



Condensed Consolidated Interim Financial Statements

March 31, 2019

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KPMG Auditores Independentes
Rua do Passeio, 38 - Setor 2 - 17º andar - Centro
20021-290 - Rio de Janeiro/RJ - Brasil
Caixa Postal 2888 - CEP 20001-970 - Rio de Janeiro/RJ - Brasil
Telefone +55 (21) 2207-9400
kpmg.com.br

Independent Auditors' Report on Review of Interim Financial Statements

To the Board of Directors of
Neoenergia S.A.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Neoenergia S.A. ("the Company") as at March 31, 2019, the condensed consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month periods then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements").

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at and for the three month ended March 31, 2019 are not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.



Emphasis of Matter

Risks related to compliance with laws and regulations

As mentioned in explanatory note 12 to the condensed consolidated interim financial statements, the Company has an investment in the affiliate Norte Energia S.A., which is measured using the equity method. That affiliate, in the context of the investigations of its controlling shareholders, recognized an adjustment in its financial statements of previous years. Considering that investigations of the operation conducted by the Federal Public Prosecutor's Office are still ongoing, it is no way to determine the results of other developments in this investigation that may involve the affiliate. Our conclusion does not contain modification related to this subject.

Rio de Janeiro, May 21, 2019

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

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

NEOENERGIA S.A.

Condensed Consolidated statement of financial position (In thousands of Reais)

	Notes	03/31/2019 (Unaudited)	12/31/2018
Assets			
Current assets			
Cash and cash equivalents	7	3,024,909	3,933,675
Accounts receivable and other receivables	8	5,674,984	5,160,926
Securities		21,796	21,517
Derivative financial instruments	17	153,701	108,921
Recoverable taxes and social contributions	9	951,784	819,838
Prepaid expenses		109,680	98,692
Services in progress		65,248	59,859
"Portion A" and other financial items	11	1,026,150	1,023,290
Concession contract assets	14.2	55,633	51,901
Other current assets		220,619	218,847
Total current assets		11,304,504	11,497,466
Non-current assets			
Accounts receivable and other receivables	8	314,045	343,704
Securities		143,770	109,804
Derivative financial instruments	17	1,091,529	1,045,220
Recoverable taxes and social contributions	9	330,078	362,319
Dividends and interests on equity		12,837	12,828
Deferred income tax and social contribution	10	963,205	1,031,035
Judicial deposits	20	814,100	792,014
Prepaid expenses		6,691	6,780
Post-Employment Benefits	32	32,079	31,354
"Portion A" and other financial items	11	60,852	8,599
Concession financial assets	14.1	9,934,097	9,255,797
Concession contract assets	14.2	4,349,212	4,312,815
Other non-current assets		93,922	111,837
Investments		2,444,203	2,418,124
Investments in associates	12	2,442,254	2,416,139
Other investments		1,949	1,985
Property, plant and equipment	13	6,048,322	5,894,392
Intangible assets	15	9,409,132	9,330,390
Total non-current assets		36,048,074	35,067,012
Total Assets		47,352,578	46,564,478

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.

Condensed Consolidated statement of financial position (In thousands of Reais)

	Notes	03/31/2019 (Unaudited)	12/31/2018
Liabilities			
Current liabilities			
Suppliers	16	3,055,753	2,646,752
Loans and financing	17	1,870,068	1,933,847
Debentures	17.2	1,564,646	892,201
Lease Liabilities	17.3	20,761	-
Derivative financial instruments	17	29,282	23,277
Salaries and charges payable		264,410	269,609
Regulatory charges	18	357,431	293,997
Taxes payable and social contribution	19	788,640	826,468
Dividends and interests on equity		10,802	342,499
Provisions	20	165,166	151,377
Post-Employment Benefits	32	51,167	61,833
Concession for public services (Use of Public Property)		4,178	4,178
Other current liabilities	21	588,113	584,250
Total current liabilities		8,770,417	8,030,288
Non-current liabilities			
Suppliers	16	115,352	113,711
Loans and financing	17	10,498,238	10,371,871
Debentures	17	7,081,889	7,858,173
Lease Liabilities	17.3	52,384	-
Derivative financial instruments	17	7,987	4,906
Regulatory charges	18	179,331	159,120
Taxes payable and social contribution	19	6,581	6,403
Deferred tax and social contribution	10	120,835	116,544
Provisions	20	878,036	865,626
Post-Employment Benefits	32	890,645	879,759
"Portion A" and other financial items	11	169,249	185,221
Concession of public service (Use of Public Property)		50,751	51,267
Other non-current liabilities	21	428,253	344,794
Total non-current liabilities		20,479,531	20,957,395
Equity	22		
Capital		12,919,982	12,919,982
Capital reserves		93,276	93,276
Retained earnings		6,006,961	6,006,961
Reserve for capital transactions with shareholders		(1,594,067)	(1,594,067)
Other comprehensive income		(140,841)	(172,375)
Profit for the period		492,294	-
Equity attributable to equity holders of the parent		17,777,605	17,253,777
Non-controlling interest		325,025	323,018
Total Equity		18,102,630	17,576,795
Total Liabilities and Equity		47,352,578	46,564,478

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.

Condensed Consolidated Income statement (In thousands of Reais, except profit per share)

	Notes	03/31/2019 (Unaudited)	03/31/2018 (Unaudited) (Restated)
Net Revenue	23	7,103,883	5,546,538
Costs of services		(5,646,504)	(4,441,009)
Electric power costs	24	(3,887,396)	(2,996,364)
Operating costs	25	(831,645)	(919,448)
Constructions costs		(927,463)	(525,197)
Gross Profit		1,457,379	1,105,529
Expected credit risk losses		(67,894)	(82,805)
Sales expenses	25	(67,843)	(86,235)
General and administrative expenses	25	(313,251)	(204,183)
Equity earnings		(16,470)	(3,677)
Equity in the result of associates	12	26,129	42,043
Amortization of surplus value	12	(42,599)	(45,720)
Operating profit		991,921	728,629
Financial income	26	1,058,171	952,552
Financial expenses	26	(1,350,040)	(1,249,561)
Profit before income tax and social contribution		700,052	431,620
Income tax and social contribution expense		(190,330)	(130,919)
Current	10	(121,111)	(69,331)
Deferred	10	(69,219)	(61,588)
Profit for the period		509,722	300,701
Attributable to:			
Equity holders of the parent		492,294	291,310
Non-controlling interests		17,428	9,391
Basic and diluted profit per share attributable to ordinary equity holders of the parent		0.42	0.26

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.**Condensed Consolidated Statement of comprehensive income**
(In thousands of Reais, except profit per share)

	03/31/2019	03/31/2018
	(Unaudited)	(Unaudited) (Restated)
Profit for the period	509,722	300,701
Other comprehensive income		
Items that will not be reclassified to the income statement		
Effects of employee benefits and health care plans	739	590
Loss on cash flow hedges	(7,843)	(13,120)
Expense on taxes on comprehensive income	(251)	(200)
Total Items that will not be Reclassified to the income statement	(7,355)	(12,730)
Items that will be reclassified subsequently to the income statement		
Gain / (Loss) on cash flow hedges	49,091	(5,897)
(Expense)/ Benefit on taxes on comprehensive income	(8,945)	2,919
Total Items that will be reclassified subsequently to the income statement	40,146	(2,978)
Other comprehensive income/(loss) of the period, net of taxes	32,791	(15,708)
Total comprehensive income for the period, net of tax	542,513	284,993
Attributed to		
Equity holders of the parent	523,828	275,809
Non-controlling interests	18,685	9,184

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.

Condensed Consolidated statement of changes in equity (In thousands of Reais)

	Capital	Capital reserves	Reserve for capital transactions with shareholders	Other comprehensive income	Appropriated retained earnings			Reserve for distribution of additional dividends	Accumulated profits of the year	Total	Non-controlling interest	Total
					Legal reserves	Appropriated retained earnings to be paid-in	Retained earnings					
Balances as of December 31, 2017	11,919,982	100,711	(1,586,080)	(212,579)	672,015	73,562	4,210,886	200,556	-	15,379,053	229,301	15.608.354
Additional dividends approved	-	-	-	-	-	-	-	(200,556)	-	(200,556)	(5,727)	(206.283)
Transactions between shareholders												
Capital Increase	1.000.000	-	-	-	-	-	-	-	-	1,000,000	30,277	1,030,277
Constitution of capital reserve	-	(1,694)	-	-	-	-	-	-	-	(1,694)	(61)	(1,755)
Adjustment of transaction with shareholders	-	-	(4,607)	-	-	-	-	-	-	(4,607)	(5,347)	(9,954)
Adjustment on initial application of IFRS 9	-	-	-	-	-	-	-	-	(55,366)	(55,366)	(2,382)	(57,748)
Other Comprehensive Income	-	-	-	(15,501)	-	-	-	-	-	(15,501)	(207)	(15,708)
Effects employees benefits and health care plans of the subsidiaries, net	-	-	-	389	-	-	-	-	-	389	1	390
Loss on cash flow hedges, net	-	-	-	(15,890)	-	-	-	-	-	(15,890)	(208)	(16,098)
Profit for the period	-	-	-	-	-	-	-	-	291,310	291,310	9,391	300.701
Balances as of March 31, 2018 (Unaudited)/ (Restated)	12,919,982	99,017	(1,590,687)	(228,080)	672,015	73,562	4,210,886	-	235,944	16,392,639	255,245	16,647,884
Balances as of December 31, 2018	12,919,982	93,276	(1,594,067)	(172,375)	753,983	234,351	5,018,627	-	-	17,253,777	323,018	17.576.795
Additional dividends approved	-	-	-	-	-	-	-	-	-	-	(16,678)	(16.678)
Other Comprehensive Income	-	-	-	31,534	-	-	-	-	-	31,534	1,257	32.791
Effects employees benefits and health care plans of the subsidiaries, net	-	-	-	486	-	-	-	-	-	486	2	488
Gain on cash flow hedges, net	-	-	-	31,048	-	-	-	-	-	31,048	1,255	32.303
Profit for the period	-	-	-	-	-	-	-	-	492,294	492,294	17,428	509.722
Balances as of March 31, 2019 (Unaudited)	12,919,982	93,276	(1,594,067)	(140,841)	753,983	234,351	5,018,627	-	492,294	17,777,605	325,025	18,102,630

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.

Condensed Consolidated statement of cash flows (In thousands of Reais)

	03/31/2019 (Unaudited)	03/31/2018 (Unaudited)/ (Restated)
Operating activities		
Profit for the period	509,722	300,701
Adjustments to reconcile profit of the period to net cash flows:		
Depreciation and amortization (*)	308,665	274,868
"Portion A" and other financial items	(368,693)	(65,416)
Equity in the result of associates	(26,129)	(42,043)
Amortization of surplus value	42,599	45,720
Income tax expense	142,659	92,968
Debt charges and monetary indexation, foreign exchange and derivatives and other	279,760	300,516
Concession financial assets fair value	(228,334)	(75,251)
Gain with residual value of the intangible/property, plant and equipment, financial and contract concession assets	32,248	28,993
Provision for civil, tax and labor contingencies	31,551	30,975
Expected credit risk loss	67,894	88,398
Monetary indexation of post-employment benefit	21,109	23,584
Provisions for Contingencies indexation	33,722	24,908
Bonds and securities indexation	(2,735)	(257)
Lease liabilities incurred	2,194	-
Other provisions	(2,389)	(10,906)
	843,843	1,017,759
Reduction (increase) in operating assets		
Accounts receivable from clients and other	(550,044)	395,129
Recoverable income tax and social contribution	(22,974)	(36,404)
Recoverable taxes	(90,657)	(575)
Receiving of dividends and interests on equity	(14)	-
Judicial deposits	(18,626)	(19,640)
Prepaid expenses	9,019	780
"Portion A" and other financial items	114,339	(46,513)
Post-retirement benefits and other benefits	303	(16,640)
Public Service Concession	15,268	13,613
Other assets	(34,097)	(68,426)
	(577,483)	221,323
Increase (reduction) in operating liabilities		
Suppliers	377,512	(868,047)
Salaries and social security charges payable	(12,412)	(15,664)
Interest payments and swap notes liquidation	(270,985)	(192,685)
Regulatory charges	81,632	(116,288)
Income tax and social contribution paid	(57,155)	(152,414)
Other tax and contributions payable	(43,813)	(36,066)
"Portion A" and other financial items	183,269	13,495
Paid Indemnifications/Contingencies	(46,397)	(77,749)
Post-retirement benefits and other benefits	(20,890)	(20,682)
Other liabilities	72,749	210,396
	263,510	(1,255,705)
Net cash flows from operating activities	529,873	(16,622)

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.**Condensed Consolidated statement of cash flow**
(In thousands of Reais)

	03/31/2019	03/31/2018
	(Unaudited)	(Unaudited)
		(Restated)
Investing activities		
Capital increase in associates	-	(50,800)
Acquisition of property, plant & equipment	(61,868)	(60,390)
Acquisition of intangible assets	(461)	(29)
Concession Financial assets	(2,151)	(62)
Concession Contract assets	(851,430)	(568,526)
Redemption/(Acquisition) of securities	(31,511)	(543)
Net cash flows used in investing activities	(947,421)	(680,350)
Financing activities		
Capital increase	-	1,000,180
Proceeds from loans and financing	517,277	975,759
Proceeds from debentures	-	600,000
Repayment of loans and financing	(500,711)	(1,100,752)
Repayment of debentures	(160,588)	(161,242)
Repayments of borrowing costs	(5,583)	(6,824)
Collateral	(401)	(30,753)
Special obligations	15,403	53,943
Payment of principal and interest of Leases	(8,784)	-
Payments of dividends and interest on equity	(347,831)	-
Net cash flow from financing activities	(491,218)	1,330,312
Net increase (decrease) in cash and cash equivalents	(908,766)	633,339
Cash and cash equivalents at beginning of the period	3,933,675	3,856,320
Cash and cash equivalents at the end of the period	3,024,909	4,489,659
Net increase (decrease) in cash and cash equivalents	(908,766)	633,339
Non-cash transactions		
Capitalization of interest and financial expenses	45,257	27,567
Lease Contracts IFRS 16	80,772	-
Provision for purchase of materials	73,396	-

(*) Gross amount, not deducted from PIS/COFINS credits.

The accompanying notes are an integral part of these Condensed Consolidated Interim Financial Statements.

NEOENERGIA S.A.

Notes to the condensed consolidated Interim Financial Statements
(In thousands of Reais)

1. Corporate information

NEOENERGIA S.A. ("Neoenergia" or the "Company"), with its headquarters at Praia do Flamengo, 78 - 3º andar - Flamengo - Rio de Janeiro - RJ, is a publicly traded company primarily engaged in the distribution, transmission, generation and sale of electricity. The Company's activities are conducted through its subsidiaries (collectively, the "Group") and its associates and jointly controlled investments. See Note 12.

2. Concessions

The Company owns the following concessions, authorizations/permissions to distribute, sale, transmit and generate power:

Distribution	Number of Cities	Location	Concession Date	Due Date			
COELBA	415	Bahia State	08/08/1997	08/07/2027			
CELPE	184	Pernambuco State	03/30/2000	03/29/2030			
CELPE	1	District of Fernando de Noronha	03/30/2000	03/29/2030			
CELPE	1	Paraíba State	03/30/2000	03/29/2030			
COSERN	167	State of Rio Grande do Norte	12/31/1997	12/30/2027			
Elektro Redes	223	São Paulo State	08/27/1998	08/26/2028			
Elektro Redes	5	Mato Grosso do Sul State	08/27/1998	08/26/2028			
Transmission in Operation		Location	Concession Date	Due Date			
Afluente T		Bahia State	08/08/1997	08/08/2027			
SPE SE Naranidiba S.A. (SE Naranidiba)		Bahia State	01/28/2009	01/28/2039			
SPE SE Naranidiba S.A. (SE Extremoz)		State of Rio Grande do Norte	05/10/2012	05/10/2042			
SPE SE Naranidiba S.A. (SE Brumado)		Bahia State	08/27/2012	08/27/2042			
Potiguar Sul		States of Paraíba and Rio Grande do Norte	08/01/2013	08/01/2043			
Transmission under Construction		Location	Concession Date	Due Date			
EKT T 01		States of Tocantis, Bahia and Piauí	03/08/2018	03/08/2048			
EKT T 02		States of Paraíba and Ceará	03/08/2018	03/08/2048			
EKT T 03		Rio de Janeiro State	03/22/2019	03/22/2049			
EKT T 04		Rio de Janeiro State	03/22/2019	03/22/2049			
EKT T 05		States of Rio Grande do Sul and Santa Catarina	03/22/2019	03/22/2049			
EKT T 11		States of Paraná and Santa Catarina	03/22/2019	03/22/2049			
EKT T 12		States of Mato Grosso do Sul and São Paulo	07/31/2017	07/31/2047			
EKT T 13		São Paulo State	07/31/2017	07/31/2047			
EKT T 14		Santa Catarina State	07/31/2017	07/31/2047			
EKT T 15		Ceará State	07/31/2017	07/31/2047			
Trading		Location	Authorization Date				
NC Energia		Rio de Janeiro - RJ	11/22/2000				
Elektro Comercializadora		Campinas - SP	05/26/2003				
Operating Generation	Type of Plant	Location	Installed Power (MW) (*)	Ensured Power (MWmed) (*)	Power Contracted (MWmed) (*)	Date of Concession / Authorization	Due Date
Itapebi	Hydro Power Plant - HPP	Rio Jequitinhonha - BA	462.011 MW	209.1 MW	207,076 MW (ACL)	05/28/1999	08/31/2035
Termopernambuco	Thermal Power Plant - UTE	Complexo Portuário do Suape - PE	532.756 MW	504.12 MW	455,0 MW	12/18/2000	12/18/2030
CELPE Fernando de Noronha	Diesel Power Station	Distrito de Fernando de Noronha - PE	4.8 MW	1.9 MW	1,9 MW	12/21/1989	12/21/2019
Baguari I	Hydro Power Plant - HPP	Rio Doce - MG	140.0 MW	84.7 MW	77,0 MW	08/15/2006	08/14/2041
Geração CIII Corumbá III	Hydro Power Plant - HPP	Rio Corumbá - GO	96.447 MW	49.3 MW	50,9 MW	11/07/2001	02/14/2037
Energética Águas da Pedra Dardanelos	Hydro Power Plant - HPP	Rio Aripuanã - MT	261.0 MW	154.9 MW	147,0 MW	07/03/2007	01/02/2043

NEOENERGIA S.A.

Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

Companhia Hidrelétrica Teles Pires	Hydro Power Plant - HPP	Rio Teles Pires - MT	1.819.8 MW	930.7 MW	778 MW (ACR) / 339,233 MW (ACL)	06/07/2011	06/06/2046
Geração Céu Azul Baixo Iguaçu	Hydro Power Plant - HPP	Rio Iguaçu - PR	350.2 MW	172.4 MW	121,0 MW (ACR)/ 51,8 MW (ACL)	08/20/2012	09/14/2049
Norte Energia							
Belo Monte (a)	Hydro Power Plant - HPP	Rio Xingu - PA	11.233.1MW	4.571.0 MW	3.024,83 MW (ACR) 864,24 MW (ACL)	08/26/2010	08/25/2045
WIND FARMS							
Arizona 01	Wind Power	Rio do Fogo - RN	28.0 MW	12.9 MW	12.3 MW	03/04/2011	03/03/2046
Mel 2	Wind Power	Areia Branca - RN	20.0 MW	9.8 MW	9.3 MW	02/28/2011	02/27/2046
Caetité 1	Wind Power	Caetité - BA	30.0 MW	13.0 MW	13.0 MW	10/29/2012	10/29/2042
Caetité 2	Wind Power	Caetité - BA	30.0 MW	12.1 MW	11.0 MW	02/07/2011	02/06/2046
Caetité 3	Wind Power	Caetité - BA	30.0 MW	11.2 MW	11.1 MW	02/24/2011	02/23/2046
Calango 1	Wind Power	Bodó, Santana do Matos, Lagoa Nova - RN	30,0 MW	13.9 MW	13.8 MW	04/28/2011	04/27/2046
Calango 2	Wind Power	Bodó, Santana do Matos, Lagoa Nova - RN	30,0 MW	11.9 MW	11.8 MW	05/09/2011	05/08/2046
Calango 3	Wind Power	Bodó, Santana do Matos, Lagoa Nova - RN	30,0 MW	13.9 MW	13.8 MW	05/30/2011	05/29/2046
Calango 4	Wind Power	Bodó, Santana do Matos, Lagoa Nova - RN	30,0 MW	12.8 MW	12.8 MW	05/19/2011	05/18/2046
Calango 5	Wind Power	Bodó, Santana do Matos, Lagoa Nova - RN	30,0 MW	13.7 MW	13.6 MW	06/02/2011	06/01/2046
Calango 6	Wind Power	Bodó - RN	30,0 MW	18.5 MW	18.5 MW	11/20/2014	11/19/2049
Santana 1	Wind Power	Bodó - RN	30,0 MW	17.3 MW	17.2 MW	11/14/2014	11/13/2049
Santana 2	Wind Power	Lagoa Nova - RN	24,0 MW	13.1 MW	12.9 MW	11/14/2014	11/13/2049
Canoas	Wind Power	São José do Sabugi/PB	31.5 MW	17.7 MW	16.1 MW	08/04/2015	08/03/2050
Lagoa 1	Wind Power	Santa Luzia/PB	31.5 MW	18.7 MW	17.2 MW	08/04/2015	08/03/2050
Lagoa 2	Wind Power	São José do Sabugi/PB	31.5 MW	17.5 MW	15.5 MW	08/04/2015	08/03/2050
Enerbrasil	Wind Power	Rio do Fogo - RN	49,3 MW	20.74 MW	17.9 MW	12/20/2001	12/20/2031

Wind Farms under Construction	Plant type	Location	Installed Capacity (MW) (*)	Assured energy (MW (avg) (*)	Contracted energy (MW avg) (*)	Date when authorization was granted	Expiration date
Chafariz 1	Wind Power	Paraíba - PB	34.65 MW	17.7 MW	17 MW	06/21/2018	06/20/2053
Chafariz 2	Wind Power	Paraíba - PB	34.65 MW	17.5 MW	17 MW	06/21/2018	06/20/2053
Chafariz 3	Wind Power	Paraíba - PB	34.65 MW	18.1 MW	17.2 MW	06/21/2018	06/20/2053
Chafariz 6	Wind Power	Paraíba - PB	31.19 MW	15.2 MW	14.4 MW	06/21/2018	06/20/2053
Chafariz 7	Wind Power	Paraíba - PB	34.65 MW	19 MW	17.7 MW	06/21/2018	06/20/2053
Lagoa 3	Wind Power	Paraíba - PB	34.65 MW	18.3 MW	16.9 MW	06/21/2018	06/25/2053
Lagoa 4	Wind Power	Paraíba - PB	20.79 MW	11.7 MW	10.1 MW	06/21/2018	06/25/2053
Canoas 2	Wind Power	Paraíba - PB	34.65 MW	17.3 MW	15.9 MW	06/21/2018	06/25/2053
Canoas 4	Wind Power	Paraíba - PB	34.65 MW	16.7 MW	15.5 MW	06/21/2018	06/25/2053
Canoas 3	Wind Power	Paraíba - PB	34.65 MW	16.8 MW		02/05/2019	02/04/2054
Chafariz 4	Wind Power	Paraíba - PB	34.65 MW	17.8 MW		02/05/2019	02/04/2054
Chafariz 5	Wind Power	Paraíba - PB	34.65 MW	16.6 MW		02/05/2019	02/04/2054
Ventos de Arapuá 1	Wind Power	Paraíba - PB	24.255 MW	11.6 MW		02/05/2019	02/04/2054
Ventos de Arapuá 2	Wind Power	Paraíba - PB	34.65 MW	17.2 MW		02/05/2019	02/04/2054
Ventos de Arapuá 3	Wind Power	Paraíba - PB	13.86 MW	5.8 MW		02/05/2019	02/04/2054

(*) information in MW has not been audited by the external auditors.

(a) Out of the total installed capacity, as a result of the operations of the twelve (12) first generating units, the volume annually generated is 7,333.3 MW.

3. Consolidation Procedures

The consolidated financial statements include the accounting information of Neoenergia and its subsidiaries.

Subsidiaries are all entities wherein the Company holds control, which means that the parent company is exposed or is entitled to variable returns arising out of its management on the entity and the capacity of interfering with such returns owing to the power it exercises on the entity. The subsidiaries are fully consolidated as of the date on which the control is transferred to the Company and is discontinued as of the date on which the Company has no longer control. The subsidiaries are listed below:

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Companies	Activity	Percentage of Interest (%)			
		03/31/2019		12/31/2018	
		Direct	Indirect	Direct	Indirect
Companhia de Eletricidade do Estado da Bahia - Coelba	Distribution	96.65%	-	96.65%	-
Companhia Energética de Pernambuco - Celpe	Distribution	89.65%	-	89.65%	-
Companhia Energética do Rio Grande do Norte - Cosern	Distribution	91.50%	-	91.50%	-
Elektro Redes S.A. - Elektro	Distribution	99.68%	-	99.68%	-
Afluente Transmissão de Energia Elétrica S.A. - Afluente T	Transmission	87.84%	-	87.84%	-
SE Naranjiba S.A. - Naranjiba	Transmission	100.00%	-	100.00%	-
Potiguar Sul Transmissão de Energia S.A. - Potiguar Sul	Transmission	-	100.00%	-	100.00%
EKTT 1 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 1	Transmission	100.00%	-	100.00%	-
EKTT 2 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 2	Transmission	100.00%	-	100.00%	-
EKTT 3 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 3	Transmission	100.00%	-	100.00%	-
EKTT 4 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 4	Transmission	100.00%	-	100.00%	-
EKTT 5 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 5	Transmission	100.00%	-	100.00%	-
EKTT 6 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 6	Transmission	100.00%	-	100.00%	-
EKTT 7 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 7	Transmission	100.00%	-	100.00%	-
EKTT 8 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 8	Transmission	100.00%	-	100.00%	-
EKTT 9 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 9	Transmission	100.00%	-	100.00%	-
EKTT 10 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 10	Transmission	100.00%	-	100.00%	-
EKTT 11 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 11	Transmission	100.00%	-	100.00%	-
EKTT 12 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 12	Transmission	100.00%	-	100.00%	-
EKTT 13 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 13	Transmission	100.00%	-	100.00%	-
EKTT 14 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 14	Transmission	100.00%	-	100.00%	-
EKTT 15 A Serviços de Transmissão de Energia Elétrica SPE S.A. - EKTT 15	Transmission	100.00%	-	100.00%	-
NC Energia S.A. - NC	Comercialization	100.00%	-	100.00%	-
Elektro Comercializadora de Energia Ltda - EKCE	Comercialization	99.99%	0.01%	99.99%	0.01%
Termopernambuco S.A. - Termope	Thermal Generation	100.00%	-	100.00%	-
Itapebi Geração de Energia S.A. - Itapebi	Hydraulic Generation	42.00%	58.00%	42.00%	58.00%
Baguari I Geração de Energia Elétrica S.A. - Baguari	Hydraulic Generation	99.99%	0.01%	99.99%	0.01%
Geração CIII S.A. - Geração CIII	Hydraulic Generation	99.99%	0.01%	99.99%	0.01%
Geração Céu Azul S.A. - Geração Céu Azul	Hydraulic Generation	100.00%	-	100.00%	-
Bahia Pequena Central Hidrelétrica S.A. - Bahia PCH II	Hydraulic Generation	99.99%	0.01%	99.99%	0.01%
Santana 1 Energia Renovável S.A. - Santana 1	Wind Power Generation	-	100.00%	-	100.00%
Santana 2 Energia Renovável S.A. - Santana 2	Wind Power Generation	-	100.00%	-	100.00%
Calango 6 Energia Renovável S.A. - Calango 6	Wind Power Generation	-	100.00%	-	100.00%
Lagoa 2 Energia Renovável S.A. - Lagoa 2	Wind Power Generation	-	100.00%	-	100.00%
Canoas Energia Renovável S.A. - Canoas	Wind Power Generation	-	100.00%	-	100.00%
Lagoa 1 Energia Renovável S.A. - Lagoa 1	Wind Power Generation	-	100.00%	-	100.00%
Força Eólica do Brasil S.A. - FEB	Wind Power Generation	50.00%	50.00%	50.00%	50.00%
Calango 1 Energia Renovável S.A. - Calango 1	Wind Power Generation	-	100.00%	-	100.00%
Calango 4 Energia Renovável S.A. - Calango 4	Wind Power Generation	-	100.00%	-	100.00%
Calango 5 Energia Renovável S.A. - Calango 5	Wind Power Generation	-	100.00%	-	100.00%
Caetité 1 Energia Renovável S.A. - Caetité 1	Wind Power Generation	-	100.00%	-	100.00%
Caetité 2 Energia Renovável S.A. - Caetité 2	Wind Power Generation	-	100.00%	-	100.00%

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Companies	Activity	Percentage of Interest (%)			
		03/31/2019		12/31/2018	
		Direct	Indirect	Direct	Indirect
Força Eólica do Brasil 1 S.A. - FEB 1	Wind Power Generation	50.00%	50.00%	50.00%	50.00%
Calango 2 Energia Renovável S.A. - Calango 2	Wind Power Generation	-	100.00%	-	100.00%
Calango 3 Energia Renovável S.A. - Calango 3	Wind Power Generation	-	100.00%	-	100.00%
Caetité 3 Energia Renovável S.A. - Caetité 3	Wind Power Generation	-	100.00%	-	100.00%
Arizona 1 Energia Renovável S.A. - Arizona 1	Wind Power Generation	-	100.00%	-	100.00%
Mel 2 Energia Renovável S.A. - Mel 2	Wind Power Generation	-	100.00%	-	100.00%
FE Participações S.A. - FPAR	Wind Power Generation	-	100.00%	-	100.00%
Força Eólica do Brasil S.A. - FEB 2	Wind Power Generation	50.00%	50.00%	50.00%	50.00%
Energia Renováveis do Brasil S.A. - Enerbrasil	Wind Power Generation	-	100.00%	-	100.00%
Elektro Renováveis do Brasil S.A. - Elektro Renováveis	Wind Power Generation	99.99%	0.01%	99.99%	0.01%
Chafariz 1 Energia Renovável S.A. - Chafariz 1	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 2 Energia Renovável S.A. - Chafariz 2	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 3 Energia Renovável S.A. - Chafariz 3	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 6 Energia Renovável S.A. - Chafariz 6	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 7 Energia Renovável S.A. - Chafariz 7	Wind Power Generation	-	100.00%	-	100.00%
Lagoa 3 Energia Renovável S.A. - Lagoa 3	Wind Power Generation	-	100.00%	-	100.00%
Lagoa 4 Energia Renovável S.A. - Lagoa 4	Wind Power Generation	-	100.00%	-	100.00%
Canoas 2 Energia Renovável S.A. - Canoas 2	Wind Power Generation	-	100.00%	-	100.00%
Canoas 4 Energia Renovável S.A. - Canoas 4	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 4 - Chafariz 4 Energia Renovável S.A. - Chafariz 4	Wind Power Generation	-	100.00%	-	100.00%
Chafariz 5 - Chafariz 5 Energia Renovável S.A. - Chafariz 5	Wind Power Generation	-	100.00%	-	100.00%
Canoas 3 - Canoas 3 Energia Renovável S.A. - Canoas 3	Wind Power Generation	-	100.00%	-	100.00%
Ventos de Arapuá 1 - Ventos de Arapuá 1 Energia Renovável S.A. - Arapuá 1	Wind Power Generation	-	100.00%	-	100.00%
Ventos de Arapuá 2 - Ventos de Arapuá 2 Energia Renovável S.A. - Arapuá 2	Wind Power Generation	-	100.00%	-	100.00%
Ventos de Arapuá 3 - Ventos de Arapuá 3 Energia Renovável S.A. - Arapuá 3	Wind Power Generation	-	100.00%	-	100.00%
Elektro Operação e Manutenção Ltda - Elektro O&M	Service	99.99%	0.01%	99.99%	0.01%
Neoenergia Serviços Ltda - Neoserv	Service	99.99%	0.01%	99.99%	0.01%
Neoenergia Operação e Manutenção S.A. - Neoenergia O&M	Service	100.00%	-	100.00%	-
Belo Monte Participações S.A. - Belo Monte	Other	99.00%	1.00%	99.00%	1.00%
Neoenergia investimentos S.A. - Neoinvest	Other	99.99%	0.01%	99.99%	0.01%
Garter Properties Inc (a)	Other	-	-	-	-

(a) Garter was dissolved during the year of 2018.

The accounting criteria adopted in the determination of the subsidiaries' accounting information were uniformly applied. The main consolidation practices applied were:

- Elimination of the financial position of assets and liabilities among subsidiaries;
- Elimination of interests in capital, reserves and retained earnings among subsidiaries;

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- Elimination of revenues, cost, income and expenses resulting from business among subsidiaries;
- Outstanding non-controlling interest are demonstrated in the statement financial position and income statement.

Associates and Joint Ventures

Associates are all entities that the Group has significant influence, but not control, generally through a 20% to 50% ownership interest in the voting rights.

Joint agreements refer to all entities in which the Group has shared control, either with one or more parties. Investments in joint ventures are classified as joint operations or joint ventures depending on the rights and contractual obligations of each investor.

The associates and/or joint ventures are listed below:

Companies	Activity	Percentage of Interest (%)			
		03/31/2019		12/31/2018	
		Direct	Indirect	Direct	Indirect
Associates					
Norte Energia S.A. - NESA	Hydraulic Generation	-	10.00%	-	10.00%
Energética Corumbá III S.A. - ECIII	Hydraulic Generation	-	25.00%	-	25.00%
Joint control					
Teles Pires Participações S.A. - Teles Pires	Hydraulic Generation	50.56%	-	50.56%	-
Companhia Hidrelétrica Teles Pires S.A - CHTP	Hydraulic Generation	0.90%	50.10%	0.90%	50.10%
Energética Águas da Pedra S.A. - EAPSA	Hydraulic Generation	51.00%	-	51.00%	-
Projects					
	Interest %	Consortium Party			
Consórcio UHE Baguari	51%	Baguari I Geração de Energia Elétrica S.A. Geração CIII S.A. Geração Céu Azul S.A.			
Consórcio Empreendedor Corumbá III	60%				
Consórcio Empreendedor Baixo Iguaçu	70%				

4. Basis of accounting and significant accounting policies

4.1. Compliance Statement

The Interim Financial Statements for the three-month period ended on March 31, 2019 have been prepared and are presented in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

The accounting practices and criteria adopted in the preparation of these Condensed Consolidated Interim Financial Statements, except for the changes described in item 4.5, are consistent with those adopted in the preparation of the Consolidated Financial Statements as of December 31, 2018 and, therefore, should be read jointly.

These interim financial statements do not include all the information required for a complete set of IFRS financial statements. However selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The Company's management authorized the issuance of the interim financial statements on May 21, 2019.

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Notes to the condensed consolidated Interim Financial Statements
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4.2. Functional and presentation currency

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

Transactions in foreign currencies are originally recorded at the functional currency's exchange rate in force on the date of the transaction for monetary assets and liabilities denominated in foreign currency are converted into the functional currency, using exchange rate in force on the date of the respective statement of financial position.

Exchange gains and losses resulting from differences arising on settlement or translation of monetary assets and liabilities are recognized in the income statement.

4.3. Basis of preparation

The financial statements were prepared using the historical cost, except for certain financial instruments measured by their fair values, when provided for under the standards. The classification of the fair value measurement under categories 1, 2 or 3 (according to the degree of abidance by the variables used) is shown in note 29 Fair value measurement.

4.4. Use of estimates and judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant items subject to these estimates and assumptions include:

- (i) unbilled revenue from energy sales (note 23)
- (ii) energy transactions within the scope of the Electric Power Trading Chamber (CCEE), such as spot market transactions (note 23);
- (iii) recognition of deferred tax assets: estimation of future taxable income against which tax losses can be compensated (note 10);
- (iv) calculation and monetary indexation criteria for concession assets; straight-line amortization of the intangible asset based on its concession term corresponding to the right to charge consumers for the use of the concession asset (regulatory useful life of the assets) or for the term of the concession agreement (note 14);
- (v) credit risk analysis to determine estimated credit risk loss (note 8);
- (vi) definition of fair value through valuation techniques, including the discounted cash flow method, for financial assets and liabilities not quoted in active markets (note 29);
- (vii) provisions for tax, civil, labor and regulatory risks by assessing the likelihood of loss, including evaluation of available evidence, hierarchy of laws, available case law, recent court decisions and their relevance in the legal background, as well as external lawyer's evaluation (note 20);
- (viii) "Portion A" and other financial items (note 11);
- (ix) costs of retirement plan with benefits and the present value of the retirement obligation, through the actuarial valuation that involves the use of assumptions about discount rates, expected return rates of expected assets, future salary increases, mortality rates and future increases of retirement and pension benefits (note 32).

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Information on judgements performed on the adoption of accounting policies that materially impact the amounts recognized in the consolidated financial statements are as follows:

- (i) consolidation: whether the Company has in fact the control over an subsidiary (note 3).

4.5. Main changes in accounting policies

(i) IFRS 16 Leases

IFRS 16 introduces a single model for the accounting of leases in the Statement of financial position for lessees. A lessee recognizes a right of use an asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. Exemptions are available for short-term leases and low value items. The lessor's accounting remains similar to the current standard, i.e., lessors continue to classify the leases as financial or operating.

The Company assessed the impact on its financial statements, considering, as for the impact of the application of IFRS 16 on the financial statements in the initial period of application, the economic conditions as of January 1st, 2019, including the Company's indebtedness rate, the composition of the Company's leasing portfolio, and the Company's intention to exercise any leasing renewal options. The Company has chosen to use the practical transition established under IFRS 16, which implies the retrospective modified application with optional practical expedients of the adjustments promoted by said standard, which stands as the non-restatement of balances in the subsequent financial statements to be published, evidencing in explanatory notes the impacts of adoption on the balances as of January 1st, 2019. In accordance with IFRS 16, the Company has also chosen to adopt recognition exemptions for short-term leases with no purchase option and estimated renewals, as well as for low value items.

The most significant impacts identified by the adoption of IFRS 16 in the Company's assets and liabilities were the following operating leases:

- (a) Non-residential real estate leases for the installation of agencies and distribution centers; and
- (b) Land in which Hydro Power Plant (HPP) Termopernambuco S.A. was built.

Additionally, IFRS 16 replaced the operating lease expense with a cost of depreciation of assets object of use rights of these contracts and interest expense on lease obligations at the effective raising rates at the time of contracting of such transactions.

The Company expects that the adoption of IFRS 16 will not impact its ability to comply with the covenants, whose maximum leverage thresholds for the loans are described in explanatory note 17.

The Company has assessed the values for application of the requirements of IFRS 16 on January 1st, 2019, resulting in the following impacts:

In R\$ thousand	Balances as of January 1 st , 2019	
	Asset	Liabilities
Right of Use Assets	80,772	-
Obligations per Operating Leases	-	80,772

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(ii) IFRIC 23 - Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty about tribute treatment over profit. In this circumstance, the entity shall recognize and measure its current or deferred tax asset or liability, applying the requirements of IAS 12 based on taxable income (tax loss), tax bases, unused tax losses, unused tax credits and certain tax rates, applying this Interpretation.

The Company's management conducted analyzes of tax treatments that could generate uncertainties in the calculation of income tax, accessing its internal and external legal advisors in order to identify such treatments, as well as to measure and reassess those that could potentially expose the Company to risks of loss. At the conclusion of these studies, the Company's Management evaluated that none of the relevant positions adopted by the Company changed regarding the judgment of the probability of losses generated by possible inquiries by the tax authorities.

5. Balances Restatement

The Company's Management, after reassessing certain topics and aiming at the best presentation of its financial position and its operational and financial performance, based on the guidelines issued by "IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors", carried out the restatements retrospectively, in its income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the period ended on March 31, 2018, originally published on April 23, 2018.

The restatements were classified in the following categories:

- Change in accounting policies;
- Error.

5.1 Income Statement as of March 31, 2018.

Income Statement	Ref	As previously reported	Adjustments	As Restated
Gross Revenue	(a)/(k)	8,297,809	(95,824)	8,201,985
(-) Revenue Deductions	(a)/(b)/(f)/(g)/(h)	(2,748,011)	92,564	(2,655,447)
Net Revenue		5,549,798	(3,260)	5,546,538
Cost of Services		(4,460,073)	19,064	(4,441,009)
Electric power costs	(f)/(g)	(2,999,911)	3,547	(2,996,364)
Operating Costs	(c)/(h)/(i)/(j)	(935,490)	16,042	(919,448)
Constructions Costs	(k)	(524,672)	(525)	(525,197)
Gross Profit		1,089,725	15,804	1,105,529
Expected credit risk loss	(d)	-	(82,805)	(82,805)
Sales expenses	(d)/(j)	(162,904)	76,669	(86,235)
General and administrative expenses	(b)/(c)/(d)	(204,574)	391	(204,183)
Equity Earnings		(3,677)	-	(3,677)
Operating Profit		718,570	10,059	728,629
Financial Expenses, net	(e)/(i)	(290,457)	(6,552)	(297,009)
Profit before taxes		428,113	3,507	431,620
Income tax and social contribution expense		(131,235)	316	(130,919)
Profit for the period	(e)/(k)	296,878	3,823	300,701

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- (a) Reclassification of R\$ 99,917 related to Tariff Flags from Regulatory Charge to Portion A and other financial items (between lines in Net Revenues). This adjustment is classified as correction of error.
- (b) Reclassification of R\$ 383 related to VAT (ICMS) on materials from Revenue deductions to Materials expenses (general and Administrative expenses). This adjustment is classified as correction of error.
- (c) Reclassification of Other operating revenues / losses, from Operating Costs to General and administrative expenses, in the amount of R \$ 1,026. This adjustment is classified as correction of error.
- (d) Reclassification of the expected credit risk loss, previously classified under others revenues/expenses items R\$ 1,550 and sales expenses of R\$ 81,255 to an specif account in the income statement, as required by standard IAS 1. This adjustment is classified as correction of error.
- (e) Reclassification of Derivatives (from financial result to other comprehensive income), in the amount of R\$ 35, due to the change in classification of fair value to cash flow hedge, with a impact of deferred tax in the amount of R\$ 12. This adjustment is classified as correction of error.
- (f) Reclassification of R\$ 5,215 related to Consumer charges - PROINFA, segregation of electricity costs between captive and free market, from Costs of service to Revenue deductions. This adjustment is classified as correction of error.
- (g) Reclassification of R\$ 1,669 related to Consumer charges - PROINFA, segregation of electricity costs between captive and free market, from Revenue deductions to Costs of service. This adjustment is classified as correction of error.
- (h) Reclassification of Electric Power Service Inspection Fee (TFSEE) and financial compensation of water resources (CFURH) from Cost of service to Revenue deduction in the amount of R\$ 2,561 and R\$ 1,544, respectively. This adjustment is classified as change in accounting policy.
- (i) Reclassification of the forward rate variation and SPOT rate of Non Deliverable Forward - NDFs from cost of service to financial expenses in the amount of R \$ 6,515. This adjustment is classified as a change in accounting policy.
- (j) Reclassification from Operating cost to Sales expense: R\$ 4,479. This adjustment is classified as correction of error.
- (k) The consequence of applying IFRS15, which, starting in 2018, begins to measure the concession assets as contractual assets and to recognize an operating and maintenance margin in the amount of R\$ 4,093 in gross revenue and R \$ 525 in the cost of construction, plus deferred tax impact in the amount of R\$ 304. This adjustment is classified as correction of error.

5.2 Statement of comprehensive Income as of March 31, 2018.

	Ref	As previously reported	Adjustments	As Restated
Profit for the period	(a)/(c)	296,878	3,823	300,701
Other Comprehensive Income				
Items that will not be reclassified to the income statement				
Effects of employee benefits and health care plans	(d)	592	(2)	590
Cash flow hedge	(b)/(d)	(15,813)	2,693	(13,120)
Deferred taxes on comprehensive income	(b)/(d)	5,173	(5,373)	(200)
Total of items that will not be reclassified to the income statement		(10,048)	(2,682)	(12,730)
Items that will be reclassified subsequently to the income statement:				
Participation in adjustments to the fair value of cash flow hedges	(b)/(c)/(d)	-	(5,897)	(5,897)
Deferred taxes on comprehensive income	(b)/(c)/(d)	-	2,919	2,919
Total of the items that will be reclassified subsequently to the income statement		-	(2,978)	(2,978)
Other comprehensive income for the year, net of taxes		(10,048)	(5,660)	(15,708)
Total comprehensive income for the period		286,830	(1,837)	284,993
Attributable to:				
Controlling shareholders		277,725	(1,916)	275,809
Non-controlling shareholders		9,105	79	9,184

- (a) Adjustments of profit for the period, as per the changes in the Income Statements shown in item 5.1.
- (b) Reclassification of cash flow hedge from the items that will not be reclassified to the income statement to items that will be reclassified subsequently to the income statement. This adjustment is classified as correction of error.
- (c) Reclassification of Derivatives (from financial result to other comprehensive income), in the amount of R\$ 35, due to the change in classification of fair value to cash flow hedge, with a impact of deferred tax in the amount of R\$ 12. This adjustment is classified as correction of error.
- (d) Reclassification Of "items that will not be reclassified to the income statement" to "items that will be reclassified subsequently to the income statement". This adjustment is classified as correction of error.

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5.4 Statement of changes in equity as of March 31, 2018.

	Ref	Capital	Capital Reserves	Reserve for capital transactions with shareholders	Other comprehensive income	Retained earnings	Accumulated profits of the year	Total	Non-controlling interest	Total
Balances as of March 31, 2018 (As previously reported)		12,919,982	99,017	(1,590,687)	(222,628)	4,956,463	232,408	16,394,555	255,166	16,649,721
Other comprehensive income:		-	-	-	(5,452)	-	-	(5,452)	(208)	(5,660)
Effects employees benefits and health care plans of the subsidiaries, net	(a)	-	-	-	144	-	-	144	-	144
Participation in cash flow hedge	(a)	-	-	-	(5,596)	-	-	(5,596)	(208)	(5,804)
Profit for the period	(b)	-	-	-	-	-	3,536	3,536	287	3,823
Balances as of March 31, 2018 (As Restated)		12,919,982	99,017	(1,590,687)	(228,080)	4,956,463	235,944	16,392,639	255,245	16,647,884

- a) Reclassification of the comprehensive income according to item 5.2.
- b) Reclassification of Income Statement according to item 5.1.

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5.5 Statement of Cash Flows as of March 31, 2018.

Cash Flow Statement	Ref.	As previously reported	Adjustments	As Restated
Profit before income tax and social contribution	(a)	428,113	(428,113)	-
Profit for the period	(a)/(b)/(c)	-	300,701	300,701
Adjustments to reconcile the earnings to cash from operating activities	(a)/(c)/(d)	596,821	120,237	717,058
Decrease (Increase) in Operating Assets	(a)/(b)/(c)/(e)/(g)	213,134	8,189	221,323
Increase (Decrease) in Operating Liabilities	(a)/(d)/(f)	(1,353,037)	97,332	(1,255,705)
Net cash from Operating Activities		(114,969)	98,347	(16,622)
Net cash flows used in investing activities	(c)	(676,246)	(4,104)	(680,350)
Net cash flows used in financing activities	(e)/(f)/(g)	1,424,554	(94,242)	1,330,312
Increase in cash and cash equivalents		633,339	-	633,339

- (a) The Company changed its statement of cash flows' preparation policy, defining to start the presentation of the statement from the Profit for the period and no longer from Profit before Income Taxes and Social Contribution, as originally presented. This adjustment is classified as change in accounting policy and is being carried out retrospectively to enable the comparability of the financial statements, in the amount of R\$ 127,412.
- (b) Reclassification of Derivatives (from financial result to other comprehensive income) due to the change in classification of fair value to cash flow hedge, with a impact of deferred tax. This adjustment is classified as correction of error.
- (c) Reclassification of the cost of constructing the cash flow from investing activities to cash expenses arising from operating activities in accordance with the implementation of IFRS15. This adjustment is classified as correction of error.
- (d) Reclassification effect of NC Energy related to an indemnity cash in the amount of R\$ 27,072. This adjustment is classified as a change in accounting policy.
- (e) Reclassification of balances of guarantee deposits from Cash flow from operating activities to Cash flow from financing activities, in the amount of R\$ 30,752. This adjustment is classified as correction of error.
- (f) Reclassification of the swap settlement of the amortization line of the principal for debt charges R \$ 68,061. This adjustment is classified as correction of error.
- (g) Reclassification of special obligations R \$ 3,614. This adjustment is classified as correction of error.

6. Regulatory matters

(i) Tariff flags

ANEEL's Resolution n° 547/2013 has created the Tariff Flag mechanism, applicable from January 1st, 2015 onwards, aiming to pass through to consumers the additional cost related to thermal generation, spot market energy purchases, system charges and hydrological risks.

On August 13, 2018, ANEEL Resolution n° 826 amended the rules of this pass through. The monthly amounts of the financial transfers Centralizing Account of Tariff Flag Resources (CCRBT) are now calculated considering the allocation to concession area that generated them first. With this change, deficit companies started disbursing in CCRBT only the surplus revenues. On the other hand, surplus companies now receive a portion of this surplus, proportionally to their cost not covered by their own funds. This change implies in a more efficient allocation of the funds coming from the Tariff Flags, mitigating the cross subsidy between the distributors and prioritizing the allocation of resources in their areas of origin of the concession.

The Tariff Flag System is comprised of four flags ranges: red (threshold 1), with an increase in the energy tariff of R\$30/MWh; red (threshold 2), with an increase in the energy tariff of R\$50/MWh; yellow, with an increase of R\$10/MWh; and green, without increase.

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In the first three months of 2019 and 2018, the following tariff flags were in effect:

	Flag Color	
	03/31/2019	03/31/2018
Jan	Green	Green
Feb	Green	Green
Mar	Green	Green

In the three-month period ended on March 31, 2019 the subsidiaries Coelba, Celpe, Cosern and Elektro Redes recognized the total amount of R\$ 770 (R\$ 984,985 on December 31, 2018) and Elektro Redes returned the total amount of R\$ 4,555, in tariff flag, from which amount R\$ 3,812 (R\$ 70,013 repassed and R\$ 16,888 received on December 31, 2018) were transferred R\$ 4,700 to the Centralized Account for Tariff Flag Funds CCRBT.

(ii) Decree No. 9642/2018 - Gradual Elimination of Subsidies

Decree n° 9642, dated December 27, 2018, changed Article 1° of Decree n° 7891/2013, which provides for the application of tariff discounts, preventing cumulative discounts on electric power distribution tariffs to be given to customers. The customer should be given the discount that benefits him most (this situation was only applicable to consumers served with low voltage power, such as those in rural areas, with irrigation or fish farming activity performed at a special period of the daytime). The decree also establishes that, as from 2019 onwards, in the processes of tariff adjustment or review of the distribution companies, the discounts referred to in paragraph 2 of said article, which are those applied to consumers classified as Rural; Rural Electrification Cooperative; Water, Sewage and Sanitation Utility; and Irrigation Utility; shall be reduced by 20% per annum until it reaches zero. The discounts currently granted to consumers are covered by the Energy Development Account - CDE, which passes on to the distributors the amount of subsidies granted. With the reduction of these discounts, the distribution companies gradually cease receiving CDE funds and start receiving directly from these consumers.

(iii) Energy Overcontracting

According to the Regulatory Model, the distribution companies must contract in advance 100% of the electric power required to the supply of its customers through auctions regulated by ANEEL. Such auctions, carried out with the support of CCEE, occur in advance of one to seven years as of the beginning of the supply of contracted energy. The possibility of hiring in advance of up to seven years came into existence after the publication of Decree n° 9143, dated August 22, 2017.

As provided for in the regulation for the sector, particularly Decree n° 5163/2004, if the energy contracted is within the limit of up to 5% above the total need of the distribution company, the cost variations incurred with the purchase of surplus energy will be fully pass through to tariffs. However, if the distribution company voluntarily exceeds such limit, it will be exposed to the price variation between the purchase and sales of the exceeding amount in the short term market.

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Decree n° 9143, dated August 22, 2017, determined a reduction of the ballast for distribution coverage, from 95% to 90%, referring to the quotas of physical energy guarantee, hydroelectric plants with concessions extended or bidding under Law n° 12783/2013, effective as of September 1st, 2017.

For period ended as at March 31, 2019, the subsidiaries used the mechanisms available to manage overcontracting.

7. Cash and cash equivalents

	03/31/2019	12/31/2018
Cash and cash equivalents		
Cash and bank deposits on demand	356,432	293,680
Bank Deposit Certificate (CDB)	337,820	709,154
Investment Funds	2,330,657	2,930,841
	3,024,909	3,933,675

As of March 31, 2019, Cash and Cash Equivalents include cash, bank deposits on demand and short-term financial investments. They are operations that present high liquidity, no restrictions on use, promptly convertible into a cash and are subject to an insignificant risk of change in value.

As of March 31, 2019 and December 31, 2018, the portfolio of financial investments consists mainly of exclusive investment funds of the Company and its subsidiaries, composed of several assets, aiming at better profitability with the lowest level of risk, as follows:

Investment funds		
Portfolio	03/31/2019	12/31/2018
BB Polo 28 FI Fixed Income		
BB TOP Short Term		
Agreements Guaranteed by Government Securities	528,660	713,011
Public Bonds	9,443	27,642
Agreements Guaranteed by Government Securities	667	769
BB Polo 28 FI Fixed Income	-	241
Others	60	4
	538,830	741,667
Bradesco FIC FI RF Referenciado DI Recife		
Agreements Guaranteed by Government Securities	429,731	531,899
Others	24	19
	429,755	531,918
Itaú Salvador Fixed Income FICFI		
Itaú Short Term		
Agreements Guaranteed by Government Securities	244,410	272,710
Public Bonds	56,891	60,913
Agreements Guaranteed by Government Securities	513,157	598,064
Others	13	8
	814,471	931,695
Santander FIC FI Natal Fixed Income Referenciado DI		
Agreements Guaranteed by Government Securities	541,166	621,207
Others	6,435	125
	547,601	621,332
BB Amplo FIC FI Fixed Income		
Agreements Guaranteed by Government Securities	(38)	104,229
Outros	38	-
	-	104,229
Total CEC - Exclusive Funds	2,330,657	2,930,841

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8. Accounts receivable and other receivables

	Ref.	03/31/2019	12/31/2018
Consumers	(a)	5,171,644	4,846,207
Accounts receivable	(b)	261,711	310,168
Energy traded through CCEE		442,163	244,653
Use of the Distribution Network (TUSD)		515,185	490,858
Services provided to third parties		31,945	33,640
Taxed and administrative services		25,737	27,159
Government grants	(c)	334,154	313,657
Other credits		191,932	222,619
(-) Expected credit risk losses	(d)	(985,442)	(984,331)
Total		5,989,029	5,504,630
Current		5,674,984	5,160,926
Non-current		314,045	343,704

a) Consumers

	Current Balances	Overdue Balances		Total		Expected credit loss	
		Up 90 days	Over 90 days	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Private sector							
Residential	581,053	699,195	548,533	1,828,781	1,684,968	(474,448)	(474,238)
Industrial	237,482	58,415	161,946	457,843	437,911	(122,181)	(117,113)
Commercial, services and others	432,920	169,905	171,713	774,538	730,621	(123,552)	(121,497)
Rural	101,051	66,929	126,065	294,045	280,549	(87,561)	(99,475)
	1,352,506	994,444	1,008,257	3,355,207	3,134,049	(807,742)	(812,323)
Public sector							
Federal	29,275	7,710	6,773	43,758	31,871	(1,417)	(1,159)
State	147,222	30,886	18,752	196,860	198,998	(25,913)	(20,568)
Local	137,487	27,656	62,910	228,053	220,397	(36,539)	(38,934)
	313,984	66,252	88,435	468,671	451,266	(63,869)	(60,661)
Public lighting	85,059	33,537	91,549	210,145	200,908	(27,958)	(20,989)
Public services	129,962	12,038	47,846	189,846	159,826	(20,168)	(20,458)
Unbilled supply	947,775	-	-	947,775	900,158	(4,681)	(4,623)
	1,162,796	45,575	139,395	1,347,766	1,260,892	(52,807)	(46,070)
Consumers	2,829,286	1,106,271	1,236,087	5,171,644	4,846,207	(924,418)	(919,054)
Current				4,952,906	4,619,801	(900,818)	(901,412)
Non-current				218,738	226,406	(23,600)	(17,642)

The trade accounts receivable classified as non-current assets represent the amounts resulting from the consolidation of payments in installments under energy supply bills due from defaulting consumers and with future maturity, charged in electricity bills. This includes interest and fines calculated proportionally.

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b) Accounts receivable

These are energy supply accounts of generation and trade companies with several market agents.

	Balances falling due	Overdue		Total		Expected credit loss	
		Up to 90 days	Over 90 days	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Private sector	155,102	87,655	18,954	261,711	310,168	(7,020)	(12,109)
Total	155,102	87,655	18,954	261,711	310,168	(7,020)	(12,109)

The debt installments include interest and monetary indexation at market rates, terms and indexes and the net amounts of credit risk loss are considered recoverable by the Company's Management.

c) Government grants

(c.1) Low Income - Social Tariff:

The Federal Government, through Laws n° 12,212 and 10,438 established the application of low income social tariff with the purpose of contributing to the sliding-scale rates of electric power supply to end consumers, members of low income residential subclass.

The balance receivable as of March 31, 2019 is R\$ 101,445 (R\$ 98,718 as of December 31, 2018).

(c.2) CDE:

On April 18, 2017, ANEEL Resolution n° 2,222/2017 was issued, approving the monthly amount of R\$ 96,830, to be transferred by Eletrobras from April 2018 to March 2019.

The receivable balance as of March 31, 2019 is R\$ 232,169 (R\$ 214,939 as of December 31, 2018).

d) Expected credit risk loss

	Consumers	Accounts receivable	Energy traded at CCEE	Others credits	Total
Balances as of at January 1st, 2018	(941,236)	(6,008)	(54,939)	(498)	(1,002,681)
Initial adoption of IFRS 9	(36,522)	(1,089)	-	(6,731)	(44,342)
Additions	(604,973)	(8,885)	-	(16,506)	(630,364)
Reversals	320,073	3,279	-	25,506	348,858
Written-off to uncollectables	343,604	594	-	-	344,198
Balances as of December 31, 2018	(919,054)	(12,109)	(54,939)	1,771	(984,331)
Additions	(181,932)	(2,397)	-	(10,038)	(194,367)
Reversals	117,327	7,486	-	(260)	124,553
Written-off to uncollectables	59,241	-	-	9,462	68,703
Balances as of March 31, 2019	(924,418)	(7,020)	(54,939)	935	(985,442)

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9. Recoverable taxes and social contributions

	03/31/2019	12/31/2018
Income Tax (IR)	445,260	433,544
Social Contribution on Profit for the year (CSLL)	78,850	72,745
Value added tax (ICMS)	565,077	540,971
Federal Social Integration Program (PIS)	25,766	15,616
Social Security Financing Contribution (COFINS)	129,874	82,831
National Social Security System (INSS)	24,323	23,814
Services Tax (ISS)	1,873	1,259
Tax Recovery Program (REFIS)	2,433	2,434
Other	8,406	8,943
TOTAL	1,281,862	1,182,157
Current	951,784	819,838
Non-current	330,078	362,319

10. Current and deferred taxes and social contribution

The composition of deferred taxes and contributions is as follows:

	03/31/2019	12/31/2018
(I) Income tax and social contribution	158,748	208,162
(II) Tax benefit of merged goodwill *	683,622	706,329
Total	842,370	914,491
Asset	963,205	1,031,035
Liability	(120,835)	(116,544)

*The tax benefit of the merged goodwill (incorporated surplus value) refers to the tax credit calculated on merged acquisition surplus value. In order to avoid that the amortization of the surplus value adversely affects the flow of dividends to shareholders, a provision was constituted for the maintenance of the integrity of the shareholders' equity of its incorporator was constituted.

(I) Deferred income tax and social contribution

The Company recorded deferred taxes and social contribution on temporary differences and tax losses which financial effects will occur at the time of realization of the amounts that gave rise to the calculation basis. Income tax is calculated at a 15% rate added by the additional 10% rate, and social contribution is constituted at a 9% rate.

The deferred tax base is as follows:

	03/31/2019		12/31/2018	
Assets	IR	CSLL	IR	CSLL
Tax loss	499,887	500,253	506,449	506,463
Tax rate	25%	9%	25%	9%
Total Tax loss	124,972	45,023	126,612	45,582
Assets				
Expected credit risk loss	365,840	365,840	365,654	365,654
Actuarial liability provision	769,455	769,455	762,476	762,476
Contingency provisions	675,895	675,895	658,858	658,858
Collecting agent provision	2,099	2,099	2,099	2,099
Profit sharing provision	93,710	93,710	69,909	69,909
Nondeductible depreciation (Environmental contingencies provision)	6,470	6,470	6,422	6,422
Right of use of the exceeding concession income	311,945	311,945	315,083	315,083
CCEE/ Loss/ Free Energy	50,900	50,900	49,260	49,260

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Adjustment of the annual amortization quota	106,758	106,758	101,138	101,138
Fair value of financial derivatives	(16,192)	(16,192)	8,236	8,236
Pension plan deficit	174,301	174,301	181,061	181,061
Use of public asset	8,927	8,927	9,076	9,076
Others	287,115	287,115	141,680	141,680
Total temporary differences - ASSETS	2,837,223	2,837,223	2,670,952	2,670,952
Liability (-)				
Accelerated Depreciation/Amortization	(12,404)	(12,404)	(9,883)	(9,881)
Fair value of financial derivatives	(14,112)	(14,116)	(4,622)	(4,622)
Difference between fair value of the current year and fair value on the initial adoption	(1,879,680)	(1,879,680)	(1,752,969)	(1,752,969)
Adjustment of the annual amortization quota	(96,177)	(96,177)	(95,596)	(95,596)
Capitalization (amortization) of interests according to IFRS	(398,326)	(398,326)	(399,719)	(399,719)
Pension plan deficit	(22,441)	(22,441)	(22,538)	(22,538)
Pension plan surplus	(9,510)	(9,510)	(9,343)	(9,343)
Financing cost	(52,950)	(52,950)	(57,134)	(57,134)
Initial adoption of IFRS 15/9	(4,496)	(4,496)	(4,450)	(4,450)
Concession contract assets	(100,553)	(126,455)	(80,568)	(105,555)
Others	(272,797)	(272,792)	(121,741)	(121,691)
Total temporary differences - LIABILITY	(2,863,446)	(2,889,347)	(2,558,563)	(2,583,498)
Total temporary differences - NET	(26,223)	(52,124)	112,389	87,454
Tax rate	25%	9%	25%	9%
Total temporary differences	(6,556)	(4,691)	28,097	7,871
SUB TOTAL	118,416	40,332	154,709	53,453
TOTAL NET		158,748		208,162

The reconciliation of income tax (revenue) expenses disclosed and the amounts calculated by applying the effective rates as of March 31, 2019 and 2018 is presented below.

	03/31/2019		03/31/2018	
	IR	CSLL	IR	CSLL
	(Restated)			
Profit before income tax and social contribution	700,052	700,052	431,620	431,620
Income tax and social contribution rate	25%	9%	25%	9%
Income tax and social contribution at the rates provided by legislation	175,013	63,005	107,905	38,846
Effect of the (additions) exclusions in the tax calculation	(56,152)	1,509	(31,334)	2,361
Effect of assumed profit regime	(8,169)	(2,449)	(7,074)	(2,032)
Permanent differences	16,172	5,114	12,440	4,489
Tax incentives and others	(64,155)	(1,156)	(36,700)	(96)
Income tax and social contribution for the period	118,861	64,514	76,571	41,207
Generated (compensated) tax loss and negative basis of social contribution	464	43	8,797	3,116
Others	5,057	1,391	763	465
Income tax and social contribution in the income statement	124,382	65,948	86,131	44,788
Current	73,378	47,733	40,866	28,465
Collected and Paid	33,222	23,933	9,160	10,213
Payable	38,896	23,559	25,934	16,563
Compensated and deducted	1,398	246	7,073	2,080
Recoverable anticipated taxes	(138)	(5)	(1,301)	(391)
Deferred	51,004	18,215	45,265	16,323
	124,382	65,948	86,131	44,788

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The reconciliation of income tax expense disclosed as of March 31, 2019 and 2018 is presented below.

	03/31/2019	03/31/2018
		(Restated)
Current	(121,111)	(69,331)
Deferred	(60,508)	(52,526)
Goodwill amortization and tax benefit from merged goodwill reversal	(8,711)	(9,062)
Income tax and social contribution for the fiscal year	(190,330)	(130,919)

11. "Portion A" and other financial items

The composition of sector assets and liabilities is as it follows:

			03/31/2019					
			Current		Non-current			
Ref.	Asset	Liabilities(-)	Total Asset/ (Liabilities)	Asset	Liabilities(-)	Total Asset/ (Liabilities)	Net Total	
“Portion A” (CVA and Neutrality)								
Energy purchase	(a)	1,838,071	(85,835)	1,752,236	295,303	(7,498)	287,805	2,040,041
System Service Charges - ESS	(b)	-	(684,678)	(684,678)	-	(118,542)	(118,542)	(803,220)
Use of transmission network - TUST		40,774	-	40,774	-	(12,429)	(12,429)	28,345
Regulatory charges neutrality		29,428	(69,993)	(40,565)	11,747	(43)	11,704	(28,861)
Energy Development Account (CDE) resources		63,513	(7,804)	55,709	14,681	(10,877)	3,804	59,513
Other CVAs		99,192	-	99,192	19,447	-	19,447	118,639
Financial Components and Subsidies								
Tariff Review		775	-	775	-	-	-	775
Overcontracted energy	(c)	128,404	(41,588)	86,816	65,697	(2,597)	63,100	149,916
Hydrological risk	(d)	-	(275,267)	(275,267)	-	-	-	(275,267)
Changes in CCEE transactions		956	-	956	-	-	-	956
Energy recomposition - Termope		58,732	-	58,732	-	-	-	58,732
Tariff sucharges		-	(30,363)	(30,363)	-	(353,402)	(353,402)	(383,765)
R&D refunds		-	(27,406)	(27,406)	-	-	-	(27,406)
Other financial components		12,997	(23,758)	(10,761)	3,167	(13,051)	(9,884)	(20,645)
Total		2,272,842	(1,246,692)	1,026,150	410,042	(518,439)	(108,397)	917,753

	12/31/2018						
	Current			Non-current			
	Asset	Liabilities(-)	Total Asset/(liabilities)	Asset	Liabilities(-)	Total Asset/(liabilities)	Net Total
“Portion A” (CVA and Neutrality)							
Energy purchase	1,975,720	(130,194)	1,845,526	410,336	(7,386)	402,950	2,248,476
System Service Charges - ESS	-	(661,909)	(661,909)	-	(156,404)	(156,404)	(818,313)
Use of transmission network - TUST	72,606	-	72,606	12,050	(3,400)	8,650	81,256
Regulatory charges neutrality	40,151	(29,368)	10,783	23,098	(7,960)	15,138	25,921
Energy Development Account (CDE)	40,473	(60,921)	(20,448)	7,988	(17,070)	(9,082)	(29,530)
resources							
Other CVAs	102,980	-	102,980	23,000	-	23,000	125,980
Financial Components and Subsidies							
Tariff Review	3,803	-	3,803	-	-	-	3,803
Overcontracted energy	200,175	(245,434)	(45,259)	2,275	(93,484)	(91,209)	(136,468)
Hydrological risk	-	(266,449)	(266,449)	-	(44,534)	(44,534)	(310,983)
Changes in CCEE transactions	8,037	(599)	7,438	-	-	-	7,438
Energy recomposition - Termope	49,288	-	49,288	10,808	-	10,808	60,096
Tariff sucharges	-	(17,363)	(17,363)	-	(319,783)	(319,783)	(337,146)
R&D refunds	-	(64,743)	(64,743)	-	-	-	(64,743)
Other financial components	22,163	(15,126)	7,037	5,714	(21,870)	(16,156)	(9,119)
Total	2,515,396	(1,492,106)	1,023,290	495,269	(671,891)	(176,622)	846,668

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Notes to the condensed consolidated Interim Financial Statements
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(a) Energy purchases

In the period ending as of March 31, 2019, the subsidiaries Coelba, Celpe, Cosern and Elektro Redes calculated the price variances (CVA) on energy purchases, registering an asset in the amount of R\$ 826,783, R\$ 518,982, R\$ 201,481 and R\$ 492,795, respectively, related to incurred costs higher than tariffs' coverage, mainly due spot transactions occurred in CCEE and amortization of balances approved in previous tariff adjustment processes.

(b) System Service Charge - ESS

In the period ending as of March 31, 2019, the subsidiaries Coelba, Celpe, Cosern and Elektro Redes recognized a liability in the total amount of R\$ 284,714, R\$ 185,764, R\$ 81,402 and R\$ 251,340, respectively, indicating that for this charge, actual incurred costs were lower than tariff coverage for the tariff year, including amortization of the balances approved in previous tariff adjustment processes.

(c) Overcontracted energy

In the period ending as of March 31, 2019, the subsidiaries Coelba, Celpe, Cosern and Elektro Redes recognized an updated liability financial adjustment of R\$ 35,308, R\$ 13,384, R\$ 8,310 and R\$ R\$ 55,483, respectively, in order to offset the effect in income obtained with the purchase and sale of the surplus or with the purchase of the energy exposure in the spot market.

(d) Hydrological Risk

In the period ending as of March 31, 2019, the subsidiaries Coelba, Celpe and Cosern registered a liability financial component related to hydrological risk in the amount of R\$ 145,012, R\$ 93,840 and R\$ 36,415, referring to amounts to be returned to consumers, as approved by ANEEL in 2017 tariff adjustment process, in compliance with ANEEL Resolution n° 796/2017.

The changes in the balances of assets and liabilities are as follows:

Balances as of at January 1st, 2018	726,423
Recognition of asset (Liability)	750,776
Reversal (Amortization)	(693,015)
Monetary indexation	62,484
Balances as of December 31, 2018	846,668
Recognition of asset (Liability)	360,637
Reversal (Amortization)	(297,608)
Monetary indexation	8,056
Balances as of March 31, 2019	917,753

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Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

12. Investments

Information on associates are as follows:

Subsidiaries	Date	Asset		Liability		Equity	Profit (Loss) for the fiscal year
	Financial Position / Result	Current	Non-current	Current	Non-current		
COELBA	03/31/2019	3,041,527	11,664,289	3,080,046	6,683,515	4,942,255	230,547
	12/31/2018 / 03/31/2018	3,352,774	11,177,792	2,715,489	6,610,076	5,205,001	49,624
CELPE	03/31/2019	2,423,786	5,590,042	2,228,509	4,149,603	1,635,716	38,016
	12/31/2018 / 03/31/2018	2,308,999	5,454,426	1,704,952	4,465,003	1,593,470	21,417
COSERN	03/31/2019	848,082	2,397,090	734,270	1,482,174	1,028,728	55,531
	12/31/2018 / 03/31/2018	853,326	2,343,835	612,896	1,617,496	966,769	53,277
ELEKTRO REDES	03/31/2019	3,440,238	4,795,076	1,739,476	4,080,866	2,414,972	106,160
	12/31/2018 / 03/31/2018	3,116,613	4,737,127	1,622,810	3,937,104	2,293,826	72,438
AFLUENTE TRANSMISSÃO	03/31/2019	59,483	153,492	3,123	7,662	202,190	6,436
	12/31/2018 / 03/31/2018	51,621	154,578	2,655	7,790	195,754	2,937
SE NARANDIBA	03/31/2019	18,334	172,965	37,316	12,536	141,447	3,619
	12/31/2018 / 03/31/2018	19,035	164,816	40,408	15,033	128,410	1,956
POTIGUAR SUL	03/31/2019	34,922	281,305	33,484	20,103	262,640	5,897
	12/31/2018 / 03/31/2018	34,753	269,024	37,091	19,322	247,364	6,062
EKTT I	03/31/2019	13,898	50,025	17,023	4,772	42,128	628
	12/31/2018 / 03/31/2018	15,805	29,135	1,629	1,811	41,500	(31)
EKTT II	03/31/2019	2,020	75,875	3,786	56,274	17,835	1,028
	12/31/2018 / 03/31/2018	8,457	10,409	1,371	688	16,807	(24)
EKTT III	03/31/2019	1,491	12,443	184	1,009	12,741	1,961
	12/31/2018 / 03/31/2018	-	-	-	-	-	-
EKTT IV	03/31/2019	1,497	9,044	125	735	9,681	1,429
	12/31/2018 / 03/31/2018	-	-	-	-	-	-
EKTT V	03/31/2019	1,679	9,848	149	670	10,708	1,306
	12/31/2018 / 03/31/2018	-	-	-	-	-	-
EKTT XI	03/31/2019	3,228	13,702	387	915	15,628	1,781
	12/31/2018 / 03/31/2018	-	-	-	-	-	-
EKTT XII	03/31/2019	1,262	71,821	11,945	5,118	56,020	2,130
	12/31/2018 / 03/31/2018	9,640	51,517	6,472	3,795	50,890	102
EKTT XIII	03/31/2019	6,010	36,056	6,995	2,429	32,642	912
	12/31/2018 / 03/31/2018	7,095	29,639	2,200	2,065	32,469	141
EKTT XIV	03/31/2019	7,692	27,364	3,102	1,837	30,117	183
	12/31/2018 / 03/31/2018	7,905	26,367	1,736	1,828	30,708	137
EKTT XV	03/31/2019	3,451	30,302	6,382	2,051	25,320	374
	12/31/2018 / 03/31/2018	2,650	26,942	5,330	1,874	22,388	139

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Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

Subsidiaries	Date	Asset		Liability		Equity	Profit (Loss) for the fiscal year
	Financial Position / Result	Current	Non-current	Current	Non- current		
NEOENERGIA SERVIÇOS	03/31/2019	3,216	4,389	498	494	6,613	606
	12/31/2018 / 03/31/2018	3,018	6,352	2,489	744	6,137	31
TERMOPE	03/31/2019	601,987	1,736,795	377,295	1,138,874	822,613	30,673
	12/31/2018 / 03/31/2018	580,016	1,685,313	355,095	1,126,576	783,658	79,944
NC ENERGIA	03/31/2019	360,117	310,634	318,144	124,129	228,478	(2,345)
	12/31/2018 / 03/31/2018	416,995	288,417	347,509	127,080	230,823	11,362
ELEKTRO COM. DE ENERGIA LTDA - EKCE	03/31/2019	10,370	113	5,702	-	4,781	(1,551)
	12/31/2018 / 03/31/2018	23,234	123	17,024	-	6,333	(538)
NEOENERGIA INVESTIMENTOS	03/31/2019	993	13,854	74	-	14,773	(3)
	12/31/2018 / 03/31/2018	983	13,700	77	-	14,606	166
ELEKTRO O&M	03/31/2019	11,221	6,484	3,810	6	13,889	(181)
	12/31/2018 / 03/31/2018	11,507	6,552	3,983	6	14,070	603
ITAPEBI	03/31/2019	288,811	509,887	139,514	342,452	316,732	6,368
	12/31/2018 / 03/31/2018	297,016	510,123	153,210	343,565	310,364	26,331
BAGUARI	03/31/2019	67,761	264,032	41,831	113,943	176,019	7,906
	12/31/2018 / 03/31/2018	51,056	265,731	32,052	116,622	168,113	8,593
GERAÇÃO C III	03/31/2019	34,468	326,370	39,524	55,077	266,237	8,552
	12/31/2018 / 03/31/2018	23,302	325,932	32,488	59,061	257,685	5,952
GERAÇÃO CÉU AZUL	03/31/2019	82,012	1,836,374	180,263	544,955	1,193,168	17,949
	12/31/2018 / 03/31/2018	61,416	1,811,557	168,340	590,023	1,114,610	(495)
BAHIA PCH II	03/31/2019	-	869	-	-	869	-
	12/31/2018 / 03/31/2018	-	869	-	-	869	-
NEOENERGIA O&M	03/31/2019	13,509	10,398	6,468	609	16,830	1,553
	12/31/2018 / 03/31/2018	12,748	10,396	7,260	608	15,276	498
BELO MONTE PARTICIPAÇÕES	03/31/2019	1,080	1,384,243	9	-	1,385,314	(1,622)
	12/31/2018 / 03/31/2018	1,080	1,368,928	29	-	1,369,979	16,592
ELEKTRO RENOVÁVEIS DO BRASIL	03/31/2019	41,818	742,011	68,912	-	714,917	6,198
	12/31/2018 / 03/31/2018	79,539	673,996	100,760	-	652,775	(3,987)
ENERBRASIL RENOVÁVEIS DO BRASIL	03/31/2019	57,818	105,986	20,488	6,224	137,092	6,970
	12/31/2018 / 03/31/2018	46,603	108,906	19,305	6,082	130,122	7,886

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Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

Subsidiaries	Date	Asset		Liability		Equity	Profit (Loss) for the fiscal year
	Financial Position / Result	Current	Non-current	Current	Non-current		
FORÇA EÓLICA PARTICIPAÇÕES	03/31/2019	17,352	263,437	13,879	-	266,910	4,576
	12/31/2018 / 03/31/2018	17,343	258,578	13,877	-	262,044	30
FORÇA EÓLICA DO BRASIL	03/31/2019	18,715	608,277	28,666	8,132	590,194	(13,601)
	12/31/2018 / 03/31/2018	18,751	603,070	141,910	62	479,849	(13,110)
FORÇA EÓLICA DO BRASIL I	03/31/2019	31,409	326,069	17,652	-	339,826	7,104
	12/31/2018 / 03/31/2018	31,334	319,033	17,645	-	332,722	4,828
FORÇA EÓLICA DO BRASIL II	03/31/2019	22,428	268,808	12,105	-	279,131	4,651
	12/31/2018 / 03/31/2018	22,516	263,942	11,978	-	274,480	57
SANTANA 1	03/31/2019	33,450	176,857	23,560	4,957	181,790	1,944
	12/31/2018 / 03/31/2018	32,238	179,769	24,570	4,913	182,524	3,456
SANTANA 2	03/31/2019	25,413	142,041	19,168	4,565	143,721	1,041
	12/31/2018 / 03/31/2018	24,871	144,387	19,911	4,529	144,818	2,646
CANOAS I	03/31/2019	13,202	203,989	17,036	5,083	195,072	2,507
	12/31/2018 / 03/31/2018	13,554	206,244	18,926	5,034	195,838	844
CANOAS II	03/31/2019	993	2,678	45	1	3,625	10
	12/31/2018 / 03/31/2018	1,004	2,633	23	-	3,614	-
CANOAS III	03/31/2019	1,007	23	28	-	1,002	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-
CANOAS IV	03/31/2019	987	2,690	51	1	3,625	10
	12/31/2018 / 03/31/2018	1,004	2,633	23	-	3,614	-
LAGOA I	03/31/2019	32,442	587,255	36,355	350,741	232,601	(3,763)
	12/31/2018 / 03/31/2018	33,897	590,767	35,131	353,156	236,377	(4,380)
LAGOA II	03/31/2019	8,501	199,788	13,712	5,069	189,508	2,105
	12/31/2018 / 03/31/2018	7,594	201,866	14,177	5,019	190,264	111
LAGOA III	03/31/2019	951	2,708	33	2	3,624	10
	12/31/2018 / 03/31/2018	1,002	2,641	28	1	3,614	-
LAGOA IV	03/31/2019	764	1,631	44	1	2,350	7
	12/31/2018 / 03/31/2018	776	1,589	23	-	2,342	-
CALANGO I	03/31/2019	18,073	116,327	16,254	57,330	60,816	1,905
	12/31/2018 / 03/31/2018	19,051	114,528	16,130	58,538	58,911	539
CALANGO II	03/31/2019	15,626	108,254	12,704	59,960	51,216	1,138
	12/31/2018 / 03/31/2018	16,815	106,463	12,651	60,549	50,078	605
CALANGO III	03/31/2019	17,474	116,482	13,885	65,355	54,716	1,542
	12/31/2018 / 03/31/2018	17,288	115,418	13,747	65,785	53,174	204
CALANGO IV	03/31/2019	15,456	107,985	15,322	57,970	50,149	1,418
	12/31/2018 / 03/31/2018	16,501	106,433	15,015	59,188	48,731	979
CALANGO V	03/31/2019	17,833	106,921	14,148	57,926	52,680	1,583
	12/31/2018 / 03/31/2018	19,174	105,822	14,752	59,147	51,097	880

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Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

	Date	Asset		Liability		Equity	Profit (Loss) for the fiscal year
Subsidiaries	Financial Position / Result	Current	Non-current	Current	Non-current		
CALANGO VI	03/31/2019	57,870	494,007	24,682	298,975	228,220	(2,182)
	12/31/2018 / 03/31/2018	56,073	498,724	25,140	299,255	230,402	2,630
CAETITÉ I	03/31/2019	8,266	125,975	12,137	45,726	76,378	2,553
	12/31/2018 / 03/31/2018	9,333	122,507	11,298	46,716	73,826	1,606
CAETITÉ II	03/31/2019	15,222	120,029	11,868	39,212	84,171	(428)
	12/31/2018 / 03/31/2018	17,800	118,510	11,671	40,090	84,549	808
CAETITÉ III	03/31/2019	7,993	117,198	10,469	41,965	72,757	792
	12/31/2018 / 03/31/2018	9,480	115,665	10,322	42,858	71,965	(339)
ARIZONA I	03/31/2019	6,077	115,230	11,751	60,238	49,318	(104)
	12/31/2018 / 03/31/2018	8,697	115,000	13,122	61,388	49,187	(696)
MEL II	03/31/2019	4,784	80,708	6,987	44,562	33,943	1,171
	12/31/2018 / 03/31/2018	5,878	79,973	7,855	45,287	32,709	(129)
CHAFARIZ I	03/31/2019	945	2,721	48	2	3,616	10
	12/31/2018 / 03/31/2018	1,002	2,633	28	1	3,606	-
CHAFARIZ II	03/31/2019	993	2,654	30	1	3,616	10
	12/31/2018 / 03/31/2018	1,004	2,625	23	-	3,606	-
CHAFARIZ III	03/31/2019	1,241	2,657	31	1	3,866	10
	12/31/2018 / 03/31/2018	1,254	2,625	23	-	3,856	-
CHAFARIZ IV	03/31/2019	1,006	28	31	-	1,003	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-
CHAFARIZ V	03/31/2019	1,000	38	35	-	1,003	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-
CHAFARIZ VI	03/31/2019	1,152	2,395	31	1	3,515	9
	12/31/2018 / 03/31/2018	1,166	2,363	23	-	3,506	-
CHAFARIZ VII	03/31/2019	1,241	2,656	30	1	3,866	10
	12/31/2018 / 03/31/2018	1,254	2,625	23	-	3,856	-
VENTOS DE ARAPUÁ I	03/31/2019	1,003	55	54	1	1,003	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-
VENTOS DE ARAPUÁ III	03/31/2019	1,008	21	26	-	1,003	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-
VENTOS DE ARAPUÁ III	03/31/2019	1,011	17	25	-	1,003	3
	12/31/2018 / 03/31/2018	-	-	17	-	(17)	-

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Notes to the condensed consolidated Interim Financial Statements (In thousands of Reais)

Joint control	Date	Asset		Liability		Equity	Profit/ loss for the year
	Financial Position / Result	Current	Non-current	Current	Non-current		
TELES PIRES PARTICIPAÇÕES	03/31/2019	5,497	2,168,351	66,673	638,073	1,469,102	(6,366)
	12/31/2018 / 03/31/2018	5,495	2,160,996	54,942	636,081	1,475,468	(35,179)
COMPANHIA HIDROELETRICA TELESPIRES	03/31/2019	146,284	4,909,914	318,207	2,816,129	1,921,862	8,319
	12/31/2018 / 03/31/2018	161,529	4,909,171	319,964	2,837,194	1,913,542	(21,666)
ÁGUAS DA PEDRA	03/31/2019	89,687	705,412	81,094	252,964	461,041	25,193
	12/31/2018 / 03/31/2018	70,820	712,332	86,624	260,680	435,848	28,643

Associated Companies	Date	Asset		Liability		Equity	Profit/ loss for the year
	Financial Position / Result	Current	Non-current	Current	Non-current		
NORTE ENERGIA	03/31/2019	806,803	42,997,966	3,899,659	26,450,119	13,454,991	(16,362)
	12/31/2018 / 03/31/2018	870,676	43,043,974	3,805,800	26,807,077	13,301,773	166,036
ENERGÉTICA CORUMBÁ III	03/31/2019	22,491	207,547	22,922	34,812	172,304	4,825
	12/31/2018 / 03/31/2018	19,979	207,397	24,611	35,457	167,308	3,248

The table below presents the financial information respect of the companies Teles Pires Participações and Norte Energia:

Statement of financial position	NORTE ENERGIA		TELES PIRES PARTICIPAÇÕES (*)	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Cash and cash equivalents	86,100	85,993	29,209	27,857
Accounts receivable from clients and other accounts receivable	493,147	570,959	95,803	106,791
Other current assets	227,556	213,724	26,769	32,375
Current Assets	806,803	870,676	151,781	167,023
Securities	-	6,189	101,031	99,555
Property, plant and equipment	41,819,021	41,511,052	4,631,613	4,673,740
Judicial deposits	736,389	738,998	63,344	62,188
Other non-current assets	442,556	787,735	377,713	338,368
Non-current Assets	42,997,966	43,043,974	5,173,701	5,173,851
Total assets	43,804,769	43,914,650	5,325,482	5,340,874
Suppliers	581,578	491,608	60,221	64,297
Obligations of the environment	281,027	565,998	53,008	55,294
Loans and financing	2,395,356	2,389,264	160,567	159,213
Debentures	-	-	66,644	54,913
Other current liabilities	641,698	358,929	44,440	41,192
Current Liabilities	3,899,659	3,805,799	384,880	374,909
Loans and financing	25,492,009	25,560,954	2,385,175	2,417,310
Debentures	-	-	638,073	636,081
Obligations of the environment	526,860	-	-	-
Other current liabilities	431,250	1,246,123	430,955	419,883
Non-current Liabilities	26,450,119	26,807,077	3,454,203	3,473,274
Capital	13,010,058	13,010,058	2,313,539	2,313,539
Retained earnings	461,295	291,716	-	-
Profit for the year	(16,362)	-	(844,437)	(838,070)
Total equity	13,454,991	13,301,774	1,469,102	1,475,469
Non-controlling interest	-	-	17,297	17,222
Total liabilities and equity	43,804,769	43,914,650	5,325,482	5,340,874

(*) The information presented relates to the consolidated balance of Teles Pires

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Income Statement	NORTE ENERGIA		TELES PIRES PARTICIPAÇÕES (*)	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Net Revenue	922,084	890,765	197,894	180,743
Operating costs and expenses	(566,178)	(424,659)	(167,277)	(150,772)
Operating Profit (loss)	355,906	466,106	30,617	29,971
Financial Income	19,781	43,274	3,647	3,948
Income from financial investments	19,194	7,213	1,960	2,653
Other financial income	587	36,061	1,687	1,295
Financial expenses	(402,698)	(255,553)	(81,050)	(80,453)
Debt charges	(394,930)	(250,093)	(68,897)	(68,643)
Other financial expenses	(7,768)	(5,460)	(12,153)	(11,810)
Profit (loss) before income tax and social contribution	(27,011)	253,827	(46,786)	(46,534)
Income tax and social contribution	10,649	(87,791)	40,494	11,160
Profit/ (loss) for the year	(16,362)	166,036	(6,292)	(35,374)
Attributable to:				
Equity holders of the parent	(16,362)	166,036	(6,367)	(35,179)
Non-controlling interests	-	-	75	(195)

(*) The information presented relates to the consolidated balance of Teles Pires

The table below presents the investments rollforward:

	Balances as at December 31, 2017	Capital increase	Equity	Dividends and Interest on equity	Balances as at December 31, 2018
TELES PIRES PARTICIPAÇÕES	781,783	79,586	(115,513)	-	745,856
ÁGUAS DA PEDRA	225,184	-	50,510	(53,413)	222,281
NORTE ENERGIA (a)	1,155,094	93,800	119,878	-	1,368,772
ENERGÉTICA CORUMBÁ	54,280	-	3,278	(4,801)	52,757
CIA HIDRELÉTRICA TELES PIRES	27,621	685	(1,833)	-	26,473
TOTAL	2,243,962	174,071	56,320	(58,214)	2,416,139

	Balances as at December 31, 2018	Equity	Dividends and Interest on equity	Balances as at March 31, 2019
TELES PIRES PARTICIPAÇÕES	745,856	(3,219)	-	742,637
CIA HIDRELÉTRICA TELES PIRES	26,473	(9)	-	26,464
ÁGUAS DA PEDRA	222,281	12,848	-	235,129
NORTE ENERGIA (a)	1,368,772	15,322	-	1,384,094
ENERGÉTICA CORUMBÁ	52,757	1,187	(14)	53,930
TOTAL	2,416,139	26,129	(14)	2,442,254

- (a) Norte Energia S.A. (the "investee") is a privately held company whose object is to construct, operate, maintain and explore the Belo Monte Power Plant (UHE Belo Monte) on the Xingu River located in the State of Pará and the transmission facilities restricted to the generation plant. The Company indirectly holds 10% of the capital of this investee. Considering that the Belo Monte Power Plant ("UHE Belo Monte") is in the process of construction and implementation, it still needs financial input from its shareholders and/or third parties to enable the works to be concluded. According to forecasts and projections, these will be absorbed by Revenue from future operations. Shareholders may be required to provide additional capital contributions proportional to each shareholder's interest in the capital of NESA subject to the obligations set forth in the Shareholders' Agreement.

In 2015, the Management became aware of the investigation process being carried out in the context of one of the shareholders of the investee Centrais Elétricas Brasileiras S.A. - Eletrobras which approved the creation of an Independent Committee to manage and supervise the investigation being carried out by an independent specialized company.

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In 2016, the investigation work led by the independent specialized company was completed and determined that certain contracts with some contractors and suppliers of the UHE Belo Monte project had estimated impacts of 1% on the contract price plus some other estimates of fixed amounts determined in the context of the overcharging and manipulation of illicit proposals.

The adjustments resulting from the independent investigation above were fully recognized in the Company's income statements for the year ended December 31, 2015 in proportion to its interest in the investment. The investigation being conducted by the Brazilian authorities is still in progress.

13. Property, plant and equipment

Property, plant and equipment by nature is as follows:

				03/31/2019	12/31/2018
	Ref	Weighted average annual depreciation (%)	Cost	Accumulated depreciation Amortization	Net Value
In use					
Land			48,610	-	48,610
Reservoirs, dams and water mains		2%	765,403	(210,972)	554,431
Buildings, civil works and leasehold improvements		4%	611,468	(161,321)	450,147
Machinery and equipment		5%	3,667,168	(1,059,290)	2,607,878
Vehicles		20%	4,963	(2,457)	2,506
Furniture and appliances		9%	2,551	(1,923)	628
Right of use - lease			95,855	(24,595)	71,260
Other			23,877	(2,082)	21,795
			5,219,895	(1,462,640)	3,757,255
In progress					
Land			220,044	-	220,044
Reservoirs, dams and water mains			82,762	-	82,762
Buildings, civil works and leasehold improvements			987,282	-	987,282
Machinery and equipment			661,959	-	661,959
Vehicles			5,118	-	5,118
Furniture and appliances			1,495	-	1,495
Materials in storage			23,457	-	23,457
Advances to Suppliers and Other	(a)		308,950	-	308,950
			2,291,067	-	2,291,067
Total			7,510,962	(1,462,640)	6,048,322

(a) These refer mainly to advances to suppliers made during the construction period of projects, and were written off upon delivery of goods and/or completion of work.

Accumulated depreciation is generally calculated at rates that consider the useful lives of assets, being defined by ANEEL.

Upon termination of the concession including possible extensions, the property and plant built for the independent generation of electricity and bound to the concession will become property of Federal Government by mean of compensation payment for investments made as per the Concession Agreements.

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The changes in property, plant and equipment consolidated are as follows:

	In service			In progress		Total
	Cost	Accumulated depreciation	Net Value	Cost	Net Value	
Balances as at January 1st, 2018	5,112,119	(1,246,256)	3,865,863	1,736,143	1,736,143	5,602,006
Additions	11,698	-	11,698	467,933	467,933	479,631
Write-offs	(10,006)	9,889	(117)	(6,964)	(6,964)	(7,081)
Depreciation	-	(182,191)	(182,191)	-	-	(182,191)
Transfers	51,855	(89)	51,766	(51,766)	(51,766)	-
Transfers - Others	791	432	1,223	804	804	2,027
Balances as of December 31, 2018	5,166,457	(1,418,215)	3,748,242	2,146,150	2,146,150	5,894,392
Initial Adoption IFRS 16	80,772	-	80,772	-	-	80,772
Balances as at January 1st, 2019	5,247,229	(1,418,215)	3,829,014	2,146,150	2,146,150	5,975,164
Additions	2,813	-	2,813	142,343	142,343	145,156
Write-offs	(4,085)	-	(4,085)	(1,516)	(1,516)	(6,001)
Depreciation	-	(51,885)	(51,885)	-	-	(51,885)
Transfers	(1,162)	-	(1,162)	1,162	1,162	-
Transfers - Others	(24,500)	(7,460)	(17,040)	2,928	2,928	(14,112)
Balances as of March 31, 2019	5,219,895	(1,462,640)	3,757,255	2,291,067	2,291,067	6,048,322

13.1 Leases

	Recognized in property, plant and equipment			
	Asset Class 1	Asset Class 2	Asset Class 3	Total
Initial adoption IFRS 16	45,111	34,845	815	80,772
Balances as at January 1st, 2019	45,111	34,845	815	80,772
Additions	1,326	(3,012)	2	(1,683)
Depreciation	(2,821)	(4,548)	(459)	(7,829)
Balances as of March 31, 2019	43,616	27,285	359	71,260

Asset class 1 - lease of land.

Asset class 2 - lease of buildings.

Asset class 3 - leasing of machinery and equipment.

The information concerning lease liabilities are disclosed on Note 17.3.

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14. Public Utilities Concession

14.1 Public Utilities Concessions (Financial Asset)

The following is a breakdown of the concession financial assets:

	Ref.	03/31/2019
Balances as of December 31, 2017		7,995,717
Initial adoption IFRS 15 (transfer to contractual assets)	(a)	(448,043)
Balances as at January 1st, 2018		7,547,674
Additions		482
Write-offs		(16,486)
Reversal		1,855
Transfer	(b)	1,290,450
Fair Value Adj./Monetary indexation		431,822
Balances as of December 31, 2018		9,255,797
Additions		2,151
Write-offs		(7,772)
Reversal		2,197
Transfer	(b)	555,061
Fair Value Adj./Monetary indexation		126,662
Balances as of March 31, 2019		9,934,097

- (a) The balances connected to the financial assets of the transmission companies, as of January 1st, 2018, started being recognized in the Statement of financial position as contract asset, detailed in note 14.2.
- (b) Transfer of the contractual assets of the distributors, previously classified as intangible assets in progress, as a result of the recognition of new assets incorporated in the period.

The recognized value of the financial asset, the changes to the fair value and effective interest rates will be reviewed monthly, based on IPCA inflation index variation, and through Tariff Review inputs, which takes place every four years at Celpe and Elektro Redes, and every five years at Coelba and Cosern.

The concessions of the Distribution and Transmission Companies are not onerous, therefore, there are no fixed financial obligations and payments to be made to the grantor. The concessions granted are valid for 30 years and the concession agreements provide for the possibility of extending the concession term at the exclusive discretion of the grantor and upon concessionaire's request. In the event of termination of the concession at the end of the final term or other of the hypotheses it provides, the reversal of concession service-related assets shall be fully exercised, and the indemnity payable to the Companies shall be calculated, assessed and ascertained, subject to the values and dates of their incorporation into the electricity system.

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14.2 Public Utilities Concession (Contract assets)

The changes in balances relating to receivables of transmission companies are as follows:

	Ref.	Cost	Special Obligations	Total
Initial adoption IFRS 15 (transfer of financial assets)	(a)	448,043	-	448,043
Initial adoption IFRS 15 (transfer of intangible in progress)	(b)	2,784,774	(309,268)	2,475,506
Initial adoption IFRS 15 (Equity impact)	(a)	191,280	-	191,280
Balances as at January 1st, 2018		3,424,097	(309,268)	3,114,829
Additions		3,868,981	(282,241)	3,586,740
Write-offs		(28,039)	-	(28,039)
Amortization		(52,936)	-	(52,936)
Transfer of intangible	(b)	(1,247,462)	116,604	(1,130,858)
Transfer of financial assets		(1,495,505)	212,232	(1,283,273)
Other transfers		58,471	38,959	97,430
Monetary indexation / fair value		60,823	-	60,823
Balances as of December 31, 2018		4,588,430	(223,714)	4,364,716
Additions		993,671	(17,603)	976,068
Write-offs		(4,804)	-	(4,804)
Amortization/reversal		(15,268)	-	(15,268)
Transfer of intangible	(b)	(440,103)	38,561	(401,542)
Transfer of financial assets	(b)	(628,517)	79,556	(548,961)
Other transfers	(c)	14,531	2,284	16,815
Monetary indexation / fair value		17,821	-	17,821
Balances as of March 31, 2019		4,525,761	(120,916)	4,404,845

- (a) Transmission Subsidiaries adopted IFRS 15 as of January 1st, 2018, measuring the concession assets as contract assets.
- (b) As a consequence of the same standard, the distributors also had to consider their investments in infrastructure expansion and improvements as contract assets, during the construction period, until their completion, when they are bifurcated into financial and intangible assets. Refer to the contractual right of energy distributors to receive cash from users for services of construction or improvement of the electric energy distribution system, when the respective assets come into operation. Upon completion of the construction of the infrastructure, such assets will be classified as Concession Financial Assets or Intangible Assets, according to the form of remuneration.
- (c) Refer to the transfers between inventory, work in progress and on going asset disposal services.

15. Intangibles

By nature, the consolidated intangible assets are as follows:

		03/31/2019			12/31/2018	
	Annual weighted averages of amortization (%)	Cost	Accumulated amortization	Special Obligations	Net Value	Net Value
In service						
Right to use the concession	4.27%	23,506,281	(11,952,128)	(2,230,884)	9,323,269	9,253,177
Right to use the software	19.61%	11,201	(6,717)	-	4,484	4,817
Other		83,664	(8,868)	-	74,796	42,416
		23,601,146	(11,967,713)	(2,230,884)	9,402,549	9,300,410
In progress						
Right to use the concession		823	-	-	823	23,860
Right to use the software		5,568	-	-	5,568	6,120
Other		192	-	-	192	-
		6,583	-	-	6,583	29,980
Total		23,607,729	(11,967,713)	(2,230,884)	9,409,132	9,330,390

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According to Decree n° 41,019, dated February 26, 1957, assets and facilities used in energy generation, transmission and distribution are linked to these services and cannot be withdrawn, sold, assigned or given as guarantees without the prior and express Regulator's consent.

ANEEL is responsible for establishing the estimated economic/useful life of each asset of its distribution infrastructure, for the purposes of calculating the tariff, as well as for determining the amount of indemnity related to reversible assets when concession ends. This estimate is periodically reviewed and accepted by the market as a reasonable estimate, suitable for accounting and regulatory purposes and stands as the best estimate for the useful lives of the assets.

The balances of the right to use the concession are as follows:

	In service				In progress		
	Cost	Accumulated amortization	Special obligations	Net Value	Cost	Net Value	Total
Balances as at January 1st, 2018	22,198,772	(10,571,823)	(2,282,896)	9,344,053	34,708	34,708	9,378,761
Additions	155	20	289	464	1,114	1,114	1,578
Write-offs	(250,219)	193,706	-	(56,513)	1	1	(56,512)
Amortization	-	(1,283,749)	161,012	(1,122,737)	-	-	(1,122,737)
Transfer of intangible	1,251,103	149	(116,538)	1,134,714	(3,856)	(3,856)	1,130,858
Other transfers	1,218	(1,738)	949	429	(1,987)	(1,987)	(1,558)
Balances as of December 31, 2018	23,201,029	(11,663,435)	(2,237,184)	9,300,410	29,980	29,980	9,330,390
Additions	-	-	-	-	446	446	446
Write-offs	(58,287)	38,261	1,247	(18,779)	-	-	(18,779)
Amortization	-	(342,167)	42,633	(299,534)	-	-	(299,534)
Transfer of intangible	440,103	-	(38,561)	401,542	-	-	401,542
Transfer of contract assets (a)	(6,100)	-	-	(6,100)	-	-	(6,100)
Other transfers	24,401	(372)	981	25,010	(23,843)	(23,843)	1,167
Balances as of March 31, 2019	23,601,146	(11,967,713)	(2,230,884)	9,402,549	6,583	6,583	9,409,132

- (a) Refer to the contractual right of energy distributors to receive cash from users for services of construction or improvement of the electric energy distribution system, when the respective assets come into operation. Upon complete the construction of the infrastructure, such assets will be classified as Financial Assets or Intangible Assets, according to the form of remuneration. This amount was reclassified on January 1st, 2019, according to note 5.

Company's Management understands that the amortization of the intangible assets should be in line with the useful life of each set of tangible assets contained in the distribution infrastructure. Therefore, these assets should be amortized individually, limited to the term of the concession.

The residual value of any asset that exceeds the term of the concession is allocated as a concession financial asset.

The Company understands that there is no indication that the book value of assets exceeds their recoverable amounts.

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16. Suppliers

	03/31/2019	12/31/2018
Energy purchase	1,918,240	1,245,407
Use of network (charges)	266,136	305,140
Materials and services	871,248	1,096,103
Free energy	115,481	113,813
Total	3,171,105	2,760,463
Current	3,055,753	2,646,752
Non-current	115,352	113,711

17. Loans and financing, debentures and derivative financial instruments

	03/31/2019			12/31/2018
	Debt	Derivative financial instruments (*)	Total	Total (*)
National currency				
Banco do Brasil	1,163,903	-	1,163,903	1,089,153
BNDES	4,160,490	-	4,160,490	3,859,200
CEF	87,286	-	87,286	90,302
Eletrobrás	18,530	-	18,530	21,113
FINEP	16,834	-	16,834	19,743
IBM	30,223	-	30,223	42,222
Santander	43,887	-	43,887	45,055
Promissory Note	369,934	-	369,934	461,899
Commercial Leasing	-	-	-	16,071
(-) Transaction costs (**)	(19,867)	-	(19,867)	(13,710)
(-) Escrows	(106,101)	-	(106,101)	(105,456)
Total national currency	5,765,119	-	5,765,119	5,525,592
National Currency - Current	1,164,953	-	1,164,953	1,256,105
National Currency - Non-current	4,600,166	-	4,600,166	4,269,487
Foreign currency				
Banco Tokio	775,455	(76,150)	699,305	699,204
Bank of America	731,432	(138,184)	593,248	585,555
BNP Paribas	200,712	(49,185)	151,527	152,433
China Construction Bank	80,455	-	80,455	159,027
HSBC	-	(79,849)	(79,849)	(77,150)
Itaú	1,163,704	(191,223)	972,481	1,135,338
JP Morgan	99,097	(14,299)	84,798	85,236
Kreditanstalt Fur Wiederaufbau - KFW	814	-	814	808
Mizuho	199,345	-	199,345	198,102
Santander	-	(79,697)	(79,697)	(76,666)
Citibank	319,980	(69,100)	250,880	252,091
BEI	1,625,479	-	1,625,479	1,616,635
Goldman Sachs	-	(195,637)	(195,637)	(191,305)
Votorantim	-	(37,968)	(37,968)	(36,243)
Sumitomo	200,318	(39,539)	160,779	161,324
ICBC	141,786	-	141,786	141,682
Scotia Bank	1,064,610	(93,749)	970,861	989,877
Options	-	(2,254)	(2,254)	(2,576)
Non Deriverable Forward - NDF	-	(22,006)	(22,006)	(24,488)
Total foreign currency	6,603,187	(1,088,840)	5,514,347	5,768,884
Foreign Currency - Current	705,115	(124,623)	580,492	591,655
Foreign Currency - Non-Current	5,898,072	(964,217)	4,933,855	5,177,229
Total loans and financing	12,368,306	(1,088,840)	11,279,466	11,294,476
Current	1,870,068	(124,623)	1,745,445	1,847,760
Non-current	10,498,238	(964,217)	9,534,021	9,446,716

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	03/31/2019			12/31/2018
Debentures	Debt	Derivative financial instruments (*)	Total	Total (*)
Coelba	2,490,908	(17,190)	2,473,718	2,447,526
Celpe	1,786,060	(11,848)	1,774,212	1,901,385
Cosern	773,435	(24,593)	748,842	743,571
NC Energia	35,171	(9,588)	25,583	24,782
Termope	1,098,326	(55,902)	1,042,424	1,033,705
Itapebi	101,829	-	101,829	100,085
Neoenergia	481,834	-	481,834	550,279
Elektro Redes	1,838,092	-	1,838,092	1,801,024
Calango 6	56,607	-	56,607	54,952
Lagoa 1	54,378	-	54,378	52,900
(-) Transaction costs	(70,105)	-	(70,105)	(74,551)
Total Debentures	8,646,535	(119,121)	8,527,414	8,635,658
Debentures - Current	1,564,646	203	1,564,849	892,644
Debentures - Non-Current	7,081,889	(119,324)	6,962,565	7,743,014
Total Indebtedness	21,014,841	(1,207,961)	19,806,880	19,930,134
Total Indebtedness - Current	3,434,714	(124,419)	3,310,295	2,740,404
Total Indebtedness - Non-Current	17,580,127	(1,083,542)	16,496,585	17,189,730

(*) Total Net of Derivative Instruments.

(**) Refers to acquisition costs directly attributable to the issuance of the respective debts in accordance with IFRS 09.

In support of the cash flow statement, the reconciliation of liabilities resulting from financing activities as of March 31, 2019 and March 2018:

	Cash Flow						
	12/31/2018	Fund-raising	Amortizations of Principal	Interest Payments	Payments of Fund Raising Costs	Non-cash Changes (*)	03/31/2019
Loans and Financing	12,305,718	517,277	(500,711)	(152,705)	(5,268)	203,995	12,368,306
Debentures	8,750,374	-	(160,588)	(118,311)	(315)	174,375	8,645,535

	Cash Flow						
	12/31/2017	Fund-raising	Amortizations of Principal	Interest Payments	Payments of Fund Raising Costs	Non-cash Changes (*)	12/31/2018
Loans and Financing	13,239,162	3,562,991	(4,909,330)	(425,912)	(4,820)	843,627	12,305,718
Debentures	5,075,076	4,759,853	(1,206,288)	(502,279)	(49,212)	673,224	8,750,374

(*) Changes that do not impact the cash include the appropriation of financial charges, exchange rate change, mark-to-market, movements of collateral, and the write-off of transaction costs, connected to debts and derivatives.

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17.1 Loans and financing

The changes in loans and financing and their related derivative instruments are as follow:

	National currency		Foreign currency		Total
	Current liabilities	Non current	Current liabilities	Non current	
Balance as of January 1st, 2018	1,854,092	4,379,663	2,741,397	3,417,594	12,392,746
Cash inflows	354,479	959,436	-	2,249,076	3,562,991
Financing Charges	402,564	26,518	263,463	-	692,545
Monetary indexation and exchange variation	10,638	46,189	363,516	801,100	1,221,443
Swap	-	-	(346,092)	(734,748)	(1,080,840)
Cumulative fair value effects	-	-	399	6,210	6,609
Transfers	1,372,160	(1,372,160)	562,003	(562,003)	-
Principal Payments	(2,225,391)	(1,800)	(2,682,139)	-	(4,909,330)
Payments of interest rates, cost transactions and other net currency and exchange rate changes	(512,988)	(1,959)	(310,931)	-	(825,878)
(-) Collateral	(10,989)	196,799	-	-	185,810
(-) Transaction costs	11,540	134	39	-	11,713
Consolidation adjustments	-	36,667	-	-	36,667
Balances as of December 31, 2018	1,256,105	4,269,487	591,655	5,177,229	11,294,476
Cash inflows	9,572	507,705	-	-	517,277
Financing Charges	79,433	6,703	57,388	-	143,524
Monetary indexation and exchange variation	3,404	23,451	4,383	19,722	50,960
Swap	-	-	11,613	(13,610)	(1,997)
Cumulative fair value effects	-	-	(934)	(49,713)	(50,647)
Transfers	182,946	(199,016)	199,773	(199,773)	(16,070)
Principal Payments	(274,239)	-	(226,472)	-	(500,711)
Payments of interest rates, cost transactions and other net currency and exchange rate changes	(93,638)	(7,736)	(56,914)	-	(158,288)
(-) Collateral	(216)	(428)	-	-	(644)
(-) Transaction Costs	1,586	-	-	-	1,586
Balances as of March 31, 2019	1,164,953	4,600,166	580,492	4,933,855	11,279,466

New loans issued in 2019 are as follows:

Modality	Maturity	Indexers	Amount Collected
Debt Contracts in the National Market			
Financing	Jul/2029	IPCA	515,200
Financing	Jul/2030	TJLP	2,077
Average Rate/Subtotal		9.39%	517,277
Average Rate and Total		9.39%	517,277

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In addition to the indexers referred to above, the fund-raising made in the year incur spreads established under contract, according to the negotiations with the financing institutions. The maturity dates of the noncurrent installments are as follows:

	03/31/2019		
	Debt	Transaction Costs	Net Total
2020 (April/2020)	2,717,569	(2,606)	2,714,963
2021	2,070,756	(3,529)	2,067,227
2022	1,981,326	(3,501)	1,977,825
2023	808,092	(2,103)	805,989
2024	390,324	(744)	389,580
After 2024	1,659,151	(2,730)	1,656,421
Total Obligations	9,627,218	(15,213)	9,612,005
(-) Collateral			(59,068)
Fair value			(18,916)
Total			9,534,021

Covenants

The contracts with several creditors have restrictive clauses that require the maintenance of certain financial indexes raised based on the financial statements of the subsidiaries or in the parent company, with pre-established parameters, the main ones are listed below:

- Net Indebtedness divided by EBITDA, smaller than or equal to 3 or 4;
- EBITDA divided by the financial income higher or equal to 1.5 or 2.

The agreement entered into with the BNDES, which is calculated annually, provides that in the event of non-compliance with the financial indices, as of December 31, 2017, the Subsidiaries must constitute actual guarantees of 130% of the outstanding balance within 30 days of notification of the bank. In January 2018, the subsidiaries constituted the additional guarantees as provided in the agreement. It is worth noting that non-compliance with the financial index does not lead to early maturity.

17.2 Debentures

The changes in debentures and their related derivative instruments are as follow:

	Current	Non - current	Total
Balances as of January 1st, 2018	988,736	4,004,263	4,992,999
Cash inflows	-	4,930,000	4,930,000
Financing Charges	502,557	6,261	508,818
Monetary indexation and exchange variations	6,150	68,221	74,371
Derivatives	(2,184)	(18,872)	(21,056)
Cumulative fair value effect	-	2,056	2,056
Transfers	1,028,827	(1,028,827)	-
Amortizations of Principal	(1,191,874)	(14,414)	(1,206,288)
Payments of interest rates, cost transaction and other net currency and exchange rate changes	(461,475)	(40,804)	(502,279)
Repurchase of Debentures (a)	-	(170,147)	(170,147)
(-) Transaction Costs	21,907	5,277	27,184
Balance as of December 31, 2018	892,644	7,743,014	8,635,658

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Cash inflows	143,105	(1,600)	141,505
Monetary indexation and exchange variations	804	31,876	32,680
Derivatives	(9)	(8,302)	(8,311)
Cumulative fair value effect	-	21	21
Transfers	802,579	(802,579)	-
Amortizations of Principal	(160,588)	-	(160,588)
Payments of interest rates, cost transaction and other net currency and exchange rate changes	(118,109)	(202)	(118,311)
(-) Transaction Costs	4,423	337	4,760
Balance as of March 31, 2019	1,564,849	6,962,565	8,527,414

- (a) On November 26, 2018, the subsidiary Termope repurchased 17,000 debentures related to the Company's 6th issuance. The repurchase amount considers the principal and interest calculated up to the date of the transaction. The debentures will remain in the possession of Termope until they are reallocated in the market or cancelled.

The maturities of consolidated long term installments are as follow:

	03/31/2019			12/31/2018		
	Debt	Transaction Costs	Net Total	Debt	Transaction Costs	Net Total
2020 (April/2020)	473,630	(5,473)	468,157	1,278,444	(7,168)	1,271,276
2021	906,696	(5,553)	901,143	662,408	(10,029)	652,379
2022	1,732,928	(5,768)	1,727,160	1,577,533	(10,554)	1,566,979
2023	2,440,249	(11,997)	2,428,252	2,626,812	(12,266)	2,614,546
2024	697,025	(9,160)	687,865	795,745	(7,934)	787,811
After 2024	784,407	(13,518)	770,889	877,664	(6,715)	870,949
Total Obligations	7,034,935	(51,469)	6,983,466	7,818,606	(54,666)	7,763,940
Mark-to-Market			(20,901)			(20,926)
Total			6,962,565			7,743,014

a) Covenants

The contracts with several creditors have restrictive clauses that require the maintenance of certain financial indexes raised based on the financial statements of the subsidiaries or in the parent company, with pre-established parameters, the main ones are listed below.

- Net Indebtedness divided by EBITDA, smaller than or equal to 3.0 or 4.0;
- EBITDA divided by the financial income higher or equal to 1.5 or 2.

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17.3 Lease Obligations

Lease obligations and installments to maturity of the contracts eligible under IFRS 16 are as follows:

	<u>03/31/2019</u>
Short-term lease commitments recognized in liabilities	20,761
Long-term lease commitments recognized in liabilities	<u>52,384</u>
Total lease commitments recognized in liabilities	73,145
Short-term lease commitments not recognized in liabilities (a)	3,339
Long-term lease commitments not recognized in liabilities (a)	<u>563</u>
Total lease commitments not recognized in liabilities	3,902
Total short-term lease commitments	24,191
Total long-term lease commitments	<u>52,856</u>
Total lease commitments	<u>77,047</u>

- (a) Refers to contracts not eligible under IFRS 16, classified as out of scope and / or exempted because they are short term or low value.

The schedule of lease payments classified in the lease liability as it follows:

Liabilities to be leased:	
- Up to 30 days	2,124
- Between 31 and 90 days	4,388
- Between 91 and 365 days	14,249
- Between April 1 st , 2020 and December 31, 2021	11,627
- 2021	13,387
- 2022	7,179
- 2023	5,896
- 2024	5,150
- As of 2025	<u>9,145</u>
	<u>73,145</u>

The changes in the lease liability are as follows:

Initial adoption IFRS 16	80,772
Balances as of January 1st, 2019	<u>80,772</u>
Additions to leases	3,445
Extinction for sale of use rights	(4,483)
Lease payments	(8,784)
Interest recognized in income for the period	2,195
Balances as of March 31, 2019	<u>73,145</u>

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Disbursements with leases in the period are shown below:

	<u>03/31/2019</u>
Total Lease Cash Outflows	
- Classified in lease liabilities	8,577
- Not classified as a lease liability	<u>130</u>
	8,707

18. Regulatory charges

	<u>Ref</u>	<u>03/31/2019</u>	<u>12/31/2018</u>
Global Reversal Reserve - RGR		253	253
Energy Development Account - CDE	(a)	175,399	109,104
National Fund for Scientific and Technological Development -FNDCT	(b)	9,722	7,692
Energy Research Company - EPE	(b)	3,615	2,889
Research and Development - R&D	(b)	177,226	170,805
Energy Efficiency Program - PEE	(b)	165,164	156,681
Electric Power Service Inspection Fee - TFSEE	(c)	2,025	1,955
Financial Compensation for Use of Water Resources - CFURH		758	1,507
Ministry of Mines and Energy - MME		<u>2,600</u>	<u>2,231</u>
Total		<u>536,762</u>	<u>453,117</u>
Current		357,431	293,997
Non-current		179,331	159,120

- (a) Energy Development Account (CDE): Its goal is to promote the energy development of the States, as well as the competitiveness of the energy produced, from alternative sources, in the areas served by interconnected systems, allowing the universalization of the electric energy service. The values to be paid are also defined by ANEEL.
- (b) Energy Efficiency Program (PEE): including the programs of Research and Development (R&D) - National Fund for Scientific and Technological Development (FNDCT) and Energy Research Company (EPE) These are reinvestment programs required by ANEEL for electric energy distributors and given Company's generation companies, which are required to annually accrue 1% of their net operating revenue for use in these programs. The balance represents amounts already invoiced in tariffs, but not yet applied for PEE and R&D programs. These amounts are updated monthly based on the SELIC Rate.
- (c) Electric Power Service Inspection Fee (TFSEE): The inspection fee amounts levied on electricity distribution are differentiated and proportionate to the service concession granted, calculated annually by ANEEL, considering the economic value added by the utility.

19. Taxes payable and social contribution

	<u>03/31/2019</u>	<u>12/31/2018</u>
Income Tax (IR)	78,623	12,855
Social Contribution on Profit for the year (CSLL)	47,254	7,514
Value added tax (ICMS)	382,626	383,430
Federal Social Integration Program (PIS)	38,056	43,155
Social Security Financing Contribution (COFINS)	176,113	199,447
National Social Security System (INSS)	16,517	19,814
Unemployment Compensation Fund (FGTS)	3,440	3,856
Service Tax (ISS)	3,254	11,910
Withholding taxes and contributions	35,721	134,671
Others	<u>13,617</u>	<u>16,219</u>
Total	<u>795,221</u>	<u>832,871</u>
Current	788,640	826,468
Non-current	6,581	6,403

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20. Provisions and judicial deposits

The Company and its subsidiaries are part to labor, civil and tax lawsuits arising from their ordinary course of business.

To record provisions, the Company considers the opinion of its legal counsel towards the nature of claims, the similarity to previous lawsuits, complexity and the courts position whenever a loss is assessed as probable.

Management, based on the opinion of its legal counsel regarding the possibility of success litigations, understands that the provisions recorded in the Statement of financial position are sufficient to cover probable losses with such judicial actions.

The liability under judicial discussion is maintained until the outcome of the lawsuit, represented by judicial decisions, over which there is no more recourse, or its prescription.

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Provisions made are as follows:

	Contingencies				Provisions				Total
	Labor	Civil	Tax	Regulatory	Environmental	Environmental	Dismantling	Reimbursement	
Balances as of January 1st, 2018	305,261	396,916	134,046	16,640	18	20,634	24,860	24,207	922,582
Additions	106,582	186,308	553	3,045	-	17,795	2,751	9,250	326,284
Write-offs/reversals	(47,931)	(54,023)	(6,017)	-	(18)	(1,300)	(729)	(897)	(110,915)
Payments/Indemnities	(53,400)	(197,285)	(867)	(10,508)	-	(262)	-	-	(262,322)
Monetary Indexation	49,098	82,597	3,534	942	-	2,394	2,809	-	141,374
Balances as of December 31, 2018	359,610	414,513	131,249	10,119	-	39,261	29,691	32,560	1,017,003
Additions	16,315	32,188	453	949	-	-	-	13,685	63,590
Write-offs/reversals	(9,267)	(8,159)	(38)	-	-	-	-	(10,233)	(27,697)
Payments/Indemnities	(15,813)	(29,860)	(106)	(161)	-	(457)	-	-	(46,397)
Monetary Indexation	8,343	25,997	635	181	-	824	723	-	36,703
Balances as of March 31, 2019	359,188	434,679	132,193	11,088	-	39,628	30,414	36,012	1,043,202
Current	41,576	99,424	478	-	-	-	-	23,688	165,166
Non-current	317,612	335,255	131,715	11,088	-	39,628	30,414	12,324	878,036

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Labor

They refer to the lawsuits brought by employees and former employees against the subsidiaries, involving the charge of overtime, hazard pay, salary increases, debate over the career and salary plan and others lawsuits brought by former-employees of its contractors. In addition to the provisioned amounts, the subsidiaries have an estimated total of R\$ 875,308 (R\$ 938,459 as of December 31, 2018) in labor lawsuits of various natures with forecasts of possible losses.

The amounts of labor lawsuits were restated by the variations of the rates used for adjustment of savings accounts (TR) plus interest of 1% p.m.

Civil

They refer to lawsuits of commercial and indemnity nature, brought by individuals and legal entities, involving the recovery of undue payment, property damages, personal injury, among others. In addition to the provisioned amounts, the Company have an estimated total of R\$ 1,617,045 (R\$ 1,573,589 as of December 31, 2018) in civil lawsuits of various natures with forecasts of possible losses.

The amounts were restated by inflation index variation plus interest of 1% p.m.

Tax

They refer to tax lawsuits and challenges to collections, legal notices and notices of deficiency related to a number of taxes such as ICMS, ISS, CPMF, IRPJ, CSLL, IPTU, REFIS, PIS/COFINS, INSS, CIDE, ITD on donations received, among others.

In addition to the provisioned amounts, the Company has an estimated total of R\$ 5,130,372 (R\$ 6,484,110 as of December 31, 2018) related to tax lawsuits of various natures with forecasts of possible losses. In this respect, we highlight the tax assessment notices of the subsidiaries motivated by:

(i) the non inclusion of the expense with amortization of surplus value in the tax bases of IRPJ and CSLL, estimated at R\$ 2,546,487 (R\$ 2,460,166 as of December 31, 2018) by the subsidiaries Celpe, Coelba, Cosern, Itapebi and Termopernambuco;

(ii) lack of withholding of tax income levied on the payment of interests on own capital amounting to R\$ 271,966 (R\$ 268,763 as of December 31, 2018); and

In March 2019, the Company obtained a favorable decision with the cancellation of the tax assessment imposed by Federal Revenue Office to Elektro Redes in December, 2017, in the amount of R\$ R\$1,205,431. Through this assessment, tax authorities charged income taxes from Elektro related to capital gains derived from its acquisition by Iberdrola, back in 2011, which had acquired direct ownership in Elektro, then. After Elektro's defense presentation, the tax assessment was cancelled in first instance. Tax authorities had appealed against this first favorable decision to the Taxpayers' Council (CARF). The council had confirmed the results obtained in first instance, definitely cancelling the tax assessment in the updated amount of R\$ 1,421,083, as of March 2019.

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Company's legal advisers believe that both the basis for the existence of surplus value and its use for benefit purposes are lawful and legitimate. Although the most recent judgments in the Superior Chamber of Tax Appeals have altered the previous understandings, ceasing to recognize the surplus value resulting from the privatization, the Company's legal advisers maintain their analysis and understanding as to the validity of the operation and the tax benefit, since the discussion will still be brought before the Judiciary, who will be responsible for making a final decision on the matter

The amounts were adjusted by SELIC rate variations

Regulatory

ANEEL may impose penalties or assessments to distributors Coelba, Celpe, Cosern and Elektro, referring to questionings on the procedures for calculation of service's technical quality indicators, either individually or collectively, commercial issues, the discounts given to customers' related to quality index penalties, the recovery of global indicators, matters connected to tariff calculation and those connected to the administrative actions that ANEEL has enacted.

Judicial Deposits

Related to the provisions and contingent liabilities, the Company makes judicial deposits as a guarantee for potential contingency payments. The judicial deposits are recorded under non-current assets of the Company until the court decision for withdrawal of these deposits by one of the concerned parties.

	03/31/2019	12/31/2018
Labor	369,047	357,470
Civil	227,254	223,285
Tax	205,011	198,592
Other	12,788	12,667
Total	814,100	792,014

Provisions

The other provisions are comprised of: (i) environmental expenditure, referring to additional obligations arising from social and environmental impacts caused by the construction of the plants; (ii) dismantling expenses related to the demobilization costs of subsidiaries' plants and wind farms; (iii) loss provision for non delivered contractual energy on current fiscal year.

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21. Other liabilities

	Ref	03/31/2019	12/31/2018
Consumers	(a)	134,818	143,555
Healthcare plan		16,447	9,466
Contribution to Funding the Public Lighting Services - COSIP		61,688	51,606
Collateral	(b)	473,850	445,970
Advance payments received		17,710	16,102
Obligation of Purchase of Shares from Shareholder Previ	(c)	151,464	151,464
Transfer to Third Party		14,393	20,540
Others		145,996	90,341
Total		1,016,366	929,044
Current		588,113	584,250
Non-current		428,253	344,794

- (a) Obligations with energy consumers arising from the anticipation of funds for construction in cities where the energy wide access (universalization) government program was not yet in place, bills paid twice, billing adjustments and others.
- (b) Guarantees in cash to ensure compliance with contracts, operating clauses and payment of charges of service provider employees.
- (c) On August 24, 2017, the merger of Elektro Holding S.A. into Neoenergia S.A. ("Company") was approved.

On August 31, 2017, the Company filed with CVM a request for filing the public offering for primary and secondary distribution of its common shares, under the terms of CVM Instruction n° 400, dated December 29, 2003, as amended ("CVM Instruction n° 400" and "Offering"); and with B3- Brasil, Bolsa, Balcão SA ("B3"), the request for filing the negotiation of common shares it has issued at the New Market of B3 ("Listing"). The request was cancelled as of December 14, 2018.

In any case, the Company's Shareholders' Agreement establishes that, within 360 days, after the settlement of a possible initial public offering, the Company submits to Previ a firm proposal to purchase its minority shareholdings in Coelba, Cosern and Afluentes-T. Although the Offering has not been actually performed, neither there is an estimate for when the company will start a new IPO process, there is need for recording a liability, since the provisions in the Shareholders' Agreement stands as an liability to be entered at fair value.

22. Equity

Capital

The subscribed and fully paid capital as of March 31, 2019 and December 31, 2018 is R\$ 12,919,982. The capital breakdown by class of shares (with no par value) and major shareholders are as follows:

03/31/2019 Shareholders	Per thousand shares		R\$
	Common shares		
	Single	%	
Iberdrola Energia S A.	636,576	52.45%	6,775,886
Previ-Caixa de Prev. dos Func. do Banco do Brasil	463,791	38.21%	4,936,712
BB - Banco de Investimentos S A.	113,430	9.34%	1,207,384
Total	1,213,797	100.00%	12,919,982

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12/31/2018 Shareholders	Per thousand shares		R\$
	Common shares		
	Single	%	
Iberdrola Energia S A.	636,576	52.45%	6,775,886
Previ-Caixa de Prev. dos Func. do Banco do Brasil	463,791	38.21%	4,936,712
BB - Banco de Investimentos S A.	113,430	9.34%	1,207,384
Total	1,213,797	100.00%	12,919,982

Profit per share

The calculation of basic and diluted (the Company has no dilutive instrument) earnings per share as of March 31, 2019 and December 31, 2018 was based on the Profit for the period and the weighted average number of common shares outstanding during the periods presented, as demonstrated below:

	03/31/2019	03/31/2018
Profit for the period	509,722	300,701
Weighted average of shares held by shareholders (*)	1,213,797	1,157,480
Profit for the period/Total shares	0.42	0.26

(*) It considers the event occurred on December 26, 2018 related to the capital increase through issuance of 59,630,290 new shares.

Reserve for capital transactions with shareholders

The amounts recognized under reserve for capital transactions with shareholders are as follows:

Balances as of March 31, 2019	Ref.	1,594,067
Acquisition of interest in Itapebi by Termope	(a)/(b)	657,542
Acquisition of additional interests in Coelba and Cosern by Neoenergia	(c)	333,430
Obligation to purchase equity interest Previ (see note 22)		64,747
Merger fair value	(d)	530,361
Ownership interest gain in Coelba	(e)	7,987

- (a) As of December 23, 2013, Termopernambuco acquired an additional 35.4% interest in the shares of Itapebi for a consideration of R\$ 503,748. The Company now holds 77.4% of Itapebi's capital and reduced its non-controlling interest in R\$ 103,458. As a result, it recorded a consolidated shareholders' equity decrease resulting from a transaction with shareholders in the amount of R\$ 400,290.
- (b) Additional share from the acquisition of Termopernambuco in 2014, which acquired from the parent company, Iberdrola Energia SAU, the Company's controlling shareholder, additional interest of 22.6% in the shares of controlled company Itapebi for R\$ 325,475. As a result, the Company now holds 100% of Itapebi's capital, generating an adjustment to consolidated shareholders' equity in transaction with shareholders' in the amount of R\$ 257,252.

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- (c) On February 27, 2015, Neoenergia acquired from the parent company Iberdrola Energia SAU, an additional interest of 8.50% in the shares of Coelba and 7.01% in Cosern's for R\$ 532,101 and R\$ 107,049, respectively. As a result, Neoenergia increased its ownership interest on Coelba and Cosern, generating an adjustment in the shareholders' equity in the amount of R\$ 333,430.
- (d) This additional share refers to the difference between the revised Elektro Holding Merger fair value of R\$ 4,191,478, and the amount used as basis for Neoenergia's capital increase of R\$ 4,694,000. It also considers adjustments as a result of obtaining control in FEB and FEB 2, amounting to R\$ 27,839.
- (e) In March and July 2018, capital increases were approved in Coelba, where some non-controlling shareholders did not subscribe their shares, resulting in changes in the percentage of Neoenergia's participation. Changes in the Company's participation in a subsidiary that do not result in a loss of control should be accounted for as transactions with shareholders.

Retained earnings

Tax incentive reserve in subsidiaries

Income tax legislation allows legal entities in Northeast Brazil operating in the infrastructure sector to reduce the amount of income tax payable due on investments in projects aimed at increasing their installed capacity.

The SUDENE tax incentive for the subsidiaries Coelba, Celpe, Cosern and Termopernambuco, effective until 2020, 2023, 2023 and 2024, respectively, provides the Company with a 75% reduction in IRPJ, calculated based on the profit from tax-incentive activities. Until March 31, 2019, the subsidiaries accrued R\$ 49,697 as incentives (R\$ 84,222 as of March 31, 2018).

23. Revenue

The composition of the consolidated net revenue by nature, segment, geographical region and its deductions, is as follows:

03/31/2019						03/31/2018	
Ref	Segments					Total	
	Networks	Liberalized	Renewable	Others	Total		
(Restated)							
Main Revenues							
Energy supply	(a)	4,324,583	393,525	146,568	-	4,864,676	4,197,457
Electric Power Trading Chamber - CCEE	(b)	370,409	16,458	24,702	-	411,569	230,495
Distribution grid availability	(c)	3,922,029	-	-	-	3,922,029	2,998,865
Contract asset remuneration		15,833	-	-	-	15,833	15,627
Portion A and other financial items	(d)	74,740	-	-	-	74,740	103,293
Construction revenue (Concession infrastructure)*		945,775	-	-	-	945,775	526,349
Operation and maintenance revenue		5,320	-	-	-	5,320	4,256
Contractual and regulatory fines		(8,549)	-	-	-	(8,549)	(4,512)
Other revenues	(e)	192,113	-	5,681	958	198,752	130,155
Total Gross Operating Revenue recognized		9,842,253	409,983	176,951	958	10,430,145	8,201,985
(-) Revenue Deductions		(3,161,772)	(142,734)	(21,668)	(88)	(3,326,262)	(2,655,447)
Total Net Operating Revenue Recognized		6,680,481	267,249	155,283	870	7,103,883	5,546,538

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(*) Out of the total concession infrastructure construction revenue, the amount of R\$ 859,938 refers to distribution companies' construction revenues, and R\$ 85,837 refers to transmission companies' construction revenues. Additionally, out of the total construction cost stated in the Income Statement of R\$ 927,643, the amount of R\$ 859,938 refers to the cost of construction of the distributors and R\$ 67,524 refers to the construction cost of transmission companies.

Ref	03/31/2019						03/31/2018
	Geographical Regions of Brazil						Total
	South	North	Northeast	Central Western	Southeast	Total	
Main Revenues							(Restated)
Energy supply	10,440	34,073	2,906,183	87,887	1,826,093	4,864,676	4,197,457
Electric Power Trading Chamber - CCEE	(a) -	-	259,244	3,336	148,989	411,569	230,495
Distribution grid availability	(b) 2,262	7,266	2,981,119	34,236	897,146	3,922,029	2,998,865
Contract asset remuneration	(c) 1,778	5,691	1,330	5,136	1,898	15,833	15,627
Portion A and other financial items	-	-	95,416	(620)	(20,056)	74,740	103,293
Construction revenue (Concession infrastructure)*	(d) 24,551	1,542	750,394	20,613	148,675	945,775	526,349
Operation and maintenance revenue	598	1,912	446	1,726	638	5,320	4,256
Contractual and regulatory fines	(185)	(593)	(140)	(742)	(6,889)	(8,549)	(4,512)
Other revenues	1,718	928	151,321	5,664	39,121	198,752	130,155
(-) Revenue Deductions	(e)					(3,326,262)	(2,655,447)
Total Net Operating Revenue Recognized along the time	41,162	50,819	7,145,313	157,236	3,035,615	7,103,883	5,546,538

a) Electric power supply

Breakdown of electric energy supply, per consumption class, is as follows:

	03/31/2019	03/31/2018
Consumers:		(Restated)
Residential	3,656,327	2,921,260
Industrial	631,174	578,674
Commercial	1,756,886	1,444,818
Rural	420,994	310,198
Government	323,656	265,478
Public lighting	215,668	177,757
Public Utility	253,770	192,415
Supply	540,093	561,015
Unbilled revenues	47,128	73,184
Reclassification of revenue from distribution grid availability Captive consumers (*)	(3,461,030)	(2,700,677)
Subsidy to low income social tariff	480,010	373,335
Total	4,864,676	4,197,457

(*) In compliance with ANEEL Dispatch nº 1,618 on April 23, 2008, the Company's distributors separated the trading and distribution revenues using an "average TUSD" calculated from the TUSD ratified for captive consumers.

The table below shows the composition of the gross revenue from the supply of electric power supply, per class of consumers, disregarding the reclassification by availability of the power network supply - captive consumer, and the geographical region in the period ending as of March 31, 2019:

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	03/31/2019				03/31/2018
	Northeast	Central Western	Southeast	Total	Total
Consumers:					(Restated)
Residential	2,609,883	31,393	1,015,051	3,656,327	2,921,260
Industrial	365,528	7,969	257,677	631,174	578,674
Commercial	1,258,656	14,947	483,283	1,756,886	1,444,818
Rural	292,956	3,841	124,197	420,994	310,198
Government	257,127	1,996	64,533	323,656	265,478
Public Lighting	158,529	1,714	55,425	215,668	177,757
Public Utility	161,589	2,765	89,416	253,770	192,415
Unbilled revenues	58,495	(341)	(11,026)	47,128	73,184
Total	5,162,763	64,284	2,078,556	7,305,603	5,963,784

b) Electric Power Trade Chamber (CCEE)

Revenue and expenses invoiced and/or paid by concessionaires with a surplus/lack of energy commercialized through the CCEE were informed by the CCEE and agreed by the Company subsidiaries.

c) Distribution grid availability revenues

Revenue from the Use of Distribution Network (TUSD) refers basically to the sale of power to free and captive consumers with the payment of tariffs for the use of the distribution grid.

<u>Provision of transmission and distribution system</u>	03/31/2019	03/31/2018
		(Restated)
Distribution grid availability - free consumption	460,999	298,188
Distribution grid availability - captive consumption (*)	3,461,030	2,700,677
Total	3,922,029	2,998,865

* See comments on the note (a) above.

d) "Portion A" and Other Financial Items

	03/31/2019	03/31/2018
CVA		(Restated)
Power	(302,521)	142,852
System Service Charge - ESS	26,332	(36,449)
Use of transmission network - TUST	(51,266)	76,894
Regulatory charges neutrality	(54,157)	(67)
Other CVA's	79,846	77,072
Other Financial Items		
Tariff Revision	(1,264)	4,064
Overcontracted Energy	339,095	8,810
Hydrological Risk	54,796	(136,762)
Changes in CCEE transactions (reopenings)	(4,582)	(11,649)
Energy recomposition Termope	1,678	(3,220)
Tariff surcharges (Demand surpass and reactive Surplus)	(12,623)	9,411
Reimbursement of R&D	11,674	-
Other Financial Items	(12,268)	(27,663)
Total	74,740	103,293

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e) Other revenue

	03/31/2019	03/31/2018 (Restated)
Service revenue	2,121	10,236
Leases and rentals	38,547	35,723
Charged service	3,829	4,089
Public lighting fee	2,803	2,794
Fraud invoices	1,245	536
Third party service commission	12,358	12,494
Fair value of concession's assets refundable by the government (*)	126,662	58,578
Other revenues	11,187	5,705
Total	198,752	130,155

(*) As mentioned in note 14.1, the Company adjusts the recoverable financial asset of the concession based on the same index used to update RAB (IPCA).

f) Revenue deductions

Deductions from gross revenue by the nature of expenditure are as follows:

	03/31/2019	03/31/2018 (Restated)
Taxes		
ICMS	(1,730,350)	(1,401,843)
PIS	(150,867)	(126,765)
COFINS	(694,983)	(584,063)
ISS	(3,533)	(3,599)
Regulatory charges		
Global Reversal Reserve - RGR	(337)	(387)
Energy Development Account - CDE	(654,435)	(471,090)
Energy Efficiency Program - PEE	(27,927)	(22,501)
National Fund for Scientific and Technological Development - FNDCT	(11,172)	(8,999)
Energy Research Company - EPE	(4,071)	(3,338)
Research and Development - R&D	(16,304)	(14,372)
Consumer Charges - PROINFA	(14,852)	(12,217)
Centralizing Account of Tariff Flag Resources - CCRBT	(8,505)	2,298
Electric Power Service Inspection Fee - TFSEE	(7,719)	(5,525)
Financial Compensation for Use of Water Resources - CFURH	(1,207)	(3,046)
Total	(3,326,262)	(2,655,447)

24. Electric Power Costs

	03/31/2019	03/31/2018 (Restated)
<u>Electricity purchased for resale</u>		
Electricity acquired through auction in the regulated environment - ACR	(1,209,167)	(1,045,067)
Electricity acquired under a bilateral agreement	(52,090)	(370,409)
Agreement based on physical assurance quotas	(329,539)	(297,099)
Electricity acquired in the free environment - ACL	(461,382)	(318,410)
Angra I and Angra II Power Plant quotas	(109,705)	(116,398)
Spot market electricity - MRE	(200)	(2,552)
Spot market electricity - PLD	(1,210,952)	(198,375)
PROINFA	(104,187)	(90,223)
Refund of electricity	13,466	18,780
PIS and CONFINS credits	334,370	326,737
Variable MCP costs	(329,486)	(325,250)
CCEE fee	(222)	(245)
Total	(3,459,094)	(2,418,511)

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Transmission and distribution system usage charges

Basic grid charges	(489,087)	(514,995)
Transport charges	(9,703)	(15,801)
Connection charges	(49,669)	(36,698)
Distribution system usage charges	(9,791)	(13,654)
System service charges - ESS	60,590	(13,947)
Reserve power charges - EER	17,802	(38,949)
PIS and CONFINS credits	51,556	56,191
Total	(428,302)	(577,853)
Total Electric Power Costs	(3,887,396)	(2,996,364)

25. Operating costs and expenses

Breakdown of operating costs and expenses by nature is as follows:

Costs/expenses	03/31/2019				03/31/2018
	Operating costs	Sales	General and administrative	Total	(Restated) Total
Personnel	(206,483)	(26,559)	(108,201)	(341,243)	(317,927)
Management	-	-	(16,620)	(16,620)	(8,486)
Post-retirement benefits	-	(22)	(1,199)	(1,221)	(2,521)
Materials	(24,990)	(128)	(7,519)	(32,637)	(31,691)
Fuel for electricity production	(78,366)	-	-	(78,366)	(112,918)
Third party services	(216,649)	(34,897)	(104,640)	(356,186)	(394,318)
Depreciation and amortization	(276,832)	(11)	(25,265)	(302,108)	(269,731)
Leases and rental (a)	(3,575)	(17)	(994)	(4,586)	(9,763)
Taxes	(2,485)	(14)	(12,539)	(15,038)	(13,591)
Net provisions - contingencies	(477)	-	(31,074)	(31,551)	(31,115)
Regulatory fines	-	-	-	-	(283)
Other (expenses)/operating income	(21,788)	(6,195)	(5,200)	(33,183)	(17,522)
Total costs/expenses	(831,645)	(67,843)	(313,251)	(1,212,739)	(1,209,866)

(a) Leases and rentals

	03/31/2019
Leases expenses	
- Out of IFRS 16 scope	(4,070)
- Exemptions provided for in IFRS 16:	
- Low value	(516)
	(4,586)

26. Financial income and expense

Financial income	03/31/2019	03/31/2018
		(Restated)
Income from financial investments	46,762	64,155
Interest and charges on delayed payments	52,127	44,311
Monetary indexation and exchange variation - Debt	489,347	456,296
Monetary indexation and exchange variation - Other income	8,852	35,369
Derivative Financial Instruments	437,809	317,599
Judicial deposits monetary indexation	3,578	6,286
Monetary indexation on Portion A and other financial items receivable	8,056	20,048
(-) PIS and COFINS on financial income	(9,424)	(9,076)
Other financial revenue	21,064	17,564
Total	1,058,171	952,552

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Financial expenses		
Debt charges	(258,371)	(250,998)
Monetary indexation and exchange variations - Debt	(556,677)	(523,325)
Monetary indexation and exchange variations - Other expenses	(14,674)	(45,600)
Derivative Financial Instruments	(423,089)	(323,794)
Post-employment benefits and other benefits	(21,109)	(23,584)
IOF	(11,170)	(4,179)
Leases	(1,893)	-
R&D/PEE Charges	(4,282)	(3,680)
Monetary indexation on Portion A and other financial items receivable	-	(15,715)
Provisions for contingencies monetary indexation	(33,722)	(24,445)
Other financial expenses	(25,053)	(34,241)
Total	(1,350,040)	(1,249,561)
Net financial result		
	(291,869)	(297,009)
Summary of Monetary Indexation and Exchange variation		
Loans, financing and debentures	(67,330)	(67,029)
Others	(5,822)	(10,231)
Net Total	(73,152)	(77,260)

27. Balances and transactions with related parties

The following companies maintain commercial operations with related parties of the same economic group. The balances and natures of these transactions are stated below:

		Assets/ (Liabilities)		Revenue/ (Expense)		
		03/31/2019	12/31/2018	03/31/2019	03/31/2018	Due date
Revenue / (Purchase) of Electric Power						
NORTE ENERGIA S.A.	(a)	(79,313)	(97,785)	(174,640)	(198,530)	2044
ENERGÉTICA ÁGUAS DA PEDRA	(a)	(7,232)	(7,525)	(15,993)	(13,392)	2040
COMPANHIA HIDROELÉTRICA TELESPIRES	(a)	(33,199)	(27,533)	(82,128)	(48,735)	2044
		(119,744)	(132,843)	(272,761)	(260,657)	
Use and Connection of Transmission System (CUST) and (CTT)						
ENERGÉTICA ÁGUAS DA PEDRA	(a)	-	3	1	17	2043
COMPANHIA HIDROELÉTRICA TELESPIRES	(a)	4	36	-	170	2046
		4	39	1	187	
Administrative Services						
ENERGÉTICA ÁGUAS DA PEDRA	(b)	677	-	2,030	-	2020
COMPANHIA HIDROELÉTRICA TELESPIRES	(c)	49	-	395	-	2020
CELPOS / FAELBA / FASERN	(d)	(51,165)	(51,152)	(14,130)	(14,938)	Undetermined
PREVI	(e)	(151,464)	(151,464)	-	-	Undetermined
BANCO DO BRASIL	(f)	-	-	(2,886)	(2,774)	Undetermined
IBERDROLA ENERGIA	(g)/(h)	(16,691)	(44,178)	(16,691)	(15,493)	2023
IBERDROLA RENOVABLES	(g)	(1,443)	(9,262)	-	-	Undetermined
IBERDROLA GENERACION	(i)	(29,796)	(2,400)	(3,360)	(12,602)	2019
		(249,833)	(258,456)	(34,642)	(45,807)	
Dividends and Interest on Equity						
ENERGÉTICA ÁGUAS DA PEDRA	(j)	11,996	11,998	-	-	2019
ENERGÉTICA CORUMBA III S.A.	(j)	841	830	-	-	2019
OUTROS MINORITÁRIOS	(j)	(6,537)	(8,335)	-	-	2019
PREVI	(j)	(4,265)	(143,434)	-	-	2019
BANCO DO BRASIL	(j)	-	(28,846)	-	-	2019
IBERDROLA ENERGIA	(j)	-	(161,884)	-	-	2019
		2,035	(329,671)	-	-	
Loans, Financial Investment and Loan Agreement						
BANCO DO BRASIL	(k)/(l)/(m)	(401,955)	(288,564)	7,756	26,813	2021
		(401,955)	(288,564)	7,756	26,813	

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The main transactions with related parties refer to:

- (a) Electric power supply contracts, contracts of use of the transmission system (CUST), contracts of use of the distribution system (CUSD), contracts in the regulated environment (CCEAR) and Contracts of Connection to the Transmission System (CCT) signed between the Companies Group. Major contracts are detailed below:
 - (i) Norte Energia S.A.: energy purchase contracts entered by Coelba, Cosern, Celpe and Elektro Redes through regulated auctions (and regulated prices), with supply period between 2015-2044.
 - (ii) Águas da Pedra: energy purchase contracts entered by Coelba, Cosern, Celpe and Elektro Redes through regulated auctions (and regulated prices), with supply period between 2011-2040.
 - (iii) Teles Pires: energy purchase contracts entered by Coelba, Cosern, Celpe and Elektro Redes through regulated auctions (and regulated prices), with supply period between 2015-2044. Additionally, there are energy purchase contracts entered by NC Comercializadora in the free market, with supply period starting in 2018 and reaching 2036.
- (b) Services provided by Neenergia O&M to Águas da Pedra, related to operation and maintenance services, from 2016 to 2020, with prices being adjusted by inflation.
- (c) Services provided by Neoserv to Teles Pires: transactional and accounting services, preparation of periodic reports to regulators, attendance to external audit, preparation of quarterly and annual financial statements, as well as tax services, from 2018 to 2020, with prices being adjusted by inflation.
- (d) Coelba, Celpe and Cosern's contributions to the pension funds of the active employees, as detailed in note 32.
- (e) Obligation with PREVI, as already explained in note 22.
- (f) Contract for service of collection of energy bills entered by Elektro Redes with Banco do Brasil, with prices adjusted by IPCA inflation index.
- (g) Administrative service agreement, both contracts follow the same methodology for pricing (cost plus margin) and the contracts are automatically renewed:
 - (i) Iberdrola Energia: Services provided by Iberdrola Energia related to human resources, information technology (hardware and softwares), purchasing, financial, regulatory, control, infrastructure services, among others, with the objective of máxime operational efficiency of Iberdrola's units in different locations, by sharing best practices through service rendering.
 - (ii) Iberdrola Renovables: Services provided by Iberdrola Renovables related to management, promotion, construction and operation of the wind farms in Brazil.
- (h) Agreement with Iberdrola Energia, relating to interest on payables resulting from the sale of Coelba and Cosern shares, which were converted into capital in December 2017, as explained in note 22.

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- (i) Iberdrola Generacion Engineering Service Agreement to Termope, with annual adjustment based on the variation of the IGP-M.
- (j) Dividends and Interest on equity to be paid or received by Neoenergia.
- (k) Subsidiaries hold loans with Banco do Brasil S.A., which owns controlling interests on BB - Banco de Investimento S.A. (which is shareholder of the Company), for working capital financing purposes (Coelba, Cosern, Celpe, at a cost of CDI plus spread, maturing up to 2021) and investment financing (wind farms, at a cost of TJLP plus spread, maturing up to 2030).
- (l) Subsidiaries hold investment funds in BB - Banco de Investimentos S.A (BB Polo 28 and BB Ampla, as disclosed in note 7), subject to market rates and high liquidity.
- (m) Loans contracted with Banco do Brasil S.A controlling shareholder BB - Banco de Investimento S.A.

27.1 Management compensation

The total amount of compensation of the Company's management for the period ending as of March 31, 2019 is R\$ 16,198 (R\$ 11,170 as of March, 2018) These are recorded on an accrual basis, including the following item:

Composition of Managers' Compensation	03/31/2019	03/31/2018
Recurring compensation	8,982	6,533
Short-term Benefits	4,386	77
Long-term Benefits	1,130	2,952
Contract Terminations	1,700	1,608
Total	16,198	11,170

The Shareholders' Meetings held between December and April, 2019 approved the amount of up to R\$ 77,542 for management annual global compensation payment ceiling, as a limit on the compensation to be paid in 2019 (cash basis). Until December, the amounts paid under cash basis were R\$ 15,634, including the items below:

Composition of Managers' Compensation	03/31/2019	03/31/2018
Recurring compensation	7,650	7,563
Short-term Benefits	5,205	77
Long-term Benefits	1,121	-
Contract Terminations	1,658	1,608
Total	15,634	9,248

In addition, the Company does not maintain any stock-based compensation program or other long-term benefits to its employees and/or managers.

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28. Financial risk management

a) General and political considerations

The management of the Company's financial risks is in line with the treatment proposed in the internal Credit Risk Policy approved by the Board of Directors, and other regulations.

Among the guidelines set forth in this policy and other regulations are: foreign exchange hedge of the total debt in foreign currency; evaluation of interest rate hedge of debt in local currency; foreign currency disbursements hedge evaluation; diversification of debt instruments, maturities and counterparties and extension of the average payment period.

In addition, the use of derivatives has as its sole purpose the protection and risk mitigation, so that is forbidden contracting exotic derivatives, leveraged or for speculative purposes.

Risk monitoring is carried out through the management of controls, which aims to promote continuous monitoring of contracted operations, and compliance with the approved risk limits.

The Company is exposed to a number of financial risks, including market risks (exchange rate risk, interest rate and price index risk, among others), credit risk and liquidity risk.

b) Market risk management

Foreign exchange risk

The Company, aiming at ensuring that the significant fluctuations do not affect its income and cash flow, had as of March 31, 2019, foreign exchange hedge operations for all its debts in foreign currency and for the main disbursements and investments in foreign currency.

The foreign exchange hedging strategies are described in item "e" - Complementary information on derivative financial instruments.

Interest rate risk

This risk arises from the possibility that the Company may incur in losses due to fluctuations in interest rates or other debt indexes such as price indexes, that increase the finance costs related to loans and financing raised in the market.

Therefore, the Company continuously monitors market interest rates in order to assess the possible need to hedge against the risk of volatility of these rates.

The interest rate hedging strategies are described in Item "e" - Complementary information on derivative financial instruments.

c) Liquidity risk management

Liquidity risk is characterized by the possibility that the companies will not honor their commitments upon maturity. The financial policy adopted by the Company constantly seeks to mitigate liquidity risk with the main points being the extension of the maturities of loans and financing, not concentrating due dates, the diversification of financial instruments and the hedging of foreign currency debt.

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The continuous monitoring of the cash flow allows the identification of eventual fundraising needs, with the necessary advance for structuring and choosing the best sources.

In the event of cash surpluses, financial investments are made for surplus funds are invested based on the Company's credit policy, in order to preserve liquidity. The investments are concentrated in funds exclusive to Company companies and aim to allocate the maximum amount of funds possible in assets with daily liquidity.

As of March 31, 2019, the Company held total investments in the short term in the amount of R\$ 3,024,909, R\$ 2,330,657 out of it in exclusive funds and R\$ 694,252 in other assets.

The table below shows the total value of the Group's monetizable debt flows, by maturity, corresponding to the remaining contractual period and uses the Group's current indebtedness as of March 31, 2019, the future market curves for the indexes and currencies.

	03/31/2019								
	Book value	Total Contractual cash flow	Up to 9 months	2020	2021	2022	2023	2024	More than 5 years
Non-derivative Financial Liabilities:									
Loans and Financing	12,368,306	16,042,192	1,861,121	4,260,178	2,750,278	2,648,264	1,155,528	646,433	2,720,390
Debentures	8,646,535	11,557,096	1,062,575	1,820,057	1,630,895	2,344,460	2,852,042	970,647	876,420
Suppliers	3,171,105	2,737,030	2,086,433	535,992	-	-	-	-	114,605
Derivative financial liabilities									
Foreign exchange Swap and Interest Rate	(1,183,701)	(1,577,180)	(1,417)	(456,242)	(250,358)	(263,974)	(108,218)	(99,026)	(397,945)
Non-deliverable Forwards (NDF)	(22,006)	(21,257)	(17,034)	(6,011)	1,788	-	-	-	-
Options	(2,254)	(255)	(94)	(161)	-	-	-	-	-

d) Credit risk management

Credit risk arises from the possibility of the Company incurring losses due to non-compliance with obligations and commitments by the counterparties.

Credit risk with commercial counterparties

The main credit exposure arises from the possibility that Company incurring losses resulting from the difficulty of receiving amounts billed in the distribution, transmission, generation and commercialization businesses.

In order to mitigate this type of risk and help manage the risk of default, the Company monitors the accounts receivable, requests guarantees and performs various collection actions in accordance with regulation.

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Credit risk with financial institutions

For operations involving cash and cash equivalents, marketable securities and derivatives, the Company follows the provisions of its credit policy, which aims to mitigate risk through financial institution diversification and the selection of financial institutions with good credit ratings.

The exposure of each counterpart is also followed up, in addition to the quality of credit and its long-term ratings published by rating agencies, for the main institutions with which the Company has current operations.

The table below presents long term ratings nationwide published by Moody's, S&P or Fitch for the main financial institutions with which the Company had outstanding operations as of March 31, 2019.

Long-term ratings nationwide¹	Moody's	S&P	Fitch
Banco do Brasil	Aa1		AA
BNP Paribas		AAA	
Bradesco	Aa1	AAA	AAA
Caixa Econômica Federal	Aa1	AAA	AA
Citibank		AAA	AAA
Goldman Sachs			AAA
Itaú	A1	AAA	AAA
Santander	Aaa	AAA	
Morgan Stanley		AAA	
MUFG		AAA	
Votorantim	Aa3	AAA	

^[1] Bank of America, HSBC, JP Morgan, Sumitomo and Scotiabank have ratings only on a global scale

Below is the total credit exposure of the Company's consolidated financial assets. These are gross amounts not including any provision for impairment of assets.

	03/31/2019	12/31/2018
Measured at Amortized Cost		
Cash and cash equivalents	356,432	293,680
Securities	165,566	131,320
Trade and other receivables	6,974,471	6,488,961
Portion A and other financial items	917,753	846,668
Measured at Fair Value through the Income		
Cash and Cash Equivalents	2,668,477	3,639,995
Concession of Public Utilities - Indemnity	9,934,096	9,291,376

e) Complementary information on derivative financial instruments

As of March 31, 2019, there was no margin amount deposited referring to derivative positions.

The Company has derivative instruments for economic and financial protection against exchange rate risk, interest rates and price indexes. The main instruments used are swaps and Non-Deliverable Forwards (NDF).

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All derivative operations of hedge programs are detailed in the following table, which includes, for each derivative contract, information on the type of instrument, reference value, fair value, contracting date, due date, the counterparty and the hedge index.

In order to determine the economic relation between the hedged item and the hedging instrument, the Company adopts a prospective effectiveness test methodology through the critical terms of the object and of the derivatives contracted with the purpose of concluding whether there is an expectation that changes in cash flows of the hedged item and the hedging instrument can be offset against each other.

(i) Hedging program for loans and financing in Dollar

With the purpose of economic and financial protection, the Company contracts swap transactions to convert USD-denominated debts and loans into R\$. In these swaps, the Company assumes a passive position in Real pegged to CDI and an active position in USD pegged to fixed or floating rates (Libor).

Post Swap USD vs. Post R\$	Reference Value		Maturity (Year)	Fair Value		Amount Receivable/Received or Payable/Paid
	03/31/2019	12/31/2018		03/31/2019	12/31/2018	03/31/2019
Company						
Asset	\$724,276	\$ 744,776	2018 - 2029	2,860,282	2,928,163	
Liability	R\$ 2,360,550	R\$ 2,430,231		(2,359,235)	(2,431,335)	
Net Credit risk				192	(806)	
Total				501,239	496,022	5,217

Post Swap USD vs. Post R\$	Reference Value		Maturity (Year)	Fair Value		Amount Receivable/Received or Payable/Paid
	03/31/2019	12/31/2018		03/31/2019	12/31/2018	03/31/2019
Company						
Asset	\$873,207	\$ 910,581	2018 - 2021	3,445,925	3,510,967	
Liability	R\$ 2,845,458	R\$ 2,981,557		(2,883,453)	(3,025,869)	
Net Credit risk				1,691	296	
Total				564,163	485,394	78,769

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

(ii) Hedging program for loans and financing in Euro

With the purpose of economic and financial protection, the Company contracts swap transactions to convert EUR-denominated debts and loans into R\$. In these swaps, the Company assumes a passive position in Real pegged to CDI and an active position in EUR pegged to fixed or floating rates (Euribor).

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<u>Pre Swap EUR</u> <u>vs.</u> <u>Post R\$</u>	Reference Value		<u>Maturity</u> <u>(Year)</u>	Fair Value		Amount Receivable/Receive d or Payable/Paid
	03/31/2019	12/31/2018		03/31/2019	12/31/2018	03/31/2019
Company						
Asset	79,806 €	79,814 €		369,229	374,207	
Liability	R\$ 356,552	R\$ 356,547	2026	(370,051)	(371,423)	
Net Credit risk				1	(3)	
Total				(821)	2,781	(3,602)

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

(iii) Hedging program for loans and financing in Reais indexed to IPCA

With the purpose of economic and financial protection, the Company contracts swap operations to convert to CDI debts and loans in Reais pegged to IPCA inflation index. In these swaps, the Company assumes a passive position in CDI and an active position in IPCA.

<u>Swap IPCA vs</u> <u>CDI</u>	Reference Value		<u>Maturity</u> <u>(Year)</u>	Fair Value		Amount Receivable/Received or Payable/Paid
	03/31/2019	12/31/2018		03/31/2019	12/31/2018	03/31/2019
Company						
Asset	R\$ 513,041	R\$ 505,869	2021 - 2025	858,134	848,962	
Liability	R\$ 740,912	R\$ 735,892		(739,419)	(734,290)	
Net Credit risk				405	16	
Total				119,120	114,688	4,432

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

(iv) Hedge program for dollar disbursements

In order to reduce cash flow volatility, the Company may enter into non-deliverable forwards (NDF) and options to mitigate currency exposure arising from dollar-denominated or dollar-indexed outflows.

<u>NDF</u>	Reference Value		<u>Maturity</u> <u>(Year)</u>	Fair Value		Amount Receivable/Receiv ed or Payable/Paid
	03/31/2019	12/31/2018		03/31/2019	12/31/2018	03/31/2019
USD Disbursement						
Company						
Term	\$177,801	\$119,707	2021	33,657	27,744	
Total				33,657	27,744	5,913

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<u>Options</u>	<u>Reference Value</u>		<u>Maturity (Year)</u>	<u>Fair Value</u>		<u>Amount Receivable/Receiv ed or Payable/Paid</u>
	<u>03/31/2019</u>	<u>12/31/2018</u>		<u>03/31/2019</u>	<u>12/31/2018</u>	<u>03/31/2019</u>
Company						
Purchase of Call	R\$ 4,123	R\$ 4,519	2018 a 2020	2,275	2,176	
Sale of Put Option	R\$ 782	-		(21)	410	
Total				2,254	2,586	(332)

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

(v) Hedge program for Euro disbursements

In order to reduce cash flow volatility, the Company may enter into non-deliverable forwards (NDF) operations to mitigate currency exposure arising from dollar-denominated or euro-indexed outflows.

<u>NDF</u>	<u>Reference Value</u>		<u>Maturity (Year)</u>	<u>Fair Value</u>		<u>Amount Receivable/Receiv ed or Payable/Paid</u>
	<u>03/31/2019</u>	<u>12/31/2018</u>		<u>03/31/2019</u>	<u>12/31/2018</u>	<u>03/31/2019</u>
EUR Disbursement Company						
Term	€ 45,852	€45,855	2021	(9,052)	(2,791)	
Total				(9,052)	(2,791)	(6,261)

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

(vi) Hedge program for Swedish Kronor disbursements

In order to reduce cash flow volatility, the Company may enter into non-deliverable forwards (NDF) operations to mitigate currency exposure arising from dollar-denominated or Swedish kronor-indexed outflows.

<u>NDF</u>	<u>Reference Value</u>		<u>Maturity (Year)</u>	<u>Fair Value</u>		<u>Amount Receivable/Receiv ed or Payable/Paid</u>
	<u>03/31/2019</u>	<u>12/31/2018</u>		<u>03/31/2019</u>	<u>12/31/2018</u>	<u>03/31/2019</u>
SEK Disbursement Company						
Term	SEK 127,388	SEK 127,388	2021	(2,599)	(466)	
Total				(2,599)	(466)	(2,133)

This program is classified in accordance with accounting criteria for hedge accounting and measured at fair value.

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Accounting treatment of Derivatives

Derivative instruments are recognized as assets and liabilities in the Statement of financial position and measured at fair value. When the transaction is eligible and designated as hedge accounting, changes in the fair value of the derivatives are recorded as follows:

- (i) Fair Value Hedge: the gain or loss resulting from the new measurement of derivatives at fair value is booked under the income account.
- (ii) Cash Flow Hedge: Changes in fair value of derivative financial instruments designated as effective cash flow hedge have their effective component recorded in the stockholders' equity (other comprehensive income) and the ineffective component recorded in the year. The amounts recorded in the stockholders' equity are only transferred to the income statement in the appropriate account (cost, operating expense or financial expense), when the hedged item is effectively realized.

At the beginning of the hedge accounting operation, the Company documents the relationship between the hedging instruments and the hedged items in order to better manage risks and come up with the best strategy for hedge operations. The Company also documents, both initially and continuously, its assessment that derivatives used in hedging transactions are highly effective.

Derivatives which are not earmarked for hedge accounting are classified as economic hedge, and changes in their fair value are fully booked under the income account.

f) Sensitivity analysis

In compliance with CVM Instruction 475 dated December 17, 2008, the following analysis estimates the potential value of the instruments in hypothetical stress scenarios of the main market's risk factors, each one impacting the positions, while all other variables keep constant.

- Probable Scenario: The charges and income for the following year were projected considering the balances, exchange rates and/or interest rates in force at the end of the fiscal year.

- Scenario II: This projection was increased by 25% compared to the probable scenario.

- Scenario III: This projection was increased by 50% compared to the probable scenario.

For income from financial investments in Scenarios II and III consider a reduction of 25% and 50%, respectively, in relation to the probable scenario.

For a sensitivity analysis of derivative instruments, Management understands that there is a need to consider the liabilities with exposure to fluctuations in exchange rates and their respective derivative instruments recorded in the Statement of financial position.

As 100% of foreign currency debt is protected by swaps, the risk of US Dollar variations is shown in the table below:

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Operation	Currency	Risk	Quote	Exposure (Balance/ Notional)	Probable Scenario	Scenario of Impact (II)	Scenario of Impact (III)
Debt in Dollar	Dollar(\$)	Dollar increase	3.897	(6,254,151)	-	(1,562,887)	(3,127,150)
Swap Short Position in Dollar		Dollar decrease		6,306,207	-	1,300,537	2,601,074
Net Exposure				52,056	-	(262,350)	(526,076)
Debt in Euro	Euro(€)	Euro Increase	4.376	(349,036)	-	(87,006)	(174,265)
Swap Short Position in Euro		Euro decrease		369,229	-	-	-
Net Exposure				20,193	-	(87,006)	(174,265)
Collar	Dollar(\$)	Dollar decrease	3.974	2,254	-	(1,552)	(4,276)
Hedged Item: part of disbursements in USD				-	-	-	-
Net Exposure				2,254	-	(1,552)	(4,276)
NDF	Dollar(\$)		3.897	33,657	-	-	-
Hedged Item: part of disbursements in USD		Dollar decrease		-	-	(168,741)	(337,484)
Net Exposure				33,657	-	(168,741)	(337,484)
NDF	Euro(€)		4.376	(9,053)	-	(25)	(50)
Hedged Item: part of disbursements in USD		Euro decrease		-	-	(51,242)	(102,482)
Net Exposure				(9,053)	-	(51,267)	(102,532)
NDF	SEK	Swedish Kronor decrease	0.420	(2,598)	-	-	-
Hedged Item: part of disbursements in USD				-	-	(13,436)	(26,871)
Net Exposure				(2,598)	-	(13,436)	(26,871)

The table below shows the losses (gains) due to the variation in interest rates that may be recognized in the Company's income in the subsequent year, if one of the scenarios shown below occurs:

Operation	Indexer	Risk	Rate for the period	Exposure (Balance/ Notional)	Probable Scenario	Scenario of Impact (II)	Scenario of Impact (III)
FINANCIAL ASSETS							
Financial investments in CDI	CDI	CDI Decrease	6,4%	2,459,123	38,435	(9,444)	(18,994)
FINANCIAL LIABILITIES							
Loans, financing and debentures							
CDI debt	CDI	Increase of CDI	6,4%	(8,236,761)	(150,272)	(70,677)	(106,544)
Dollar x CDI Swaps (Short Position)	CDI	Increase of CDI	6,4%	(6,705,803)	(121,453)	(29,412)	(58,469)
Debt in IPCA	IPCA	Increase in IPCA	5,3%	(4,507,744)	(123,991)	(14,504)	(28,892)
IPCA x CDI Swaps (Short Position)	IPCA	Increase in IPCA	5,3%	1,088,690	30,703	3,534	7,050
Debt in LIBOR 3M	LIBOR	Increase of LIBOR 3M	2,6%	(1,896,734)	(18,360)	(3,243)	(6,481)
Libor 3M x CDI Swaps (Short Position)	LIBOR	Increase of LIBOR 3M	2,6%	1,896,980	20,899	3,586	7,166
Debt in LIBOR 6M	LIBOR	Increase of LIBOR 6M	2,7%	(1,094,023)	(7,322)	(1,696)	(3,387)
Libor 6M x CDI Swaps (Short Position)	LIBOR	Increase of LIBOR 6M	2,7%	1,091,532	7,646	1,756	3,508
Debt in SELIC	SELIC	Increase of SELIC	6,4%	(854,264)	(18,209)	(3,262)	(6,488)
Debt in TJLP	TJLP	Increase of TJLP	6,3%	(3,605,605)	(73,522)	(14,107)	(28,213)
Debt in IGP-M	IGP-M	Increase of IGP-M	0,0%	-	-	-	-

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29. Fair value measurement

For the measurement and determination of fair value, the Company uses several methods including market, result and amortized cost approaches, in order to estimate the value that market participants would use to price the asset or liability. Due to the short-term cycle, it is assumed that the fair value of cash and cash equivalents, financial investments, trade accounts receivable and accounts payable to suppliers are close to their carrying amounts.

Financial assets and liabilities recorded at fair value must be classified and disclosed according to the following levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (prices) or indirectly (derived from prices);

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below sets forth the book values and fair values of the Company's financial instruments and other assets and liabilities, as well as their measurement level, as of March 31, 2019 and 2018:

	Level (*)	03/31/2019		12/31/2018	
		Book Value	Fair Value	Book Value	Fair Value
(Current/Noncurrent) Financial Assets					
Measured at Amortized Cost		7,598,029	7,598,029	7,707,072	7,707,072
Cash and Cash Equivalents		356,432	356,432	293,680	293,680
Securities	2	165,566	165,566	131,320	131,320
Accounts Receivable from Customers and Other	2	5,989,029	5,989,029	5,489,437	5,489,437
Concession of Public Service - Receivables Transmission Companies	3	-	-	760,746	760,746
Portion A and Other Financial Items	3	1,087,002	1,087,002	1,031,889	1,031,889
Measured at Fair Value through the Income		13,575,148	13,575,148	13,891,553	13,891,553
Cash and Cash Equivalents		2,668,477	2,668,477	3,639,995	3,639,995
Accounts Receivable from Customers and Other*	3	-	-	15,193	15,193
Interest Rate and Exchange Rate Swap	2	972,575	972,575	980,568	980,568
Concession of Public Utilities - Indemnity	3	9,934,096	9,934,096	9,255,797	9,255,797
Measured at Fair Value through the Comprehensive Income		272,655	272,655	173,573	173,573
Non-deliverable forwards (NDF)	2	30,601	30,601	25,010	25,010
Options	2	2,275	2,275	2,598	2,598
Interest Rate and Exchange Rate Swap	2	239,779	239,779	145,965	145,965
(Current/Noncurrent) Financial Liabilities					
Measured at Amortized Cost		17,168,925	17,168,925	16,450,106	16,450,106
Suppliers		3,171,105	3,171,105	2,760,463	2,760,463
Loans and Financing	2	5,765,119	5,765,119	5,525,592	5,525,592
Debentures	2	8,008,523	8,008,523	7,923,385	7,923,385
Concession of Public Service (Use of public property)	2	54,929	54,929	55,445	55,445
Portion A and Other Financial Items	3	169,249	169,249	185,221	185,221
Measured at Fair Value through the Income		7,253,521	7,253,521	7,617,091	7,617,091
Loans and Financing	2	6,603,187	6,603,187	6,780,126	6,780,126
Debentures	2	638,012	638,012	826,989	826,989
Interest Rate and Exchange Rate Swap	2	12,322	12,322	9,976	9,977

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Measured at Fair Value through the Comprehensive Income		24,946	24,946	18,207	18,207
Non-deliverable forwards (NDF)	2	8,595	8,595	523	523
Options	2	20	20	12	12
Interest Rate and Exchange Rate Swap	2	16,331	16,331	17,672	17,672

(*) Refers to contracts of portfolio for trading of power of subsidiary NC Energia which are booked as derivatives and measured at fair value through the income statement, as provided for under the Technical Pronouncement IFRS 9.

There were no transfers between Level 1 and Level 2, or between Level 2 and Level 3 during the period ending as of March 31, 2019.

Changes in level 3 assets and respective gains (losses) in the income statement for the period ending as of March 31, 2019 were R\$ 126,662 (R\$ 58,578 as of March 31, 2018).

Assessment Methods and Techniques

The Company understands that since the majority of the fair value of accounts receivable and suppliers matures in the short term, it is already reflected in its book value. As well as for bonds and securities classified as maintained to maturity. In this case, the Company understands that its fair value is similar to the registered book value, since both have interest rates indexed to the DI (Interbank Deposits) curve that reflects the variations of the market conditions.

The financial assets classified as measured at fair value are, for the most part, invested in exclusive funds, that way the fair value is reflected in the value of the share in the fund.

i) Concession of Public Utilities

As the distribution subsidiaries classified the respective financial assets of the concession as measured at fair value through the income statement, the factors relevant to fair value measurement are not publicly observable and there is no active market. Thus, the fair value hierarchy classification is of level 3.

Since all the contractual characteristics are reflected in the amounts accounted for, the Company understands that the book value recorded impacts their fair values. The accounting measurement of the compensation and the receivables resulting from the concession is carried out through the application of contractual and legal regulatory criteria.

ii) Loans and Financing

For financings classified and measured at amortized cost, the Company understands that, since these are bilateral operations and do not have an active market or other similar source with conditions comparable to those already presented and that may be a parameter for determining their fair values, the values reflect the fair value of the transactions.

For the loans classified as measured at fair value, the Company measured the fair value through the present value of the estimated flows taking into account the contractual characteristics of each operation. The method used is calculating the present value of future debt flows.

For equity market debt, fair values are measured based on the market approach and their reference prices are available on the secondary market.

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iii) Derivatives

As a result of the reassessment of the methodology for the Fair value calculation of the Company, implemented in 2018, the present value started being calculated using the currencies of 100% of the foreign exchange coupon for the asset and 100% of the future DI of BM&F under liabilities. Until December 31, 2017, a rate based on the CDI cost at the beginning of each operation was used for this calculation. This change in accounting estimates did not have a material impact in the period and the same behavior is expected for subsequent periods.

In the case of swaps, both the present value of the asset and the short term one are estimated by discounting the future cash flows. The difference between the present value of the asset side and the short position of the swap generates its fair value.

30. Segment information

The Company has four strategic divisions, which are its reportable segments based on the internal operational management structure. This management is performed through the segmentation per types of business: Networks, Liberalized, Renewables and Others activities'.

Iberdrola, controlling shareholder of Neoenergia, uses the same grouping in the daily management of its business, in its internal and external presentations of financial results, in the analysis of operating performance, having a corporate managing structure responsible for each one of these lines of business in each country that it operates, reporting to the parent in Spain. There is, however, a wide array of support activities, such as financing, cash management, tax management, which are not attributable to each line of business and, therefore, are not allocated.

The results, assets and liabilities per segment include items directly attributable to the segment and also those which may reasonably be allocated when applicable. The prices charged between the segments are defined based on similar market transactions.

Below we present the structure used as of March 31, 2019 and December 31, 2018 detailed by Company:

Information per segment as of March 31, 2019 and Information per segment as of December 31, 2018	
Networks	Coelba Celpe Cosern Elektro Afluente T Narandiba Potiguar Sul EKTT 1 EKTT 2 EKTT 3 EKTT 4 EKTT 5 EKTT 11 EKTT 12 EKTT 13 EKTT 14 EKTT 15 Neoserv

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Liberalized	Termope NC Energia EKCE Neoinvest Elektro O&M
Renewables	Itapebi Baguari Geração CIII Geração Céu Azul Bahia PCH II Belo Monte Neoenergia O&M Calango 1 Calango 2 Calango 3 Calango 4 Calango 5 Calango 6 Mel 2 Arizona 1 Caetité 1 Caetité 2 Caetité 3 Força Eólica do Brasil Força Eólica Participações Força Eólica do Brasil 1 Força Eólica do Brasil 2 Elektro Renováveis do Brasil Lagoa 1 Lagoa 2 Canoas 1 Santana 1 Santana 2 Enerbrasil Chafariz 1 Chafariz 2 Chafariz 3 Chafariz 6 Chafariz 7 Lagoa 3 Lagoa 4 Canoas 2 Canoas 4
Others	Neoenergia

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The information separated per segment is presented below, in accordance with the criteria established by the Company's Management:

Information on Reportable Segments

	Networks		Liberalized		Renewables		Others		TOTAL		Consolidation Adjustments		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Third-party revenue	6,680,478	5,075,278	267,250	429,188	155,285	41,042	870	1,030	7,103,883	5,546,538	-	-	7,103,883	5,546,538
Intersegment Revenue	10,899	10,104	349,020	353,363	63,844	187,066	-	-	423,763	550,533	-	-	423,763	550,533
Eliminations	(10,899)	(10,104)	(349,020)	(353,363)	(63,844)	(187,066)	-	-	(423,763)	(550,533)	-	-	(423,763)	(550,533)
Net revenue	6,680,478	5,075,278	267,250	429,188	155,285	41,042	870	1,030	7,103,883	5,546,538	-	-	7,103,883	5,546,538
Gross Income	1,300,223	824,557	34,985	154,806	121,301	125,136	870	1,030	1,457,379	1,105,529	-	-	1,457,379	1,105,529
Financial income	950,629	804,625	49,262	18,083	38,242	40,512	20,038	89,332	1,058,171	952,552	-	-	1,058,171	952,552
Financial expenses	(1,197,729)	(1,011,758)	(62,430)	(60,470)	(65,675)	(70,944)	(24,206)	(105,607)	(1,350,040)	(1,248,779)	-	(782)	(1,350,040)	(1,249,561)
Depreciation and amortization	(255,461)	(223,576)	(12,447)	(11,478)	(33,414)	(33,889)	(786)	(788)	(302,108)	(269,731)	-	-	(302,108)	(269,731)
Surplus value amortization	1,123	-	(42)	-	(869)	(75)	(42,811)	(45,645)	(42,599)	(45,720)	-	-	(42,599)	(45,720)
Result of equity method	-	-	-	-	16,509	45,415	9,620	(3,372)	26,129	42,043	-	-	26,129	42,043
Income Tax and Social Contribution	168,398	88,411	(5,610)	18,338	22,090	24,436	5,452	-	190,330	131,185	-	(266)	190,330	130,919
Profit for the year	478,590	215,141	12,356	77,825	62,938	84,064	(44,162)	(75,813)	509,722	301,217	-	(516)	509,722	300,701

	Networks		Liberalized		Renewables		Others		TOTAL	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Assets of reportable segments	31,170,986	29,663,620	1,145,796	1,200,269	5,437,189	5,392,282	99,046	77,040	37,853,017	36,333,211
Investments	1,054,747	3,599,591	41,024	75,332	29,297	391,939	-	1,549	1,125,068	4,068,411
Liabilities of reportable segments	4,787,492	4,233,373	259,780	267,100	371,446	389,052	34,724	70,200	5,453,442	4,959,725

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Reconciliation of reportable segments information

	03/31/2019	03/31/2018 (Reestimated)
(a) Earnings before income tax and Social Contribution		
Total pre-tax profit for reportable segments		
Amounts not allocated	700,052	432,402
Other expenses	-	(782)
Consolidated income before income tax and social contribution	700,052	431,620
(b) Assets		
Reportable segments' assets	37,853,017	36,333,211
Cash and cash equivalents, Bonds and Securities and Derivative financial instruments	4,435,705	5,219,137
Recoverable taxes and contributions	1,281,862	1,182,157
Dividends and interest on equity	12,837	12,828
Deferred taxes and contributions	963,205	1,031,035
Investments	2,444,203	2,418,124
Other current and noncurrent assets	361,749	367,986
Total assets	47,352,578	46,564,478
(c) Liabilities		
Liabilities of reportable segments	5,453,442	4,959,725
Loans, financing, debentures and derivative financial instruments	21,052,110	21,084,275
Payable salaries and charges	264,410	269,609
Regulatory charges	536,762	453,117
Taxes payable and social contribution	795,221	832,871
Dividends and interest on equity	10,802	342,499
Deferred taxes and social contributions	120,835	116,544
Other liabilities (current and non-current)	1,016,366	929,043
Total liabilities	29,249,948	28,987,683

31. Commitments

Commitments related to long term electric power purchase contracts are as follows:

	Effectiveness	April/2020	2021	2022	2023	2024	After 2024
Coelba	2020 to 2030	3,923,263	4,269,791	4,557,444	4,904,268	5,254,528	40,906,272
Celpe	2020 to 2030	3,012,522	3,176,726	3,356,606	3,551,471	3,498,607	26,151,573
Cosern	2020 to 2030	1,129,836	1,202,651	1,274,236	1,326,384	1,413,476	10,909,651
Elektro	2020 to 2028	2,445,902	2,591,615	2,775,149	2,992,593	3,157,658	14,677,377
NC Energia	2020 to 2030	860,515	747,180	372,703	219,009	179,048	961,937

Amounts related to electric power purchase agreements, with terms varying from 6 to 30 years, represent the total contracted volume and were approved by ANEEL.

The Company's distribution companies analyzed contracted electric power commitments that exceed 5% of overcontracting limit, as these may not be considered for tariff pass-through since they are considered voluntary exposure. According to the demand forecasts and market price estimates, the results observed were not considered significant to their operations.

Neoenergia is guarantor of loans, financings and debentures of its subsidiaries and affiliates.

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32. Post-employment benefits

Below we present the values recognized in assets, liabilities related to pension and healthcare plans:

	03/31/2019	12/31/2018
Amount recognized in the Statement of financial position		
Pension benefits-BD	(2,207)	(8,955)
Post-employment health benefits	(769,456)	(762,476)
Allocation of special reserve with reversal of values to the sponsor	(138,070)	(138,807)
	<u>(909,733)</u>	<u>(910,238)</u>

Below we present the values recognized in the Income Statement and Comprehensive Income Statement, related to the related to pension and healthcare plans, as of March 31, 2019 and March 31, 2018:

	03/31/2019	03/31/2018 (Reestimated)
Expenses recognized in the income statement		
Pension benefits - CD	-	(319)
Pension benefits-BD	2,094	(25)
Post-employment health benefits	<u>(17,834)</u>	<u>(19,223)</u>
	<u>(15,740)</u>	<u>(19,567)</u>
Actuarial rightsizing recognized in the comprehensive income of the period		
Pension benefits-BD	<u>(739)</u>	<u>(590)</u>
	<u>(739)</u>	<u>(590)</u>

Changes in post-retirement benefit obligations as at March 31, 2019 and December 31, 2018:

	Supplemental Pension Plans		Post-Employment Health Plan
	CD	BD	
Actuarial obligations as of January 1st, 2018	(9,792)	(2,560,247)	(751,901)
Past service cost	10,897	-	-
Current service cost	(1,225)	(5,218)	(2,430)
Interest cost	(841)	(246,890)	(74,460)
Contributions paid by participants	(95)	(6,186)	-
Benefits paid by the plan	348	154,900	45,842
Demographic assumptions	(36)	-	453
Financial Assumptions	(63)	(140,628)	(37,170)
Plan Experience	807	69,462	57,190
Actuarial obligations as of December 31, 2018	-	(2,734,807)	(762,476)
Current service cost	-	328	(315)
Interest cost	-	(3,422)	(17,520)
Benefits paid by the plan	-	-	10,855
Actuarial obligations as of March 31, 2018	-	(2,737,901)	(769,456)

NEOENERGIA S.A.

Notes to the condensed consolidated Interim Financial Statements
Periods ended on March 31, 2019 and 2018
(In thousands of Reais)

33. Subsequent events

a) Issuance of debentures by the subsidiaries

Details of the debentures that will be issued by the subsidiaries are as follows:

Company	Maturity	Issue	Indexers (% per year)	Amount
TERMOPE	April/2024	Single issue	111.50% CDI	500,000
COELBA	April/2024	1 st issue	108.75% CDI	700,000
	April/2026	2 nd issue	110.50% CDI	
CELPE	April/2024	1 st issue	110.50% CDI	500,000
	April/2026	2 nd issue	112.75% CDI	
COSERN (Infraestrutura)	April/2026	1 st issue	NTNB + 0.10%	218,000
	April/2029	2 nd issue	NTNB + 0.20%	
COSERN	April/2024	3 rd issue	107.25% CDI	282,000
	April/2026	4 th issue	108.50% CDI	
Total				2,200,000

b) Tariff adjustments for Neoenergia's energy distribution subsidiaries in 2019

The National Agency of Electric Power (ANEEL) approved, on April 4, 2019, through 2019 12th Ordinary Public Meeting, the Annual Tariff Adjustment for COELBA and COSERN, effective as of April 22, 2019 onwards, pursuant to ANEEL Homologatory Resolution no. 2,532 and 2,533/2019. COELBA's tariff adjustment will represent an average effect to consumers of 6.22%, being 5.09% for high voltage customers and 6.67% to low voltage customers. COSERN's tariff adjustment will represent an average effect for consumers of 4.73%, being 2.81% to high voltage consumers, and 5.48% for low voltage customers.

The National Agency of Electric Power (ANEEL) approved, on April 23, 2019, through 2019 13th Ordinary Public Meeting, the Annual Tariff Adjustment for CELPE, effective as of April 29, 2019 onwards, pursuant to ANEEL Homologatory Resolution no. 2,535/2019. CELPE's tariff adjustment will represent an average effect for consumers of 5.04%, being 3.76% to high voltage consumers, and 5.56% for low voltage customers.

c) Initial Public Offering of Shares (IPO)

Neoenergia will submit for the resolution of the Extraordinary General Meeting, to be held on April 29, 2019, the application to join the special listing segment of B3 Novo Mercado ("New Market"), the request for registration of a public offering of secondary distribution of common shares ("Offering of Shares"), the amendment and consolidation of the Company's Bylaws to adapt it to the requirements of the New Market Regulation.

d) Public Offering of Distribution of the 6th Issue of Debentures

Neoenergia will submit to the Brazilian Association of Financial and Capital Market Entities ("ANBIMA") the request for prior analysis to register a public offer for the 6th issue of simple non-convertible debentures, unsecured, up to two series, of the Company ("Issue"), to be carried out in accordance with the procedures of CVM Instruction 400, CVM Instruction 471 and Law N° 12,431, of June 24, 2011, as amended ("Law 12.431,2011 and Incentive Debentures"), under the system of guarantee of placement to the initial value of the Issue of R\$ 1,250,000 and of best efforts in the amount of up to R\$ 250,000 for any additional debentures issued in accordance with paragraph 2nd of the article 14 of CVM Instruction 400.