables			Liberalized	Other	
	Distribution	Transmission	**Total networks**	Wind farms	Hydroelectric plants	**Total renewables**	Thermoeletric plants	Commercialization and services	**Total liberalized**	**Other**	**Result**
Gross revenues from third-parties	17,577	900	**18,477**	149	145	**294**	30	558	**588**	-	**19,359**
Gross revenues inter-segments	6	15	**21**	26	196	**222**	701	72	**773**	2	**1,018**
Gross revenues' deductions	(5,480)	(6)	**(5,486)**	(23)	(41)	**(64)**	(189)	(98)	**(287)**	-	**(5,837)**
Operating costs and expenses[1]	(8,995)	(656)	**(9,651)**	(65)	(70)	**(135)**	(316)	(371)	**(687)**	**(87)**	**(10,560)**
Inter-segments operating costs and expenses[1]	(746)	(2)	**(748)**	(5)	(40)	**(45)**	(38)	(187)	**(225)**	-	**(1,018)**
Provision for credit risk on trade receivables	(317)	-	**(317)**	-	-	**-**	-	-	**-**	-	**(317)**
Participation in investees results	-	-	**-**	-	(14)	**(14)**	-	-	**-**	-	**(14)**
EBITDA	**2,045**	**251**	**2,296**	**82**	**176**	**258**	**188**	**(26)**	**162**	**(85)**	**2,631**
Depreciation and amortization[2]	(570)	-	**(570)**	(55)	(40)	**(95)**	(28)	(3)	**(31)**	(84)	**(780)**
Operating profit	**1,475**	**251**	**1,726**	**27**	**136**	**163**	**160**	**(29)**	**131**	**(169)**	**1,851**
Financial income net	(405)	(4)	**(409)**	(41)	(34)	**(75)**	(38)	(3)	**(41)**	42	**(483)**
Income taxes	(247)	(74)	**(321)**	29	(33)	**(4)**	(19)	11	**(8)**	(2)	**(335)**
Net income	**823**	**173**	**996**	**15**	**69**	**84**	**103**	**(21)**	**82**	**(129)**	**1,033**

([1]) Do not include depreciation and amortization.
([2]) Includes appreciation appropriation.

	Consolidated										
	Three-month period ended June 30, 2019										
			Networks			Renewables			Liberalized	Other	
	Distribution	Transmission	**Total networks**	Wind farms	Hydroelectric plants	**Total renewables**	Thermoeletric plants	Commercialization and services	**Total liberalized**	**Other**	**Result**
Gross revenues from third-parties	9,111	279	**9,390**	95	60	**155**	10	429	**439**	**1**	**9,985**
Gross revenues inter-segments	4	7	**11**	13	127	**140**	324	19	**343**	**-**	**494**
Gross revenues' deductions	(3,076)	(2)	**(3,078)**	(7)	(22)	**(29)**	(87)	(65)	**(152)**	**-**	**(3,259)**
Operating costs and expenses[1]	(4,512)	(211)	**(4,723)**	(33)	(43)	**(76)**	(133)	(310)	**(443)**	**(51)**	**(5,293)**
Inter-segments operating costs and expenses[1]	(349)	(1)	**(350)**	(3)	(9)	**(12)**	(15)	(117)	**(132)**	-	**(494)**
Provision for credit risk on trade receivables	(71)	-	**(71)**	3	(1)	**2**	-	-	**-**	(2)	**(71)**
Participation in investees results[2]	-	-	**-**	-	-	**-**	-	-	**-**	-	**-**
EBITDA	**1,107**	**72**	**1,179**	**68**	**112**	**180**	**99**	**(44)**	**55**	**(52)**	**1,362**
Depreciation and amortization[3]	(264)	-	**(264)**	(26)	(27)	**(53)**	(12)	(1)	**(13)**	(43)	**(373)**
Operating profit	**843**	**72**	**915**	**42**	**85**	**127**	**87**	**(45)**	**42**	**(95)**	**989**
Financial income net	(299)	-	**(299)**	(24)	(26)	**(50)**	(29)	1	**(28)**	6	**(371)**
Income taxes	(55)	(20)	**(75)**	(4)	(17)	**(21)**	(2)	16	**14**	4	**(78)**
Net income	**489**	**52**	**541**	**14**	**42**	**56**	**56**	**(28)**	**28**	**(85)**	**540**

([1]) Do not include depreciation and amortization.
([2]) Changes in segment information for the three-month period ended June 30, 2019 were substantially impacted by participation in investees' results (R$3), due to changes in the allocations of Teles Pires and EAPSA between Others and Renewable segments.
([3]) Includes appreciation appropriation

	Consolidated										
	Six-month period ended June 30, 2019										
			Networks			Renewables			Liberalized	Other	
	Distribution	Transmission	**Total networks**	Wind farms	Hydroelectric plants	**Total renewables**	Thermoeletric plants	Commercialization and services	**Total liberalized**	**Other**	**Result**
Gross revenues from third-parties	18,832	399	**19,231**	180	152	**332**	10	840	**850**	**2**	**20,415**
Gross revenues inter-segments	7	15	**22**	26	178	**204**	619	73	**692**	**-**	**918**
Gross revenues' deductions	(6,236)	(3)	**(6,239)**	(13)	(38)	**(51)**	(166)	(129)	**(295)**	**-**	**(6,585)**
Operating costs and expenses[1]	(9,570)	(283)	**(9,853)**	(59)	(55)	**(114)**	(270)	(692)	**(962)**	**(89)**	**(11,018)**
Inter-segments operating costs and expenses[1]	(666)	(3)	**(669)**	(5)	(54)	**(59)**	(24)	(166)	**(190)**	-	**(918)**
Provision for credit risk on trade receivables	(133)	-	**(133)**	-	(1)	**(1)**	-	-	**-**	(5)	**(139)**
Participation in investees results[2]	-	-	**-**	-	26	**26**	-	-	**-**	-	**26**
EBITDA	**2,234**	**125**	**2,359**	**129**	**208**	**337**	**169**	**(74)**	**95**	**(92)**	**2,699**
Depreciation and amortization[3]	(519)	-	**(519)**	(52)	(35)	**(87)**	(24)	(1)	**(25)**	(87)	**(718)**
Operating profit	**1,715**	**125**	**1,840**	**77**	**173**	**250**	**145**	**(75)**	**70**	**(179)**	**1,981**
Financial income net	(580)	1	**(579)**	(50)	(28)	**(78)**	(47)	-	**(47)**	41	**(663)**
Income taxes	(215)	(27)	**(242)**	(8)	(35)	**(43)**	(7)	25	**18**	(1)	**(268)**
Net income	**920**	**99**	**1,019**	**19**	**110**	**129**	**91**	**(50)**	**41**	**(139)**	**1,050**

([1]) Do not include depreciation and amortization.
([2]) Changes in segment information for the three-month period ended June 30, 2019 were substantially impacted by participation in investees' results (R$12), due to changes in the allocations of Teles Pires and EAPSA between Others and Renewable segments.
([3]) Includes appreciation appropriation

4.2 Segments assets

	Consolidated				
	Balances as of June 30, 2020				
	Trade and other receivables	Sectoral financial assets (liabilities)	Service concession arrangements[1]	Investments in subsidiaries, associates and joint ventures	Right of Use, PP&E and Intangible Assets
Networks					
Distribution	5,277	(81)	16,735	2	9,100
Transmission	7	-	2,619	-	3
	5,284	**(81)**	**19,354**	**2**	**9,103**
Renewables					
Wind farms	136	-	-	-	2,593
Hydroelectric plants	35	-	-	2,505	2,851
	171	**-**	**-**	**2,505**	**5,444**
Liberalized					
Thermoelectric plants	-	-	-	-	978
Commercialization and services	154	-	-	-	6
	154	**-**	**-**	**-**	**984**
Other	**-**	**-**	**-**	**-**	**48**
	5,609	**(81)**	**19,354**	**2,507**	**15,579**

	Consolidated				
	Balances as of December 31, 2019				
	Trade and other receivables	Sectoral financial assets (liabilities)	Service concession arrangements[1]	Investments in subsidiaries, associates and joint ventures	Right of Use, PP&E and Intangible Assets
Networks					
Distribution	5,592	82	15,620	2	9,168
Transmission	6	-	1,756	-	62
	5,598	**82**	**17,376**	**2**	**9,230**
Renewables					
Wind farms	130	-	-	-	2,508
Hydroelectric plants	39	-	-	2,499	2,865
	169	**-**	**-**	**2,499**	**5,373**
Liberalized					
Thermoelectric plants	37	-	-	-	947
Commercialization and services	212	-	-	-	16
	249	**-**	**-**	**-**	**963**
Other	**-**	**-**	**-**	**-**	**51**
	6,016	**82**	**17,376**	**2,501**	**15,617**

([1])Include service concession arrangements classified as financial assets and/or contractual assets.

4.3 Additions to the main non-current assets (economic capital expenditures - Capex)

	Consolidated			
	3-month period ended			
	06/30/2020		06/30/2019	
	Service concession arrangements	Investments, right of use, PP&E and intangible	Service concession arrangements	Investments, right of use, PP&E and intangible
Networks				
Distribution	915	-	791	6
Transmission	370	1	199	-
	1,285	**1**	**990**	**6**
Renewables				
Wind farms	-	133	-	9
Hydroelectric plants	-	3	-	21
	-	**136**	**-**	**30**
Liberalized				
Gas generation	-	42	-	4
	-	**42**	**-**	**4**
	1,285	**179**	**990**	**41**

	Consolidated			
	6-month period ended			
	06/30/2020		06/30/2019	
	Service concession arrangements	Investments, right of use, PP&E and intangible	Service concession arrangements	Investments, right of use, PP&E and intangible
Networks				
Distribution	1,695	5	1,666	37
Transmission	605	1	263	73
	2,300	**6**	**1,929**	**110**
Renewables				
Wind farms	-	165	-	10
Hydroelectric plants	-	33	-	51
	-	**198**	**-**	**61**
Liberalized				
Gas generation	-	61	-	62
	-	**61**	**-**	**62**
Other	-	-	-	1
	2,300	**265**	**1,929**	**234**

5. NET REVENUE

	Consolidated								
	Three-month period ended June 30,2020				Three-month period ended June 30,2019				
	Networks	Renewables	Renewables	Total	Networks	Renewables	Renewables	Other	Total
Energy supply (note 5.1)	2,781	148	268	3,197	4,011	148	415	-	4,574
Distribution grid availability (note 5.2)	4,458	-	-	4,458	3,989	-	-	-	3,989
Service concession infrastructure construction revenue (a)	1,406	-	-	1,406	1,034	-	-	-	1,034
Electricity trading chamber	154	5	6	165	365	3	24	-	392
Mecanismo de Venda Excedente – MVE (Over-selling mechanism)	1	-	-	1	29	-	-	-	29
Fair value adjustments and interest on financial assets[1]	(57)	-	-	(57)	79	-	-	-	79
Contractual asset remuneration	61	-	-	61	18	-	-	-	18
Sectoral financial instruments effects (note 5.3)	63	-	-	63	(204)	-	-	-	(204)
Other revenues (note 5.4)	61	4	4	69	69	4	-	1	74
Gross operating revenue	**8,928**	**157**	**278**	**9,363**	**9,390**	**155**	**439**	**1**	**9,985**
(-) Revenue deductions (note 5.5)	(2,585)	(33)	(143)	(2,761)	(3,078)	(29)	(152)	-	(3,259)
Net revenue	**6,343**	**124**	**135**	**6,602**	**6,312**	**126**	**287**	**1**	**6,726**

([1]) Update of the financial asset arising from the indemnifiable portion of the concession, by the Regulatory Remuneration Base - BRR, the Broad Consumer Price Index - IPCA.

(a) Of the total Construction revenue from the concession infrastructure, the amount of R$ 933 refers to the construction revenue of the distributors and R$ 473 refers to the construction revenue of the transmission companies. Additionally, of the total construction cost presented in the Income Statement of R$ 1,325, the amount of R$ 933 refers to the construction cost of the distributors and R$ 392 refers to the construction cost of the transmission companies.

	Consolidated								
	Six-month period ended June 30,2020				Six-month period ended June 30,2019				
	Networks	Renewables	Liberalized	Total	Networks	Renewables	Renewables	Other	Total
Energy supply (note 5.1)	7,371	273	538	8,182	8,336	295	808	-	9,439
Distribution grid availability (note 5.2)	8,198	-	-	8,198	7,911	-	-	-	7,911
Service concession infrastructure construction revenue	2,507	-	-	2,507	1,980	-	-	-	1,980
Electricity trading chamber	303	13	41	357	712	28	40	-	780
Mecanismo de Venda Excedente – MVE (Over-selling mechanism)	2	-	-	2	52	-	-	-	52
Fair value adjustments and interest on financial assets[1]	14	-	-	14	206	-	-	-	206
Contractual asset remuneration	108	-	-	108	34	-	-	-	34
Sectoral financial instruments effects (note 5.3)	(164)	-	-	(164)	(129)	-	-	-	(129)
Other revenues (note 5.4)	138	8	9	155	129	9	2	2	142
Gross operating revenue	**18,477**	**294**	**588**	**19,359**	**19,231**	**332**	**850**	**2**	**20,415**
(-) Revenue deductions (note 5.5)	(5,486)	(64)	(287)	(5,837)	(6,239)	(51)	(295)	-	(6,585)
Net revenue	**12,991**	**230**	**301**	**13,522**	**12,992**	**281**	**555**	**2**	**13,830**

([1]) Update of the financial asset arising from the indemnifiable portion of the concession, by the Regulatory Remuneration Base - BRR, the Broad Consumer Price Index - IPCA.

(a) Of the total Construction revenue from the concession infrastructure, the amount of R$ 1,720 refers to the construction revenue of the distributors and R$ 787 refers to the construction revenue of the transmission companies. Additionally, of the total construction cost presented in the Income Statement of R$ 2,355, the amount of R$ 1,720 refers to the construction cost of the distributors and R$ 635 refers to the construction cost of the transmission companies.

Revenue from electricity supply decreased due to the impacts of the COVID-19 pandemic, reflecting preventive measures and social distance, factors that put pressure on energy consumption, as described in note 1.2.

5.1 Energy supply

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Residential	3,187	3,457	6,908	7,113
Commercial	1,107	1,650	2,606	3,360
Industrial	1,126	1,275	2,290	2,474
Rural	391	408	800	829
Government	264	346	591	670
Public lighting	212	238	434	454
Public utility	240	256	492	510
Other	(706)	(396)	(60)	150
Transfer – Distribution grid availability (i)	(3,999)	(3,520)	(7,254)	(6,981)
Subsidy to the social tariff (ii)	1,375	860	1,375	860
	3,197	**4,574**	**8,182**	**9,439**

(i) Revenues referring to the distribution grid availability, measured by using the average *Tarifa de Uso do Sistema de Distribuição* – TUSD ("Use of Distribution Grid Tariff") after its approval by ANEEL for the captive consumer.

(ii) The increase in subsidy revenue to the social tariff is impacted by the application of Provisional Measure No. 950/2020, as described in note 1.2.

5.2 Distribution grid availability

Revenue from TUSD refers basically to the sale of energy to free and captive consumers charging tariffs for the use of the distribution grid.

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Free consumers	459	469	944	930
Captive consumers (i)	3,999	3,520	7,254	6,981
	4,458	**3,989**	**8,198**	**7,911**

(i) Revenues referring to the availability of the electricity grid infrastructure, measured using the Tariff for Use of the Distribution System - average TUSD, after its approval by ANEEL for the captive consumer.

5.3 Assets and Liabilities effects sectoral financial instruments

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
CVA and neutrality				
Energy (i)	(259)	(561)	(581)	(863)
Encargos do Serviço do Sistema – ESS (Network Service Charges)(ii)	(111)	158	(77)	184
Tarifa de Uso do Sistema de Transmissão – TUST	(56)	(1)	(17)	(52)
Sectoral charges neutrality	75	5	85	(49)
Other	(12)	72	(59)	152
	(363)	**(327)**	**(649)**	**(628)**
Financial components and subsidies				
Over contracting pass-through (iii)	393	92	525	431
Hydrological risk	(30)	21	(54)	76
Reactive demand/surplus overcoming	(16)	(50)	(42)	(63)
R&D reimbursement	(13)	51	-	52
Adjustment deferral (iv)	100	-	100	-
Other	(8)	9	(44)	3
	426	**123**	**485**	**499**
	63	**(204)**	**(164)**	**(129)**

(i) On June 30, 2010, the Group's distributors calculated the CVA de Energia, the lowest amount being recognized between the periods, resulting from the reduction of the constitution, resulting from the differences between the costs incurred in relation to the ANEEL tariff coverage, with highlight to the CCEE accounting financial events, and the amortization of the balances approved in the tariff adjustment processes.

(ii) On June 30, 2020, the Group's distributors calculated a passive CVA arising from the reserve fund of the Electric Energy Trading Chamber - CCEE (note 1.2).

(iii) On June 30, 2020, the Group's distributors determined the financial over-contracting adjustment, the higher amount being recognized between the periods, resulting from the increase in the constitution, in order to cancel the effects on the result obtained with the purchase and the sale of surplus energy in the short-term market, and the amortization of balances approved in the tariff adjustment processes.

(iv) Recognition of revenue resulting from the deferral of the tariff adjustment from April 22, 2020 to July 1, 2020, for the subsidiaries Coelba and Cosern and April 29, 2020 for July 1, 2020 for the subsidiary Celpe.

5.4 Other revenues

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Service rendering revenue	13	9	14	11
Leases	50	42	94	80
Charged service	3	4	6	8
Public lighting fee	1	3	3	6
Fraud invoices management	2	2	3	3
Third party service commission	12	13	26	25
RAP gain / loss	(11)	(6)	(11)	(6)
O&M revenues	5	8	11	13
Contractual and regulatory penalties	1	2	1	-
Photovoltaic operations	3	-	3	-
Other revenues	(10)	(3)	5	2
Total	**69**	**74**	**155**	**142**

5.5 Revenue deductions

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Taxes				
Imposto sobre Circulação de Mercadorias - ICMS (Value Added Tax)	(1,515)	(1,694)	(3,271)	(3,425)
Programa de Integração Social – PIS (Employees' Profit Participation Program) and *Contribuição para o Financiamento da Seguridade Social* - COFINS (Tax for Social Security Financing)	(766)	(881)	(1,577)	(1,727)
Imposto sobre Serviços – ISS (Services Tax)	(3)	(3)	(8)	(7)
	(2,284)	**(2,578)**	**(4,856)**	**(5,159)**
Sectoral charges				
Conta de Desenvolvimento Energético – CDE (energy development account)	(387)	(598)	(774)	(1,252)
Programa de Eficiência Energética – PEE (Energy Research	(24)	(25)	(51)	(53)
Consumer charges – PROINFA e CCRBT	(27)	(14)	(73)	(37)
Other charges	(39)	(44)	(83)	(84)
	(477)	**(681)**	**(981)**	**(1,426)**
	(2,761)	**(3,259)**	**(5,837)**	**(6,585)**

6. ENERGY COSTS

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Energy purchased for sale				
Energy acquired through regulated environment auction – ACR	(1,601)	(1,525)	(3,226)	(2,981)
Energy acquired in the liberalized environment – ACL	(287)	(463)	(558)	(924)
Variable MCP costs	(245)	(190)	(596)	(483)
Energy spot market – PLD[(1)] e MRE[(2)]	(211)	(384)	(373)	(1,384)
Agreement based on physical assurance quotas	(318)	(324)	(672)	(654)
Energy acquired bilateral contract	(117)	(93)	(117)	(93)
Quotas of the Angra I and Angra II Plants	(254)	(224)	(254)	(224)
Other	111	78	(115)	(175)
Total	**(2,922)**	**(3,125)**	**(5,911)**	**(6,918)**
PIS and COFINS credits	273	388	578	722
Total	**(2,649)**	**(2,737)**	**(5,333)**	**(6,196)**
Transmission and distribution system usage charges				
Basic grid charges	(493)	(506)	(1,091)	(995)
Connection charges	(84)	(45)	(134)	(95)
Other charges	95	(146)	77	(87)
Subtotal	**(482)**	**(697)**	**(1,148)**	**(1,177)**
PIS and COFINS credits	55	56	114	108
Total	**(427)**	**(641)**	**(1,034)**	**(1,069)**
Total energy costs	**(3,076)**	**(3,378)**	**(6,367)**	**(7,265)**

(1) PLD – *Preço de Liquidação de Diferenças* ("Differences Settlement Price")
(2) MRE – *Mecanismo de Realocação de Energia* ("Energy Relocation Mechanism")

(i) In this caption, we consider the amount of the reserve energy charge - ERR, which is impacted by the release of the reserve fund of the Electricity Trading Chamber - CCEE (note 1.2)

7. OPERATING COSTS AND EXPENSES

	Consolidated							
	3-month period ended June 30, 2020				3-month period ended June 30, 2019			
	Operating costs	Sales expenses	Other general and administrative income	Total	Operating costs	Sales expenses	Other general and administrative income	Total
Staff (1)	(188)	(27)	(117)	**(332)**	(193)	(26)	(124)	**(343)**
Management	-	-	(14)	**(14)**	-	-	(20)	**(20)**
Third party services	(177)	(33)	(134)	**(344)**	(221)	(34)	(121)	**(376)**
Photovoltaic operations	(3)	-	-	**(3)**	-	-	-	**-**
Depreciation and amortization	(326)	(3)	(29)	**(358)**	(287)	-	(44)	**(331)**
Fuel for energy generation	(85)	-	-	**(85)**	(88)	-	-	**(88)**
Provision for losses on lawsuits	(1)	-	(37)	**(38)**	(1)	-	(38)	**(39)**
Taxes, charges and contributions	(1)	-	(6)	**(7)**	-	-	(3)	**(3)**
Other revenues and expenses, net	(48)	(6)	2	**(52)**	(52)	(6)	(7)	**(65)**
Total	**(829)**	**(69)**	**(335)**	**(1,233)**	**(842)**	**(66)**	**(357)**	**(1,265)**

(1) Includes post-employment and other benefits.

	Consolidated							
	6-month period ended June 30, 2020				6-month period ended June 30, 2019			
	Operating costs	Sales expenses	Other general and administrative income	Total	Operating costs	Sales expenses	Other general and administrative income	Total
Staff (1)	(403)	(58)	(229)	**(690)**	(399)	(53)	(234)	**(686)**
Management	-	-	(36)	**(36)**	-	-	(36)	**(36)**
Third party services	(385)	(66)	(263)	**(714)**	(438)	(69)	(226)	**(733)**
Photovoltaic operations	(3)	-	-	**(3)**	-	-	-	**-**
Depreciation and amortization	(641)	(3)	(53)	**(697)**	(564)	-	(69)	**(633)**
Fuel for energy generation	(223)	-	-	**(223)**	(166)	-	-	**(166)**
Provision for losses on lawsuits	(2)	-	(78)	**(80)**	(1)	-	(69)	**(70)**
Taxes, charges and contributions	(1)	-	(21)	**(22)**	(2)	-	(16)	**(18)**
Other revenues and expenses, net	(106)	(11)	47	**(70)**	(104)	(12)	(20)	**(136)**
Total	**(1,764)**	**(138)**	**(633)**	**(2,535)**	**(1,674)**	**(134)**	**(670)**	**(2,478)**

(1) Includes post-employment and other benefits.

8. FINANCIAL RESULTS

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	Consolidated				Parent Company			
	3-month period ended		6-month period ended		3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Financial income								
Financial income on cash equivalents and marketable securities	38	47	77	94	3	4	10	5
(-) Taxes on financial income	(9)	(11)	(18)	(20)	(3)	(2)	(5)	(5)
Interest and charges on delayed proceeds	97	52	155	104	-	-	-	-
Judicial deposits monetary variation	-	5	4	8	1	1	1	1
Monetary variation on sectoral financial assets	3	14	7	22	-	-	-	-
Financial income on post-employment and other benefits	1	-	1	1	-	-	-	-
Other financial income	(10)	32	27	53	38	47	80	93
	120	**139**	**253**	**262**	**39**	**50**	**86**	**94**
Financial expenses								
Charges on debt instruments[1]	(217)	(363)	(571)	(663)	(2)	(11)	(36)	(21)
Financial expenses on post-employment and other benefits	(15)	(21)	(31)	(42)	-	-	-	-
Monetary variation on provision for losses on lawsuits	(4)	-	(4)	-	-	-	-	-
Imposto sobre Operações Financeiras – IOF ("Tax on Financial Operations")	(39)	(26)	(89)	(61)	-	(2)	2	(2)
Other financial expenses	(5)	(4)	(10)	(15)	-	-	(1)	(1)
	(32)	(71)	(68)	(107)	(3)	(32)	(3)	(32)
	(312)	**(485)**	**(773)**	**(888)**	**(5)**	**(45)**	**(38)**	**(56)**
Other financial income (expenses), net								
Losses on foreign exchange rate variation and fair value adjustments – Debt	(887)	(235)	(3,113)	(703)	-	(4)	-	(9)
Gain on foreign exchange rate variation and fair value adjustments – Debt	306	295	375	720	-	6	-	13
Losses on derivative financial instruments – Note 18.3.b	(308)	(311)	(382)	(771)	-	(3)	-	(10)
Gain on derivative financial instruments – Note 18.3.b	934	238	3,190	733	-	2	-	7
Losses on foreign exchange rate variation and monetary	(24)	(21)	(35)	(25)	(7)	-	(11)	-
Gain on foreign exchange rate variation and monetary	2	9	2	9	-	-	-	2
	23	**(25)**	**37**	**(37)**	**(7)**	**1**	**(11)**	**3**
Financial results								
Other financial income (expenses), net	**(169)**	**(371)**	**(483)**	**(663)**	**27**	**6**	**37**	**41**

([1]) Includes the variable portion of interest related to price ratios on national currency debts; such as IPCA, *Índice Geral de Preços de Mecado* - IGP-M ("Overall Market Prices Ratio") among others and appropriation of borrowing costs

9. INCOME TAXES, OTHER TAXES, SECTORAL CHARGES AND REIMBURSEMENT TO CONSUMERS

9.1Income taxes

Current and deferred income taxes are comprised by *Imposto de Renda* ("IRPJ") and *Contribuição Social sobre o Lucro Líquido* ("CSLL") and are calculated based on the 34% nominal rate on income before taxes (IRPJ - 25% and CSLL - 9%), and consider the offsetting of tax loss carryforwards, limited to 30% of the taxable income for the period.

9.1.1 Income taxes recognized in the statement of income reconciliation

The reconciliation between taxes calculated at nominal rates and the amount of income taxes recognized in the statement of income is as follows:

	Consolidated			
	Three-month period		Six-month period ended	
	06/30/2020	06/30/2019	06/30/202	06/30/201
Income before taxes	**537**	**618**	**1,368**	**1,318**
Nominal income taxes rate - 34%	**(182)**	**(210)**	**(465)**	**(448)**
Adjustments to income tax calculation:				
Tax benefit on interest on own capital	95	38	95	38
Tax incentives	35	35	147	102
Participation in investees results	19	10	12	14
Difference on income taxes calculated based on assumed	9	13	9	24
Additions (reversals) to non-recognized tax loss	(91)	(42)	(102)	(53)
Other permanent additions (reversals)	13	78	(31)	55
Income taxes	**(102)**	**(78)**	**(335)**	**(268)**
Effective income taxes rate				
	-19%	-13%	-24%	-20%
Current	(130)	(8)	(282)	(129)
Deferred	28	(70)	(53)	(139)

9.1.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized based on tax loss carryforwards and temporary differences between the amounts in the consolidated financial statements and the corresponding amounts used for tax purposes.

	Consolidated	
	06/30/2020	31/12/2019
Tax loss carryforwards	206	176
Tax credit on appreciation and reversal of *Provisão para Manutenção da Integridade do Patrimônio Líquido* – PMIPL (Provision for Shareholders' Equity Integrity Maintenance)	581	621
Temporary differences:		
Current and post-employment benefits obligations	65	67
Provision for losses on lawsuits	538	531
Environmental and dismantling provision	3	2
Provision for credit risk on trade receivables	187	140
Right of use of overtaking revenue	104	106
Capital gains linked to property, plant and equipment and intangible	34	32
Profit sharing	1	2
Fair value adjustments and interest on indemnifiable financial assets	(565)	(545)
Capitalized charges on debt instruments	(275)	(265)
Accelerated depreciation	(33)	(28)
Fair value on financial instruments	(216)	(179)
Other	(210)	(130)
	420	**530**
Non-current assets	736	752
Non-current liabilities	(316)	(222)

Changes in deferred taxes are as follows:

	Consolidated	
	Assets	Liabilities
Balance as of December 31, 2019	**752**	**(222)**
Amounts recognized in profit or loss	26	(79)
Amounts recognized in other comprehensive income/loss	(42)	(15)
Balance as of June 30, 2020	**736**	**(316)**
Balance as of December 31, 2018	**1.031**	**(117)**
Amounts recognized in profit or loss	(115)	(24)
Amounts recognized in other comprehensive income/loss	(26)	-
Transfers between assets and liabilities	(2)	2
Balance as of June 30, 2019	**888**	**(139)**

9.1.3 Current tax assets and liabilities

	Consolidated	
	06/30/2020	12/31/2019
IRPJ	534	393
CSLL	163	66
Assets	**697**	**459**
Current	696	456
Non-current	1	3

	Consolidated	
	06/30/2020	12/31/2019
IRPJ	162	6
CSLL	112	3
Liabilities	**274**	**9**
Current	274	9

9.2 Other taxes

9.2.1 Other recoverable taxes

	06/30/2020	12/31/2019
ICMS	674	625
PIS	645	608
COFINS	2,981	2,812
INSS	29	26
Other	13	13
Other recoverable taxes	**4,342**	**4,084**
Current	1,360	1,299
Non-current	2,982	2,785

9.2.2 Other payable taxes and sectoral charges

	06/30/2020	12/31/2019
ICMS	274	383
PIS	116	38
COFINS	536	173
Withholding taxes	65	104
Other	81	50
Other payable taxes	**1,072**	**748**
R&D	214	197
PEE	243	212
Other	110	37
Sectoral payable charges	**567**	**446**
Total Other payable taxes and sectoral charges	**1,639**	**1,194**
Current	1,297	903
Non-current	342	291

9.3 Reimbursement to consumers – Federal Taxes

Correspond to balances which were presented as “Other non-current liabilities” on the Company's consolidated financial statements for the year ended December 31, 2019, related to tax credits net of success fees arising from the decision that excluded ICMS from PIS and COFINS tax calculation basis. The Company understands that such tax credits shall be fully reimbursed to consumers and corresponding entry to such balances is recognized as “Other recoverable taxes”.

Variation during the period corresponds solely to monetary variation bearing at SELIC.

10. CASH AND CASH EQUIVALENTS

Cash equivalents are highly liquid operations, with no use restrictions, promptly convertible into a known amount of cash and are subject to an insignificant risk of change in value.

	Consolidated		Parent Company	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Cash and bank deposits	187	323	-	-
Bank Deposit Certificates – CDB	1,403	671	301	341
Investment funds	3,757	3,047	97	658
	5,347	**4,041**	**398**	**999**

The Company’s investment funds' portfolios consist of several financial instruments, aiming better profitability and lowest risk level, as follows:

	Consolidated		Parent Company	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Repurchase agreements covered by government bonds	3,757	3,047	97	658
	3,757	**3,047**	**97**	**658**

11. TRADE AND OTHER RECEIVABLES

						Consolidated
	06/30/2020			12/31/2019		
	Trade receivables	Provision for credit risk	Trade receivables, net	Trade receivables	Provision for credit risk	Trade receivables, net
Energy supply (note 11.1)	5,571	(1,248)	4,323	5,688	(1,063)	4,625
Câmara de comercialização de energia elétrica – CCEE (Electric energy commercialization)	267	-	267	337	-	337
Distribution grid availability	503	(1)	502	575	(5)	570
Government grants	317	-	317	291	-	291
Other receivables	263	(63)	200	247	(54)	193
	6,921	**(1,312)**	**5,609**	**7,138**	**(1,122)**	**6,016**
Current			5,345			5,718
Non-current			264			298

11.1 Energy supply

Energy supply receivables comprise receivables from energy distribution, generation and sale.

Trade receivables from energy supply, by consumer class, are as follows:

	Consolidated			
	06/30/2020		12/31/2019	
	Trade receivables	Provision for credit risk	Trade receivables	Provision for credit risk
Residential	1,965	(673)	1,944	(550)
Commercial	609	(199)	826	(154)
Industrial	783	(140)	710	(145)
Rural	337	(115)	358	(100)
Government	455	(70)	459	(64)
Public lighting	244	(31)	239	(32)
Public utility	202	(16)	208	(15)
Unbilled services	976	(4)	944	(3)
	5,571	**(1,248)**	**5,691**	**(1,063)**

Energy supply receivables' aging is presented as follows:

	Consolidated			
	06/30/2020		12/31/2019	
	Trade receivables	Provision for credit risk	Trade receivables	Provision for credit risk
Due receivables	2,631	(49)	3,046	(56)
Overdue receivables:				
90 days	1,127	(104)	1,154	(68)
Between 91 e 180 days	402	(130)	246	(75)
Between 181 e 360 days	397	(175)	358	(155)
After 361 days	1,014	(790)	884	(709)
	5,571	**(1,248)**	**5,688**	**(1,063)**

As we can see in the table above, overdue accounts receivable was impacted by the effects of the COVID-19 pandemic. Between December 2019 and June 2020, overdue balances increased by R$ 425 (R$ 298 net of the effective write-off of bad debts). The effects of this increase are recognized in the expected credit loss shown below

11.2 Changes in provision for credit risk losses

	Consolidated	
	6-month period ended	
	06/30/2020	06/30/2019
Balance at the beginning of the period	**(1,122)**	**(985)**
Amounts recognized in profit or loss of the period	(317)	(139)
Effective losses written-off	127	108
Balance at the end of the period	**(1,312)**	**(1,016)**

As of June 30, 2020, Expected Credit Losses (PCE) totaled R$ 317 (R$ 139 on June 30, 2019), mainly reflecting the impacts of COVID-19 of R$ 147.

12. SECTORAL FINANCIAL ASSETS AND LIABILITIES (PORTION A AND OTHERS)

Tariffs that operators are authorized to charge their consumers are reviewed by ANEEL: (i) annually on the anniversary date of the service concession arrangement, for tariff adjustment purposes; and (ii) every four years, on average, aiming to recompose a portion of Parcel B (manageable costs) and to adjust Parcel A (non-manageable costs) of certain tariff components. Such tariff set mechanism allows to give rise to timing difference that arise from the difference between the costs budgeted considered in the tariff at the beginning of the tariff period, and those effectively incurred during the tariff period.

The aforementioned differences constitute rights or obligations, according to the principle of economic and financial balance set by the service concession arrangements. Sectorial financial assets and liabilities are as follows:

	Consolidated					
	Balance as of 06/30/2020			Balance as of 12/31/2019		
	Rights	Obligations	Net amount	Rights	Obligations	Net amount
CVA e Neutrality						
Energy	1,238	(92)	1,146	1,715	(8)	1,707
ESS	-	(668)	(668)	-	(580)	(580)
CDE	128	(36)	92	118	(6)	112
TUST	187	(4)	183	187	(4)	183
Neutrality of sector charges	42	(22)	20	2	(66)	(64)
Other	3	(26)	(23)	26	-	26
Financial components and subsidies						
Over contracting pass-through	381	(251)	130	-	(396)	(396)
Hydrological risk	-	(561)	(561)	-	(503)	(503)
Termope Energy Recomposition	54	-	54	57	-	57
Reactive demand/surplus overcoming	-	(588)	(588)	-	(504)	(504)
Compensation ref. Bilateral CCEAR Agreements	69	-	69	74	-	74
Other	107	(42)	65	8	(38)	(30)
	2,209	**(2,290)**	**(81)**	**2,187**	**(2,105)**	**82**
Current assets			275			395
Non-current liabilities			(356)			(313)

In the statement of financial position as of December 31, 2019, this item was disclosed named as "Offsetable amounts from Portion A and other financial items".

13. SERVICE CONCESSION ARRANGEMENTS

The service concession arrangements of the distribution and transmission operators are not onerous, therefore there are no fixed financial obligations and future payments to the grantor. The service concession arrangements granted are 30-year term and provide a term extension option, at solely discretion of the grantor, upon request by the operator. In case of termination of the service concession arrangement due to the expiration of the contractual term or another contractually foreseen hypotheses, the infrastructure related to the provision of the service shall be reverted to the grantor, leading to the surveys, assessments and determination of the indemnification amount due to the operator, observing the amounts and dates of its incorporation into the energy system.

13.1 Financial asset

The amount related to the infrastructure which will not be amortized until the end of the service concession arrangement is classified as financial asset as it represents an unconditional right to receive cash or another financial asset directly from the grantor. The financial asset amount, changes in fair value and effective interest rates are reviewed on a monthly-basis based on the variation of IPCA and the four-year tariff review for Celpe and Elektro Redes, and the five-year tariff review for Coelba and Cosern. During the period, such asset balances presented changes as follows:

	Consolidated	
	6-month period ended	
	06/30/2020	06/30/2019
Balance at the beginning of the period	**11,743**	**9,256**
Additions	-	3
Disposals	(13)	(13)
Reversals	1	2
Transfers – contractual assets (a)	835	947
Transfers – intangible assets	12	9
Fair value adjustments	14	206
Balance at the end of the period	**12,592**	**10,410**

(a) Transfer of the distribution operators' financial assets, classified as contractual assets during the construction period.

13.2 Contractual asset

The amount related to the infrastructure whose right to compensation is subject to the satisfaction of performance obligations, are classified as contractual assets and during the period presented the balances as follows:

	Consolidated					
	06/30/2020			12/31/2019		
	Transmission	Distribution	Total	Transmission	Distribution	Total
Current	98	-	98	90	-	90
Non-current	2,521	4,143	6,664	1,666	3,877	5,543
Total	**2,619**	**4,143**	**6,762**	**1,756**	**3,877**	**5,633**

Changes in contractual assets during the period were as follows:

	Consolidated		
	6-month period ended June 30, de 2020		
	Transmission	Distribution	Total
Balance as of December 31, 2019	**1,756**	**3,877**	**5,633**
Additions	787	1,695	2,482
Disposals	-	(2)	(2)
Transfers - intangible in progress (a)	-	(622)	(622)
Transfers - financial assets (a)	-	(835)	(835)
Transfers – other	-	30	30
Contractual asset appropriation	(32)	-	(32)
Monetary variation	108	-	108
Balance as of June 30, 2020	**2,619**	**4,143**	**6,762**
Cost	2.619	4.456	**7,075**
Special obligations	-	(313)	**(313)**

	Consolidated		
	6-month period ended June 30, de 2019		
	Transmission	Distribution	Total
Balance as of December 31, 2018	**797**	**3,568**	4,365
Additions	368	1,666	2,034
Disposals	(1)	(12)	(13)
Transfers - intangible in progress (a)	-	(700)	(700)
Transfers - financial assets (a)	-	(947)	(947)
Transfers – other	1	26	27
Contractual asset appropriation	(29)	-	(29)
Monetary variation	34	-	34
Balance as of June 30, 2019	**1,170**	**3,601**	**4,771**
Cost	1,170	3,757	**4,927**
Special obligations	-	(156)	**(156)**

(a) During the construction period, the distribution infrastructure is recognized as contractual assets and measured at the cost of acquisition plus borrowing costs related to the construction funding instrument incurred in such period. After completion of the construction, such assets are bifurcated between financial and intangible assets.

14. INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Changes in investments in subsidiaries, associates and joint ventures are as follows:

	Joint ventures	Associates	Total Consolidated	Subsidiaries	Total Parent Company
Balance as of December 31, 2019	**1,040**	**1,461**	**2,501**	**16,627**	**19,128**
Capital increase	20	-	**20**	392	**412**
Participation in investees results	16	(30)	**(14)**	1,141	**1,127**
Appreciation appropriation	-	-	**-**	(83)	**(83)**
Participation in other comprehensive income/(loss)	-	-	**-**	380	**380**
Dividend allocation	-	-	**-**	(183)	**(183)**
Balance as of June 30, 2020	**1,076**	**1,431**	**2,507**	**18,274**	**20,781**
Balance as of December 31, 2018	**994**	**1,422**	**2,416**	**15,071**	**17,487**
Capital increase	33	-	**33**	369	**402**
Participation in investees results	12	14	**26**	1,124	**1,150**
Appreciation appropriation	-	-	**-**	(85)	**(85)**
Participation in other comprehensive income	-	-	**-**	49	**49**
Dividend allocation	-	-	**-**	(1,408)	**(1,408)**
Balance as of June 30, 2019	**1,039**	**1,436**	**2,475**	**15,120**	**17,595**

Additional information regarding the main investees are as follows:

	Segment	Participation held and voting share (%)	Investment balance as of		Participation in investees results		Proceeds from dividends	
					Six-month period ended		Six-month period ended	
			06/30/2020	12/31/2019	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Subsidiaries								
	Networks	100,00%	1,344	1,040	152	62		-
	Liberalized	100,00%	1,275	1,195	103	74	113	73
Wholly-owned subsidiaries	Renewables (*)	100,00%	3,726	3,234	70	79	65	77
	Other	100,00%	15	15	-	-	-	-
Other subsidiaries								
Coelba	Networks	96,65%	5,644	5,209	432	508	-	642
Elektro Redes	Networks	99,68%	3,620	3,476	191	188	-	115
Celpe	Networks	89,65%	1,699	1,678	31	73	-	41
Cosern	Networks	91,50%	1,189	1,043	137	113	-	152
Afluente T	Networks	87,84%	198	188	10	11	-	-
			18,710	**17,078**	**1,126**	**1,108**	**178**	**1,100**
Associates and *joint ventures*								
Teles Pires Participações	Renewables	50,56%	778	772	(15)	(16)	-	-
Companhia Hidrelétrica Teles Pires	Renewables	51,00%	26	26	-	-	-	-
Águas da Pedra	Renewables	51,00%	274	243	31	28	-	-
Norte Energia S,A, (NESA) (a)	Renewables	10,00%	1,373	1,406	(32)	12	-	-
Energética Corumbá III	Renewables	25,00%	56	54	2	2	-	-
			2,507	**2,501**	**(14)**	**26**	**-**	-
			(436)	(451)	15	16	-	-
Shareholders' transactions								
			20,781	**19,128**	**1,127**	**1,150**	**178**	**1,100**

(a) Risks related to legal compliance at NESA: In 2014, the *Ministério Público Federal* - MPF ("Federal Public Prosecution") started investigations regarding irregularities involving UHE Belo Monte project contractors and suppliers and NESA's other shareholders, which are still ongoing.

In 2015, NESA hired specialized law and audit offices, in connection with the internal investigation process conducted by the Independent Commission approved in the context of one of the investee's shareholders, Centrais Elétricas Brasileiras S.A. - Eletrobrás, whose work was completed in 2016, in which it was concluded that certain contracts contained an estimated overprice of 1% of contract amount. As a consequence, NESA recognized impairment losses in proportion to its participation on the project. Considering that the MPF investigation is still ongoing and there are not new facts, it is not possible to predict any outcome on the investee.

15. INTANGIBLE ASSETS

Changes in intangible assets, by nature, are as follows:

	Consolidated				
	Service concession arrangements	**Software**	**Other**	**Work in progress**	**Total**
Amortization rate p,y,	**2.86% - 3.23%**	**5% – 20%**	**4.74% - 10% 10%**	**-**	
Balance as of December 31, 2019	**9,285**	**6**	**69**	**6**	**9,366**
Additions	-	25	-	2	27
Disposals	(30)	-	-	-	(30)
Amortization	(655)	(5)	(3)	-	(663)
Transfers between intangible assets	-	4	(3)	(1)	-
Transfers - financial assets[1]	(12)	-	-	-	(12)
Transfers – contractual assets[2]	622	-	-	-	622
Transfers – other assets	1	-	(1)	(2)	(2)
Balance as of June 30, 2020	**9,211**	**30**	**62**	**5**	**9,308**
Cost of acquisition	22,947	42	75	5	23,069
Accrued amortization	(11,862)	(12)	(13)	-	(11,887)
Special obligations	(1,874)	-	-	-	(1,874)
Balance as of December 31, 2018	**9,212**	**44**	**68**	**6**	**9,330**
Additions	-	-	-	1	1
Disposals	(34)	-	-	-	(34)
Amortization	(598)	(9)	(1)	-	(608)
Transfer – intangible	-	1	-	(1)	-
Transfers - financial assets[1]	(9)	-	-	-	(9)
Transfers – contractual assets[2]	692	8	-	-	700
Transfers – other assets	2	-	-	-	2
Balance as of June 30, 2019	**9,265**	**44**	**67**	**6**	**9,382**

([1]) Refer to the distribution operators contractual right to receive cash from users for the energy distribution infrastructure construction or improvement service, when such assets start to operate. Upon completion of the infrastructure construction, such assets will be classified as indemnifiable financial assets or intangible assets, depending on the form of remuneration.

([2]) Refer to contractual rights classified as contractual assets until the accomplishment of the performance obligations set in the service concession arrangement.

The facilities related to the service concession arrangement have an amortization rate that represents their economic-useful life, limited to the service concession arrangement maturity.

16. PP&E

Changes in PP&E, by class, are as follows:

	Consolidated						
	Wind farms	Combined cycle plants	Hydroelectric power stations	Land and buildings	Other	Work in progress	Total
Depreciation rate p.y.	**3,03%-25%**	**2,5% -**	**2,0% -**	**0% -**	**2,5%-**	**-**	
Balance as of December 31, 2019	**1,788**	**612**	**1,847**	**1,107**	**53**	**753**	**6,160**
Additions	-	-	-	-	-	226	226
Capitalized costs[1]	-	-	-	-	-	(14)	(14)
Disposals	-	-	-	-	-	(7)	(7)
Depreciation	(44)	(25)	(27)	(15)	(4)	-	(115)
Transfers between PP&E classes	1	79	-	3	8	(91)	-
Transfers - Other assets	1	7	-	(1)	-	(74)	(67)
Balance as of June 30, 2020	**1,746**	**673**	**1,820**	**1,094**	**57**	**793**	**6,183**
Acquisition cost	2,325	1,193	2,201	1,293	81	793	7,886
Accrued depreciation	(579)	(520)	(381)	(199)	(24)	-	(1,703)
Balance as of December 31, 2018	**1,889**	**568**	**741**	**507**	**29**	**2,145**	**5,879**
Additions	-	-	-	-	-	184	184
Capitalized costs[1]	-	-	-	-	-	4	4
Disposals	-	-	-	-	-	(2)	(2)
Depreciation	(44)	(21)	(31)	(10)	(1)	-	(107)
Transfers between PP&E classes	-	-	468	730	102	(1,300)	-
Transfers - Other assets	(10)	-	-	(4)	4	-	(10)
Balance as of June 30, 2019	**1,835**	**547**	**1,178**	**1,223**	**134**	**1,031**	**5,948**

([1])Capitalization of costs related to the personnel allocated to the infrastructure construction; financial charges for loans and financings; addition (reversal) to the provision for dismantling assets and business units; as well as respective environmental obligations.

17. TRADE PAYABLES

	Consolidated	
	06/30/2020	12/31/2019
Energy	1,284	1,634
Network usage charges	190	203
Materials and services	1,046	1,229
Liberalized energy	144	119
Total	**2,664**	**3,185**
Current	2,541	3,049
Non-current	123	136

18. LOANS, FINANCINGS AND DERIVATIVE FINANCIAL INSTRUMENTS

18.1 Net debt

The Company evaluates net debt in order to ensure the business long-term continuity, able to add value for its shareholders, through the payment of dividends and capital appreciation. Net debt is comprised as follows:

	Consolidated	
	06/30/2020	**12/31/2019**
Loans and financings from financial institutions	8,727	6,017
Development agencies	7,984	6,718
Capital markets (debentures)	10,485	9,929
Loans and financings[1]	**27,196**	**22,664**
(+) Debt hedging derivative financial instruments (note 18.3)	(4,313)	(1,318)
(-) Cash and cash equivalents (note 10)	(5,347)	(4,041)
(-) Marketable securities	(213)	(171)
Net debt	**17,323**	**17,134**

([1]) In the statement of financial position, the Company presents loans and financings net of collateral deposits related to debts. This presentation better represents these transactions because such collaterals are realized exclusively by amortizing the related debts.

18.2 Loans and financings

The Company's loans and financings are mainly comprised by funding raised from bank loans, development agencies and the capital market (debentures), mainly denominated in Reais (“R$”) and U.S. Dollars (“US$”). Loans and financings are initially recognized at fair value, which normally reflects the amount received, net of borrowing costs (direct costs to issuance) and any payments. Subsequently, loans and financings are recognized at: i) amortized cost; or ii) fair value through profit or loss.

The Company contracted derivative financial instruments to hedge its exposure to changes in the cash flows of the Company's foreign currency-denominated loans and financings, consequently substantially mitigating the risk of foreign exchange exposure.

a) Loans and financings agreements by currency and interest rate

	Consolidated	
	06/30/2020	12/31/2019
Denominated in R$	**17,232**	**15,945**
Floating interest rates	16,632	15,305
Fixed interest rates	600	640
Denominated in US$	**9,056**	**6,262**
Floating interest rates	3,052	2,514
Fixed interest rates	6,004	3,748
Denominated in other currencies		
Fixed interest rates	**1,173**	**720**
	1,173	720
	27,461	**22,927**
(-) Collateral deposits	(113)	(131)
(-) Borrowing costs	(152)	(132)
	27,196	**22,664**
Current liabilities	6,261	3,706
Non-current liabilities	20,935	18,958

As of June 30, 2020, the average annual borrowing costs are as follows:

	Consolidated	
	06/30/2020	12/31/2019
Average cost in % of CDI[2]	119,6%	109,2%
Average cost in fixed interest rate	5,3%	6,4%
Debt balance	27,196	22,664
Derivative financial instruments	(4,313)	(1,318)
Total debt, net of derivatives	**22,883**	**21,346**

([2]) Interest rate considers average debt balance for the last 13 months and the accrued charges and CDI for the last 12 months.

b) Loans and financings amortization schedule

Future loans and financings amortization and interest payment flows are as follows:

				Consolidated
	Principal[3]	Interest[3]	Derivative financial instruments	Total
2020	3,138	418	(1,413)	2,143
2021	4,155	939	(842)	4,252
2022	4,748	912	(675)	4,985
2023	3,294	771	(162)	3,903
2024	4,394	612	(592)	4,414
Between 2025 and 2030	7,945	1,439	(1,123)	8,261
As from 2031	1,687	575	-	2,262
	29,361	**5,666**	**(4,807)**	**30,220**

([3]) Estimated future amortization and interest payments flows are calculated based on the interest rates (fixed and float) and exchange rate curves on June 30, 2020 considering amortizations and interest payments according to loans and financings agreements schedule. The amount includes estimated future charges payments (not recognized yet), further to charges already recognized in the consolidated financial statements.

c) Changes in loans and financings

	Consolidated	
	6-month period ended	
	06/30/2020	06/30/2019
Balance at the beginning of the period	**22,664**	**21,056**
Cash transactions:		
Proceeds	2,753	4,097
Amortization	(993)	(3,903)
Borrowing costs paid	(34)	(23)
Charges paid	(532)	(626)
Collateral deposits (redemption), net	17	(34)
Non-cash transactions:		
Charges incurred	583	723
Foreign exchange rate variation	2,725	(67)
Transfers	-	(16)
Fair value adjustments	13	50
Balance at the end of the period	**27,196**	**21,257**

In the six-month period ended June 30, 2020, the Group raised R$ 2,753, of which: (i) R$ 1.2 billion through bank loans in foreign currency, also contracting foreign exchange swaps; (ii) R$ 560 million through the issuance of debentures; and (iii) R$ 893 MM through financing with development banks, including BNDES and BNB; and (iv) R$ 100 million through Bank Credit Notes (CCB).

d) Credit lines

Type	Currency	Disbursement dead-line	Total amount	Disbursed amount
Financings	R$	06/29/2023	6,640	2,481
Financings	US$	12/24/2020	438	-
Financings	€	12/05/2022	1,538	-
			8,616	**2,481**

e) Financial covenants

Some of the Company's loans and financings agreements contain financial covenant clauses. The Company's main financial covenants require the maintenance of certain ratios, such as Debt to EBITDA (Earnings before interest, taxes, depreciation and amortization) and interest coverage.

The Company did not verify any event of non-compliance as of June 30, 2020 and December 31, 2019.

18.3 Derivative financial instruments

The Company is exposed to several risks arising from its operations, including risks related to foreign exchange rates, interest rates and price ratios. The Company uses swaps, forward contracts, options and other derivatives financial instruments for economic and financial protection purposes, as a part of the Company's risk management strategy. General considerations on the risk management strategy are set out in note 23.7.

a) Derivative financial instruments assets (liabilities) presented in the statement of financial position

	Consolidated	
	30/06/2020	**12/31/2019**
Loans and financings hedging instruments:		
Foreign exchange rate variation risk (NDF, Options and other derivatives)	2	-
Currency swap – US$ vs R$	3,466	1,133
Currency swap – Other currencies vs R$	277	21
Interest rate swap – R$	210	184
Other transactions hedging instruments:		
Foreign exchange rate variation risk – Goods and	358	(20)
Net exposure	**4,313**	**1,318**
Current assets	1,968	509
Non-current assets	2,357	861
Current liabilities	12	47
Non-current liabilities	-	5

The Company has derivative financial instruments contracted for protection purposes, designated for hedge accounting, as follows:

	Consolidated	
	06/30/2020	**12/31/2019**
Derivatives not designated as for hedge accounting		
Loans and financings hedging	100	84
Derivatives designated as for hedge accounting – cash flow		
Loans and financings hedging	1,950	351
Other transactions hedging	358	(20)
Derivatives designated as for hedge accounting – fair value		
Loans and financings hedging	1,905	903
	4,313	**1,318**

b) Derivative financial instruments assets (liabilities) presented in profit or loss, other comprehensive income/(loss) and statement of cash flows

	Consolidated Six-month period ended					
	06/30/2020			06/30/2019		
	Loans and financings hedging	**Other operations hedging**	**Total**	**Loans and financings hedging**	**Other operations hedging**	**Total**
Balance at the beginning of the period	**1,338**	**(20)**	**1,318**	**1,100**	**26**	**1,126**
Gain/(loss) recognized in profit or loss	2,806	40	2,846	(46)	18	(28)
Gain/(loss) recognized as capex	-	34	34	-	-	-
Derivatives proceeds (payments)	(295)	(74)	(369)	(75)	(14)	(89)
Gain/(loss) recognized in other comprehensive income/(loss)	105	379	484	108	(33)	75
Balance at the end of the period	**3,954**	**359**	**4,313**	**1,087**	**(3)**	**1,084**

	Consolidated Six-month period ended					
	06/30/2020			06/30/2019		
	Loans and financings hedging	Other operations hedging	Total	Loans and financings hedging	Other operations hedging	Total
Gain/(loss) recognized in profit or loss						
Cost of operations	-	37	37	-	9	9
Financial result, net	2,805	3	2,808	(47)	9	(38)

19. PROVISIONS AND JUDICIAL DEPOSITS

	Consolidated	
	06/30/2020	12/31/2019
Provision for losses on lawsuits (note 19.1.a)	1,126	1,067
Provision for environmental obligations	123	110
Provision for asset dismantling obligations	52	69
Provision for reimbursement	116	46
	1,417	**1,292**
Current liabilities	262	188
Non-current liabilities	1,155	1,104

19.1 Provision for losses on lawsuits, contingent liabilities and judicial deposits

a) Provision for losses on lawsuits

The Company is a party involved in civil, labor, tax and other ongoing lawsuits at the administrative and judicial levels. Provisions for losses arising from these lawsuits are estimated and updated by the Company, supported by the opinion of legal advisors.

Provisions for losses on lawsuits are as follows:

					Consolidated
	Civil	Labor	Tax	Regulatory	Total
Balance as of December 31, 2019	514	403	137	13	1,067
Additions and reversals, net	72	17	4	3	96
Payments	(82)	(38)	(5)	(1)	(126)
Monetary variation	48	26	15	-	89
Balance as of June 30, de 2020	**552**	**408**	**151**	**15**	**1,126**
Balance as of December 31, 2018	415	360	131	10	916
Additions and reversals, net	52	12	6	2	72
Payments	(76)	(28)	-	-	(104)
Monetary variation	48	16	(1)	-	63
Balance as of June 30, de 2019	**439**	**360**	**136**	**12**	**947**

b) Contingent liabilities

Contingent liabilities correspond to not recognized lawsuits, since do constitute present obligations whose cash outflows are not likely or for which it is not possible to reliably measure an estimate of the obligation amount, based on legal opinions. Contingent liabilities are presented as follows:

	Consolidated	
	06/30/2020	**12/31/2019**
Tax lawsuits (i)	5,564	5,612
Civil lawsuits (ii)	1,865	1,766
Labor lawsuits (iii)	564	673
Regulatory lawsuits (iv)	232	221
	8,225	**8,272**

Relevant lawsuits whose likelihood of loss is considered possible are as follows:

(i) Tax lawsuits: Refer to tax lawsuits and collection impugnation, subpoenas and notices of violation referring to several taxes, such as ICMS, ISS, CPMF, IRPJ, CSLL, IPTU, REFIS, PIS/COFINS, INSS, CIDE, ITD on received donations, among others. Such amounts were adjusted for inflation based on SELIC interest rate variation.

(ii) Civil lawsuits: They refer to actions of a commercial and indemnity nature, brought by individuals and legal entities, involving repetition of undue damages, material damages, moral damages, among others. The amounts were adjusted for inflation based on the INPC variation, plus interest of 1% p.m.

(iii) Labor lawsuits: They refer to lawsuits filed by employees and former employees against the subsidiaries, involving the collection of overtime, dangerous premiums, wage parity / reframing, discussion of the job and salary plan and others, as well as actions filed by ex -employees of contractors (subsidiary and / or joint liability) involving the collection of indemnity and other installments. The amounts were restated based on the variation of the Reference Rate (TR), the index for updating labor claims plus interest of 1% pa.

(iv) Regulatory lawsuits: Refer to lawsuits against the Group's distribution operators, whose objects are related to procedures for, individual and collective, service technical continuity ratios calculation, commercial matters, the corresponding financial compensation and recovery of global ratios, matters related to the collection or legality of tariff elements or items and issues related to the legality of administrative lawsuits started by ANEEL.

c) Judicial deposits

Judicial deposits are presented according to the nature of the corresponding lawsuits, whether recognized or not.

	Consolidated	
	06/30/2020	**12/31/2019**
Civil lawsuits	312	298
Labor lawsuits	377	379
Tax lawsuits	235	231
Regulatory lawsuits	11	12
	935	**920**

20. WAGES, EMPLOYMENT BENEFITS AND RELATED CHARGES

The Company grants its employees short and long-term benefits, in addition to wages, vacation and other legally required benefits, as well as the respective labor charges on these benefits.

Short-term benefits include: (i) profit sharing program; (ii) health and dental care plans; and (iii) other usual market benefits.

Long-term benefits include: (i) pension plan; and (ii) post-employment health care plan.

The amounts recognized in the statement of financial position are as follows:

	Consolidated	
	06/30/2020	**12/31/2019**
Wages, vacation, 13th salary and related charges	270	280
Short-term benefits	64	98
Long-term benefits	787	759
	1,121	**1,137**
Non-current assets[1]	(28)	(33)
Current liabilities	335	379
Non-current liabilities	814	791

([1]) The presentation of post-employment benefit balance is in Other non-current assets.

21. SHAREHOLDERS' EQUITY

21.1 Share capital

The authorized share capital is fully subscribed and paid up on June 30, 2020 and December 31, 2019 in the amount of R $ 12,920. The composition of paid-up capital by class of shares (with no par value) and main shareholders is as follows:

Shareholders	**Common shares**	**%**
Iberdrola Energia S A. ("Iberdrola")	606,898,625	50.00%
Iberdrola S.A.	12,618,700	.04%
Previ - Caixa de Previdência dos Funcionários do Banco do Brasil ("Previ")	367,647,583	30.29%
Key-management personnel	519,016	0.04%
Other shareholders	226,113,324	18.63%
Total	**1,213,797,248**	**100.00%**

21.2 Earnings per share

Basic and diluted earnings per share are presented as follows:

	Consolidated			
	3-month period ended		6-month period ended	
	30/06/2020	**30/06/2019**	**30/06/2020**	**30/06/2019**
Net income for the period	435	540	1,033	1,050
Weighted-average shares held by the controlling interest	1,214	1,214	1,214	1,214
Earnings per share	**0,36**	**0,44**	**0,85**	**0,86**

	Parent Company			
	3-month period ended		6-month period ended	
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Net income for the period	423	519	995	1,011
Weighted-average shares held by the controlling interest	1,214	1,214	1,214	1,214
Earnings per share	**0.35**	**0.43**	**0.82**	**0.83**

21.3 Other comprehensive income/(loss)

The Company has by accounting policy do not impact net income with actuarial gains and/or losses arising from changes in expected earnings from actuarial post-employment benefit assets and liabilities and fluctuations in cash flow hedges fair values, therefore adopting hedge accounting. That implies recognizing such impacts in “Other Comprehensive Income”, net of deferred taxes on such items.

In February 2020, the Company contracted with Icatu Seguros, actuarial risks coverage related to the disability or death benefits for employees allocated in the energy distribution operations (São Paulo and Mato Grosso do Sul). The insurance policy covers all the risks related to the mathematical reserve restore and will be constantly renewed in subsequent periods, complying with the Company's actuarial risk management policy.

The contracting of such insurance policy exempted the Company from the responsibility of settling actuarial obligations of these benefits, resulting in the liability reversal and consequently recognizing a gain of R$23 in the result for the period.

21.4 Interest on equity

On June 15, 2020, the Company's Board of Directors approved the determination of Interest on Equity, for payment until December 31, 2020, in the amount of R$278, corresponding to R$ 0.2293645009 per common share

22. RELATED PARTIES TRANSACTIONS

The Company's related parties are subsidiaries, associates, joint ventures, shareholders and their related entities and the Company's key-management personnel.

The main commercial transactions with related parties recognized as trade receivables and/or trade payables and the respective revenues and/or costs/expenses are related to: (i) energy purchase and sale agreements; (ii) energy distribution or transmission system usage agreements; (iii) operation and maintenance service rendering; (iv) administrative services agreements.

Transactions with pension funds responsible for managing short and long-term benefits granted to the Company’s employees are classified as "Shareholders and Others" in this note.

Information on related parties transactions and the related impact on the Company's consolidated financial statements are presented as follows:

22.1 Related parties balances

	Consolidated							
	06/30/2020				12/31/2019			
	Joint ventures	Associates	Shareholders and others	Total	Joint ventures	Associates	Shareholders and others	Total
Assets								
Trade and other receivables	-	14	-	**14**	1	14	-	**15**
Other assets	-	-	26	**26**	-	-	23	**23**
	-	**14**	**26**	**40**	**1**	**14**	**23**	**38**
Liabilities								
Trade and other payables	92	37	46	**175**	172	43	83	**298**
Employee benefits	-	-	67	**67**	-	-	76	**76**
Dividends and interest on capital	-	-	268	**268**	-	-	214	**214**
Other liabilities	-	-	210	**210**	-	-	214	**214**
	92	**37**	**591**	**720**	**172**	**43**	**587**	**802**

	Parent Company							
	06/30/2020				12/31/2019			
	Subsidiaries	Joint ventures and associates	Shareholders and others	Total	Subsidiaries	Joint ventures and associates	Shareholders and others	Total
Assets								
Dividends and interest on capital	380	14	-	**394**	375	14	-	**389**
Other assets	20	-	-	**20**	22	-	-	**22**
	400	**14**	**-**	**414**	**397**	**14**	**-**	**411**
Liabilities								
Trade and other payables	-	-	45	**45**	-	-	81	**81**
Dividends and interest on capital	-	-	253	**253**	-	-	198	**198**
Other liabilities	34	-	209	**243**	109	-	209	**318**
	34	**-**	**507**	**541**	**109**	**-**	**488**	**597**

[1] On June 9, 2020, according to the Second Amendment to the Company's Shareholders' Agreement, the deadline for the Company to send Previ a firm proposal for the acquisition of its minority interests in Coelba, Cosern and Affluent T.

22.2 Related parties transactions

	Consolidated							
	6-month period ended							
	06/30/2020				06/30/2019			
	Joint ventures	Associates	Shareholders and others	Total	Joint ventures	Associates	Shareholders and others	Total
Profit or loss								
Net revenue	-	6	-	**6**	-	11	-	**11**
Cost of services	(442)	(200)	(36)	**(678)**	(296)	(210)	(51)	**(557)**
General and administrative expenses	-	-	(33)	**(33)**	-	-	(27)	**(27)**
Financial results, net	-	-	(3)	**(3)**	-	-	(5)	**(5)**
	(442)	**(194)**	**(72)**	**(708)**	**(296)**	**(199)**	**(83)**	**(578)**

	Parent Company							
	6-month period ended							
	06/30/2020				06/30/2019			
	Subsidiaries	Joint ventures and associates	Shareholders and others	Total	Subsidiaries	Joint ventures and associates	Shareholders and others	Total
Profit or loss								
Net revenue	2	-	-	**2**	-	-	-	**-**
General and administrative expenses	-	-	(45)	**(45)**	-	-	(27)	**(27)**
Financial results, net	76	-	-	**76**	84	-	-	**84**
	78	**-**	**(45)**	**33**	**84**	**-**	**(27)**	**57**

22.3 Key-management personnel compensation

Employees' compensation, including those occupying executive positions and members of the Company's Board of Directors, recognized in the statement of income for the period are presented as follows:

	Consolidated			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Wages and recurring benefits	3	2	5	6
Short-term variable compensation	1	2	4	4
Long-term benefits	1	1	2	2
Contract terminations	-	-	-	2
	5	**5**	**11**	**14**

	Parent Company			
	3-month period ended		6-month period ended	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Wages and recurring benefits	7	1	12	6
Short-term variable compensation	2	11	4	13
Long-term benefits	2	1	6	2
Contract terminations	-	-	-	-
	11	**13**	**22**	**21**

22.4 Granted financial guarantees

Guarantees granted by the Company are done based on contractual clauses that support the financial transactions between the joint ventures/associates and third parties, assuring assumption of the obligation accomplishment, in case the original debtor does not comply with the set financial commitments.

As of June 30, 2020, the total financial guarantees granted by the Company to certain joint ventures and associates amounted to R$4,489.

23. FINANCIAL INSTRUMENTS FAIR VALUES CLASSIFICATION AND ESTIMATES

23.1 Financial instruments classification and measurement

The Company classifies financial instruments according to their business model and the purpose for which they were acquired. Financial instruments are classified and measured as follows:

	Consolidated					
	06/30/2020			12/31/2019		
	AC	FVTOCI	FVTP&L	AC	FVTOCI	FVTP&L
Financial assets						
Cash and cash equivalents	1,589	-	3,758	994	-	3,047
Marketable securities	6	-	207	6	-	165
Trade and other receivables	6,921	-	-	7,138	-	-
Derivative financial instruments	-	2,345	1,980	-	394	976
Sectoral financial assets (Portion A and other)	275	-	-	395	-	-
Service concession arrangement (financial asset)	-	-	12,592	-	-	11,743
	8,791	**2,345**	**18,537**	**8,533**	**394**	**15,931**
Financial liabilities						
Trade payables and payables to contractors	2,664	-	-	3,185	-	-
Loans and financings	22,172	-	5,024	18,606	-	4,058
Sectoral financial liabilities (Portion A and other)	356	-	-	313	-	-
Derivative financial instruments	-	12	-	-	52	-
Lease obligations	94	-	-	97	-	-
Use of public property	61	-	-	60	-	-
	25,347	**12**	**5,024**	**22,261**	**52**	**4,058**

AC – Amortized cost
FVTOCI – Fair value through other comprehensive income
FVTP&L – Fair value through profit and loss

23.2 Fair value estimates

For fair value measurement and determination purposes, the Company uses several methods including market, result or cost approaches, in order to estimate the value that market participants would use to set the price of an asset or a liability. Financial assets and liabilities recognized at fair value are classified and disclosed according to the levels as follows:

Level 1 - Quoted prices (not adjusted) in active, liquid and visible markets for identical assets and liabilities that are accessible on the measurement date;

Level 2 - Quoted prices (which may or may not be adjusted) for similar assets or liabilities in active markets; and

Level 3 - Assets and liabilities whose prices do not exist or where these prices or valuation techniques are supported by a small or non-existent, unobservable or illiquid market.

The analysis on the impact if actual results differ from Management's estimate is disclosed in Note 23.8 (sensitivity analysis).

23.3 Financial instruments recognized at fair value ("FVTP&L" or "FVTOCI")

The measurement level of financial assets and liabilities recognized at fair value are as follows:

	Consolidated					
	06/30/2020			12/31/2019		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Financial assets						
Cash and cash equivalents	3,757	-	3,757	3,047	-	3,047
Marketable securities	207	-	207	165	-	165
Derivative financial instruments	4,325	-	4,325	1,370	-	1,370
Service concession arrangement (financial	-	12,592		-	11,743	11,743
	8,290	**12,592**		**4,582**	**11,743**	**16,325**
Financial liabilities						
Loans and financings	5,024	-	5,024	4,058	-	4,058
Derivative financial instruments	12	-	12	52	-	52
	5,036	**-**	**5,036**	**4,110**	**-**	**4,110**

There was no financial instruments transfer between the fair value measurement levels.

Gain and losses recognized in profit or loss for the six-month period ended June 30, 2020 and 2019, referring to financial assets and liabilities measured using level 3 techniques, amounted to R$14 and R$108, respectively. Other changes in such financial assets and liabilities are disclosed in note 13.

23.4 Financial instruments recognized at amortized cost ("AC")

Fair value of financial instruments measured at amortized cost may differ from the carrying amount due to the long-term realization cycle. Financial assets and liabilities recognized at amortized cost have fair values as follows:

	06/30/2020			12/31/2019		
	Carrying amount	Fair value estimate	Level 2	Carrying amount	Fair value estimate	Level 2
Loans and financings	22,172	22,417	22,417	18,606	18,830	18,830

The Company made the assumption that the fair values of cash and cash equivalents, marketable securities, trade receivables, trade payables and payables to contractors and sectoral financial assets and liabilities are equal to their amounts measured at cost amortized (carrying amount) due to their short-term cycle.

23.5 Assessment methods and techniques

(i) Service concession arrangements

The Company uses a replacement cost approach based on ANEEL's price tables set for assets inherent to operations subject to indemnification by the grantor, for fair value measurement purposes. Relevant factors for fair value measurement purposes are not observable and there is no active market. Therefore, fair value classification hierarchy is level 3.

(ii) Loans and financings

Level 1 fair value estimate is based on the market approach, considering contracts quoted on the secondary market. Loans and financings classified as level 2 are based on the result approach and the fair value of fixed or floating rates debts is determined from the discounted cash flow by using the future CDI rates and the Company's bond curve.

(iii) Derivative financial instruments

Estimated fair value of derivative financial instruments is calculated by using the discounted cash flows from curves of exchange rate coupon for the receivable leg and future interbank deposit rates (DI) for the payable leg, both disclosed by B3.

23.6 Financial and operating risk management

The Group's financial and operational risk policies have been updated in relation to the policies disclosed in the Company's consolidated financial statements as of December 31, 2019, complying with the periodic review process.

On the Financial Risk Policy are set guidelines for foreign exchange risk protection, interest rate risk and the use of derivative financial instruments, establishing adequate levels of risk, in addition to other guidelines. The Operational Risk Policy in Market Transactions sets risks control and management in energy and treasury management for long and short-term transactions.

23.7 Additional information on derivative financial instruments

As of June 30,2020 there was no margin amount deposited related to derivative financial instruments positions.

The Company has derivative financial instruments for economic and financial hedging purposes against the risk of changes in foreign exchange rates and interest rates. Swaps, Non-Deliverable Forwards (NDF) and options are the main instruments used.

All derivative operations of the Company's hedge programs are detailed in tables as follows, which include information on the type of instrument, notional amounts, maturity, fair value including credit risk and receivable or payable amounts.

Aiming to assess the economic relationship between the hedged item and the hedge instrument, the Company adopts prospective effectiveness testing methodology through the critical terms of the hedged item and hedging instrument, in order to conclude whether an expectation that changes in the cash flows of the hedged item and the hedging instrument may mutually offset.

U.S. Dollars loans and financings hedging program

For economic and financial hedging purposes, the Company may contract swaps to translate loans and financings denominated in US$ into R$. In such swaps, the Company holds a payable position in R$ bearing at CDI and a receivable position in US$ bearing at fixed or floating interest rates (Libor).

The programs as follows are designated as for hedge accounting and measured at fair value through profit or loss:

	Notional amount			Fair value		Accrued amount Receivable/received or payable/paid amount
Swap US$ float vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Receivable leg	US$ 442	US$ 501	2020 - 2029	2,408	2,025	
Payable leg	R$ 1,406	R$ 1,596		(1,390)	(1,579)	
Net				**1,018**	**446**	**572**

	Notional amount			Fair value		Accrued amount Receivable/received or payable/paid amount
Swap US$ fixed vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Receivable leg	US$ 282	US$ 332	2020 - 2027	1,586	1,352	
Payable leg	US$ 838	R$ 1,007		(835)	(1,006)	
Net				**751**	**346**	**405**

The programs as follows are designated as for hedge accounting and classified as for cash flow hedge:

	Notional amount			Fair value		Accrued amount Receivable/received or payable/paid amount
Swap US$ float vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Receivable leg	US$ 118	US$ 122	2021-2030	641	491	
Payable leg	R$ 380	R$ 396		(382)	(398)	
Net				**259**	**93**	**166**

	Notional amount			Fair value		Accrued amount Receivable/received or payable/paid amount
Swap US$ fixed vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Receivable leg	US$ 808	US$ 593	2029-2025	4,620	2,462	
Payable leg	R$ 3,129	R$ 2,187		(3,182)	(2,215)	
Net				**1,438**	**247**	**1,191**

Euro loans and financings hedging program

For economic and financial hedging purposes, the Company may contract swaps to translate loans and financings denominated in EUR into R$. In such swaps, the Company holds a payable position in R$ bearing at CDI and a receivable position in EUR bearing at fixed or floating interest rates (Euribor).

The programs as follows are designated as for hedge accounting and classified as cash flow hedge, therefore measured at fair value through other comprehensive income:

	Notional amount			Fair value		Accrued amount Receivable/received or payable/paid amount
Swap US$ fixed vs R$ float	06/30/2020	12/31/2019	Due date (Year)	06/30/2020	12/31/2019	06/30/2020
Receivable leg	€ 159	€ 178	2022-2024	997	742	
Payable leg	R$ 704	R$ 715		(713)	(721)	
Net				**284**	**21**	**263**

Hedging program for loans and financings denominated in Reais bearing at IPCA inflation rate

For economic and financial hedging purposes, the Company may contract swaps to convert loans and financings in R$ bearing at IPCA into CDI. In such swaps, the Company holds a payable position in CDI and a receivable position in IPCA.

The programs as follows are designated as for hedge accounting and measured at fair value through profit or loss:

	Notional amount			Fair value		Accrued amount Receivable or payable amount
Swap IPCA vs CDI	06/30/2020	12/31/2019	Due date (Year)	06/30/2020	12/31/2019	06/30/2020
Receivable leg	R$ 841	R$ 747		921	904	
Payable leg	R$ 737	R$ 732	2021 - 2025	(736)	(731)	
Net				**185**	**173**	**12**

Hedging program for U.S. Dollars payments

Aiming to reduce cash flow volatility, the Company may contract NDF or options operations to mitigate foreign exchange rates variations exposure arising from disbursements denominated or subject to ratios in U.S. Dollars.

Such program is designated as for hedge accounting and classified as for cash flow hedge, therefore measured at fair value through other comprehensive income.

	Notional amount			Fair value		Accrued amount Receivable or payable amount
NDF	06/30/2020	12/31/2019	Due date (Year)	06/30/2020	12/31/2019	06/30/2020
USD Payments						
Forward	US$ 269	US$ 217	2020-2024	318	(5)	
Net				**318**	**(5)**	**323**

	Notional amount			Fair value		Accrued amount Receivable or payable amount
NDF	06/30/2020	12/31/2019	Due date (Year)	06/30/2020	12/31/2019	06/30/2020
Call sell	US$ 1	US$ 3	2020	2	2	
Put buy	-	-		-	-	
Net				**2**	**2**	**-**

Hedging program for Euro payments

Aiming to reduce cash flow volatility, the Company may contract NDF operations to mitigate foreign exchange rates variations exposure arising from disbursements denominated or subject to ratios in Euros.

Such program is designated as for hedge accounting and classified as for cash flow hedge, therefore measured at fair value through other comprehensive income.

	Notional amount			Fair value		Accrued amount Receivable or payable amount
NDF	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
EUR Payments						
Forward	€ 51	€ 44	2020-2022	40	(16)	
Net				**40**	**(16)**	**56**

Hedging program for Reais payments

For economic and financial hedging purposes, the Company may contract swaps to convert loans and financings denominated in R$ bearing fixed interest rates into CDI. In such swaps, the Company holds a payable position in CDI and a receivable position at a fixed interest rate.

Such programs are designated as for hedge accounting and measured at fair value through profit or loss, as follows:

	Notional amount			Fair value		Accrued amount Receivable or payable amount
Swap R$ fixed vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year)**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Receivable leg	R$ 336	R$ 336	2022	358	347	
Payable leg	R$ 331	R$ 334		(332)	(337)	
Net				**26**	**10**	**16**

Yen loans and financings hedging program

For the purpose of economic and financial protection, the Company may contract swap operations for the CDI converter such as debts and loans in R$ fixed rates. Nesting swaps, the Company takes a passive position in the CDI and an active position in a pre-fixed tax.

These programs are classified according to the hedge classifieds measured at fair value through profit or loss, as follows:

	Notional amount			Fair value		Accrued amount Receivable or payable amount
Swap JPY fixed vs R$ float	**06/30/2020**	**12/31/2019**	**Due date (Year))**	**06/30/2020**	**12/31/2019**	**06/30/2020**
Assets	¥ 3.859	-	2021	195	-	
Liabilities	R$ 200	-		(204)	-	
Net				**(9)**	**-**	**(9)**

23.8 Sensitivity analysis

Sensitivity analysis estimates financial instruments potential value in hypothetical scenarios by stressing out the main market risk factors that impact each position, while maintaining all other variables constant.

- Likely Scenario: Financial income and expenses were projected for the next period, considering balances, foreign exchange rates and/or interest rates on June 30, 2020.

- Scenario II: Fair value estimate considering 25% deterioration on risk variables.

- Scenario III: Estimated fair value considering 50% deterioration on risk variables.

For derivative financial instruments sensitivity analysis purposes, the Company understands that it is not necessary to consider hedged liabilities, exposed to fluctuations in foreign exchange rates or price ratios and that are recognized in the statement of financial position.

As 100% of foreign currency loans and financings are hedged by swaps, the risk of foreign exchange rates fluctuations is irrelevant, as follows:

Operation	Currency	Risk	Rate	Exposure (Balance/ National)	Impact Scenario (II)	Impact Scenario (III)
U.S. Dollars denominated debt	Dollars (US$)	Dollar appreciation	5.4760	(9.056)	(2.264)	(4.528)
Swap receivable leg in U.S. Dollars		Dollar depreciation		9.255	2.314	4.627
Net exposure				**199**	**50**	**99**
Euro denominated debt	Euro (€)	Euro appreciation	6.1539	(978)	(244)	(489)
Swap receivable leg in Euro		Euro depreciation		997	249	498
Net exposure				**19**	**5**	**9**
Collar	Dollars (US$)	Dollar depreciation	5.4625	2	-	(1)
Hedge item: portion of payments in USD						
Net exposure				**2**	**-**	**(1)**
NDF	Dollars (US$)	Dollar depreciation	5.4760	318	(367)	(734)
Hedge item: portion of payments in USD						
Net exposure				**318**	**(367)**	**(734)**
NDF	Euro (€)	Euro depreciation	6.1539	40	(77)	(154)
Hedge item: portion of payments in Euro						
Net exposure				**40**	**(77)**	**(154)**
Yen denominated debt	Yen(JPY)	Yen apreciation	0,05081	(196)	(49)	(98)
Swap receivable leg in Yen				195	49	98
Net exposure				**(1)**	**-**	**-**

Loss (gain) referring to changes in interest rates that may be recognized in the Company's statement of income next year, whether one of the stress scenarios occur are as follows:

Operation	Index	Risk	Rate at the period	Exposure (Balance/ Notional)	Most likely Scenario	Impact Scenario (II)	Impact Scenario (III)
Financial assets							
Marketable securities at CDI	CDI	CDI appreciation	2.15%	5.484	30	(7)	(15)
Financial liabilities							
Loans and financings							
Debt instruments at CDI	CDI	CDI appreciation	2.15%	(6.087)	(38)	(9)	(19)
Swaps Dollar x CDI (payable leg)	CDI	CDI appreciation	2.15%	(7.774)	(46)	(11)	(23)
Debt instruments at IPCA	IPCA	IPCA appreciation	1.88%	(7.301)	(119)	(9)	(17)
Swaps IPCA x CDI (receivable leg)	IPCA	IPCA depreciation	1.88%	921	17	1	2
Debt instruments at LIBOR 3M	LIBOR	LIBOR 3M appreciation	0.30%	(1.654)	(9)	-	(1)
Swaps Libor 3M x CDI (receivable leg)	LIBOR	LIBOR 3M depreciation	0.30%	1.655	10	-	1
Debt instruments at LIBOR 6M	LIBOR	LIBOR 6M appreciation	0.37%	(1.394)	(4)	-	(1)
Swaps Libor 6M x CDI (receivable leg)	LIBOR	LIBOR 6M depreciation	0.37%	1.394	5	-	1
Debt instruments at SELIC	SELIC	SELIC appreciation	2.15%	(533)	(6)	(1)	(1)
Debt instruments at TJLP	TJLP	TJLP appreciation	4.91%	(2.709)	(47)	(8)	(17)

24. Subsequent events

24.1 Membership to Covid Account

On May 18, 2020, Decree nº 10,350 was issued which deals with the creation of the Account (ACCOUNT COVID), destined to the electric sector to face the state of public calamity registered by Legislative Decree nº 6, of March 20, 2020 and regulated Provisional Measure No. 950, of April 8, 2020, with other measures included.

On June 23, 2020, ANEEL issued resolution 885 which provided for CONTA-COVID, as financial operations, use of the Energy Development Account (CDE) tariff charge for these fins and the following procedures.

Among the main measures, ACCOUNT-COVID was instituted with the specific specification of contracting and settling credit operations used for total or partial coverage in (i) economic effects of energy overcontrol; (ii) balance in the constitution of the Account for Variation of Values of Items of "Parcel A" - CVA; (iii) neutrality of sector charges; (iv) postponement until June 30, 2020 of the results of the tariff processes of electric energy distributors approved up to the same data; (v) CVA's unamortized balance approved in the last tariff process; (vi) unamortized balance of differences recognized or reversed in the last tariff process; and (vii) anticipation of the regulatory asset related to Parcel B.

It is important to clarify that the instituted ACCOUNT-COVID, mentioned above, is only settling in advance, an asset already constituted and recognized in the concessionaires' balance sheet. The main objective of the institution of ACCOUNT-COVID, resulting from the pandemic, has been postponed for up to 5 years or more in energy bills that are charged in up to 1 year and also ensures the liquidity of distribution concessionaires that are mainly impacted by the amount of demand and delinquency, blinding other agents in the electricity sector.

According to a Notice to the Market published on July 3, the Concessionaires of the Neoenergia group joined the COVID Account, the amounts highlighted below must be received as of August. The amounts reflected only in parcel A already constituted and / or that will be constituted during the year. There is no anticipation of the regulatory asset related to Parcel B

	R$
Coelba	499,6
Celpe	454,7
Cosern	95,5
Elektro	614,3
Neoenergia	**1,664.1**

24.2 Fundraising

On July 10, 2020, the subsidiary Celpe received the amount of R$ 427 related to the loan with Export Development Canada ("EDC"), under the contract signed on June 24, 2020.

On July 2, 2020, the subsidiary Neoenergia Sta Luzia entered into a financing agreement with BNDES and in accordance with Decree 10,305 of April 1, 2020, future disbursements will be exempt from charging 1.88% on the amount to disburse.

24.3 Approval of contracting a financial instrument (E*quity Swap*)

On July 15, 2020, the Company's Board of Directors approved the repurchase of up to 2,555,000 shares, through the contracting of a financial instrument (Equity Swap), which aims to protect the Company from the volatility of the price of the securities issued by it context of the share delivery obligation assumed under its Long Term Incentive Program, approved at the Extraordinary General Meeting held on April 20, 2020.